## STATE OF NEW JERSEY

# GOVERNOR PHIL MURPHY

# Expanding Opportunity through Apprenticeship: Innovation Strategies in the Northeast

#### **Governor Philip Murphy**

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#### Remarks as Prepared for Delivery

Good morning, everyone, and thank you all for being here. It is a pleasure to be with you for this much-needed discussion on how we can best prepare New Jersey's workforce for the jobs not only of tomorrow, but for those we must fill today.

I must begin by thanking The Heldrich Center for Workforce Development here at Rutgers University, and its director and my good friend, Carl Van Horn, for hosting us today and for his always gracious introduction.

I also thank the Apprenticeship Forward Collaborative and its member organizations – with a specific shout-out to New America and the National Skills Coalition – for their sponsorship of today's forum. Having your national focus put on our efforts here in New Jersey shows that we are on the right path. Mary Alice McCarthy, thank you for your opening remarks.

I would like to recognize all the other speakers and panelists today, especially those from our administration – Labor and Workforce Development Commissioner Robert Asaro-Angelo and Secretary of Higher Education Zakiya Smith Ellis. I'd also like to acknowledge Commissioner of Education Dr. Lamont Repollet, who is with us, as well. This should be a robust discussion.

I know, as many of you all do, that moving our economy and our workforce forward will require the public sector and private sector to come together in partnership – to share research and best practices, to brainstorm, and to advocate. In each of these areas, I truly hope today is just the beginning of a long-running conversation.

Today's forum also comes at an important time for New Jersey.

Item number one on our administration' agenda is to get our state's economy up off the blocks and back to running laps around our competitors, as it had for so many years.

I have spoken many times of creating a "stronger and fairer" economy. One that grows and also looks out for families. These are not mutually exclusive ideas. They go together. Instilling fairness – whether through better wages and workforce protections, or expanding educational opportunities – is vital to ensuring everyone can participate in the economy.

And, we get stronger when we create new and exciting job opportunities through targeted economic growth and investment in key growth sectors. But we also must ensure that our growth and investments are sustainable.

The budget we proposed would provide the long-term, sustainable revenues New Jersey needs to create a better future and invest in our residents. It makes the right decisions to take more of the tax burden off our middle class, and off working families and small businesses, and ensures the very wealthy and the biggest companies pay their fair share.

Yes, the millionaire's tax is the right way forward. Yes, closing loopholes is commonsense. Yes, resetting the sales

tax is responsible.

The only way we grow and strengthen our economy is by strengthening our fiscal foundation. I know there is broad agreement that we cannot continue to lurch from budget crisis to budget crisis. I know there is broad agreement to invest in our workforce. What we need now is broad agreement that the long-term fiscal health of our state is more important than politics.

What we need is to end the fiscal games and gimmicks that have robbed us of the chance to invest in New Jersey through responsible, forward-looking policies and significant investments in both pre-K through 12 public education and our community colleges – and in rigorous and vigorous apprenticeship programs that will prepare our residents for work.

Our budget would ensure that the programs we need for workforce development are not one-offs – instituted in year one, only to be abandoned in year two. After eight years of neglect and defunding, our apprenticeship programs need our focus now.

Currently, in New Jersey, we can boast more than 7,000 residents enrolled in apprenticeship programs. But, when we look beyond our borders to our competitor states, we see that our numbers are dwarfed significantly. I look at Massachusetts, as I often do, and I see apprenticeship programs that enroll 50 percent more residents than we do.

And, apprenticeship participation as a percentage of the workforce has grown nationally, with the national participation rate average now nearly two-thirds higher than New Jersey's.

The building trades have shown the way for effective apprenticeship programs. New Jersey was quite literally built by union hands and we're going to need more of them to help us build the places where new businesses will take root and grow.

Now is the time to expand upon these successful models, and extend them to additional occupations to train workers who can earn family-sustaining wages. We need a broader vision of what an apprenticeship is and how it can feed our future economic strength. We need to embrace apprenticeship programs for fields in the innovation economy and in health care, in clean energy and advanced manufacturing – sectors which we are poised to dominate.

We know that not every job we will need to fill will require a PhD or even a four-year college degree. The National Skills Coalition has estimated that while one-third of the total job openings we can create by 2024 will be for high-skill jobs, exactly half will be for middle-skill jobs that require additional training for skilled job opportunities.

