



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: November 16, 2022

RE: NJ Offshore Wind Workforce and Skills Development Grant
Challenge Amendment

Summary

The Members are asked to approve an amendment to the NJ Offshore Wind Workforce and Skills Development Grant Challenge (Grant Challenge) that would restrict private for-profit entities from being primary applicants and waive application fees. This amendment is requested because the program is intended to benefit New Jersey Overburdened Communities (as defined by the New Jersey Environmental Justice Law) and charging fees could present a financial hardship for organizations that could implement training programs for those communities. The Authority's administrative costs for operating the program will be covered by utilizing funds appropriated in the Governor's Fiscal Year 2023 Budget for the Wind Institute for Innovation and Training.

Background

The Grant Challenge was approved by the Board of the New Jersey Economic Development Authority (EDA) on September 14, 2022. The Grant Challenge is part of EDA's development of the yet to be established NJ Wind Institute for Innovation and Training (the "Wind Institute"), which will coordinate and deploy resources to accelerate the development of a robust and diverse offshore wind workforce. The Grant Challenge is a competitive funding program for applicants that can provide skill development, workforce training, job placement, and other related services, with a particular focus on serving Overburdened Communities. A total of \$3,725,000 is available for programs under this Grant Challenge. The minimum and maximum amounts for individual awards are set at \$100,000 and \$1,000,000 respectively. The EDA anticipates making multiple awards in this Grant Challenge.

As originally structured, this program permitted private for-profit entities, public/governmental entities, and non-profit Community-Based Organizations to apply, and required a \$1,000 non-refundable application fee. The Authority's rules, specifically N.J.S.A. 19:30-6.1, provide that a "non-refundable fee of \$1,000 shall accompany every application for Authority assistance." For a variety of reasons, staff believe that requiring all applicants to pay a \$1,000 non-refundable fee will dissuade organizations that are best positioned to develop training programs focused on Overburdened Communities from applying. Because the Grant Challenge is a competitive program and both public/governmental and non-profit/Community-Based Organizations do not typically have

significant unrestricted, disposable funds, we believe charging them a \$1,000 non-refundable fee will dissuade those types of entities from applying, in that they are unlikely to risk paying \$1,000 with no guarantee of getting a grant. Unfortunately, our current fee rules do not provide the flexibility to simply waive all fees for a program—even when the Authority has another source of funding that will cover the administrative costs of that program. Instead, N.J.S.A. 19:30-6.7 allows for fee waivers only when imposing the fee would impose an undue financial hardship for the applicant. For the Grant Challenge, charging a \$1,000 application fee is unlikely to impose an undue financial hardship for most private for-profit entities. In contrast, imposing a \$1,000 non-refundable fee will present an undue financial hardship for most governmental entities and nonprofits, including Community-Based Organizations. Accordingly, the Board is asked to limit the types of entities that are eligible *and* waive application fees.

Request

In line with Governor Murphy’s economic development plan, “The State of Innovation: Building a Stronger and Fairer NJ Economy,” and the State’s efforts to stand up the Wind Institute for Innovation and Training to accelerate the development of a robust and diverse workforce, the Grant Challenge seeks to deploy resources to design and implement workforce training programs with a particular focus on serving NJ Overburdened Communities. The NJ Environmental Justice Law, N.J.S.A 13:1D-157, defines Overburdened Communities as any census block group, as determined in accordance with the most recent United States Census in which: 1) at least 35 percent of the households qualify as low-income households; 2) at least 40 percent of residents identify as minority or as members of a State recognized tribal community; or 3) at least 40 percent of the households have limited English proficiency. All applications for the Grant Challenge must include at least one Community-Based Organization with demonstrated experience serving a New Jersey Overburdened Community, either as the applicant or as a strategic collaborator with the primary applicant. If the latter, the application must clearly define the Community-Based Organization’s role and describe the alignment with the CBO’s mission and/or services and the amount of the grant to be allocated to the Community-Based Organization. Applications will be evaluated based on how well they will serve Overburdened Communities, including whether they articulate a clear approach to recruit and serve members of Overburdened Communities and their ability to provide wrap around services and the ability to offer affordable training to participants.

The OSW Workforce Grant Program was approved by the Board at its September 2022 meeting. In order to achieve the goal of benefiting Overburdened Communities and ensure resources are provided to groups well positioned to develop training programs for Overburdened