Unfortunately, this creates a new problem. Reality is, we have far fewer middle-skill workers than we will have middle-skill jobs. So that means we must also recognize the need to ensure the strong supply of middle-skill workers that the companies we want to attract to New Jersey will need. Doing so will ease hiring and reduce unemployment. It will encourage business growth while keeping more of our young people here, in-state.

This is where apprenticeship programs can help us fill this void.

Already, our administration has committed to create, through our proposed budget, the New Jersey Apprenticeship Network to reverse the decline in investment that we saw during the prior administration.

This \$10 million focused investment is a central part of a broader \$34.5 million workforce development effort we seek to implement. Let's be clear, this is not new money – it's using current funds to their fullest potential, bringing together multiple departments to coordinate not only on improving our current apprenticeship offerings, but to also create new initiatives.

Several of these new initiatives I am pleased to announce today.

First, the Department of Labor, under Commissioner Asaro-Angelo, will establish a new Apprenticeships Office to serve as a concierge for both those seeking job training, and those seeking employees. We envision a new "apprenticeship portal" website for employer postings, career information, and job applications.

This office will further be charged with developing programs through a new Apprenticeship Innovation Fund, and to facilitate interactions with the federal Department of Labor and across industries. Such efforts will allow us to focus

on creating new partnerships and apprenticeship opportunities in key high-growth sectors – advanced manufacturing, health care, IT and software development, and clean energy.

These are the areas in which we know New Jersey can lead, because we did before and will again. These are the innovative industries which are part of our state's DNA.

These also are crucial connections we must restore.

As part of this, we are launching a new website – nj.gov/apprenticeships – which will allow educators and employers to sign up as our partners in our effort. Again, that website is nj.gov/apprenticeships, and I encourage you to visit – maybe just not at this exact moment!

Second, we are going to redefine how we view apprenticeships. Residents should not face an "either-or" decision between continuing their education or seeking job training. What we can, and must, do is draw a more direct line between an apprenticeship and a college degree. We can do that by providing more students with critical financial aid, and by reinvigorating the NJPLACE program – New Jersey Pathways Leading Apprentices to a College Education – that helps apprentices earn college credits.

And, we will provide K-12 students with more career-focused options and robust career counseling, both of which can help increase diversity in our apprenticeship programs and in their target industries. I would like to thank the New Jersey Institute of Social Justice for their willingness to be a partner in this effort.

Just one quick example, and there are many, of the potential we see... We will need apprenticed, skilled workers to help us build and maintain offshore wind turbines, and with the shackles coming off our offshore wind program, this will be fast-growing job field. But there also will be jobs onshore making sure that the clean energy we produce with our offshore winds powers the homes and businesses that will need it.

We know that when we create these jobs, we'll also be creating jobs that pay good, family-supporting wages.

And, we will walk the walk as a state government, too. Over the previous eight years, state government was hollowed out as thousands of positions necessary for the efficient delivery of services were eliminated. On top of this skills drain, we have many more public employees nearing retirement.

We need a highly trained and competent workforce to ensure the prompt delivery of essential services for our residents and businesses. To meet this growing need, the Department of Labor will work across state government to identify key needs so we can get apprentices into the training positions than can lead to long-term employment. One area of specific importance will be working on critical transportation infrastructure and mass transit projects through the Department of Transportation.

As the United States Ambassador to Germany, I saw first-hand one of the world's best models for technical education and training, a model which included apprenticeships, and how it was the backbone of a sustainable economy, and a strong and vibrant middle class.

There is so much we can take from that model, and from others elsewhere across country, to create the New Jersey-focused programs our people and our future need. In fact, next month, on July 19, I will be convening a roundtable with the German-American Chamber of Commerce and the New Jersey Institute of Technology to further discuss how we can ensure a successful apprenticeship program.

This is a comprehensive vision for workforce development. And, I know it will work. But, it will only work if we are willing to make the investment – and we must, because this is one that will pay us back many times over.

There was a piece in the New York Times recently, the last "Economic Scene" column written by Eduardo Porter, which asked why, as the world's strongest economic power, we tolerate allowing any number of our citizens to live in poverty with little hope for economic advancement. He called it "America's fundamental paradox."

I will never accept it. That is why today is so exciting to me. It's through discussions such as this that we can move our entire state forward as one, that we can lift our entire economy together, and we can once again be a dominant force in global industries.

As I said, this is all in our DNA. What we need is the will to do it. I know I do, and I know you do.

Thank you all so very much for allowing me to kick off your day. Thank you all for coming to New Brunswick. I look forward to continuing this conversation.

Thank you!

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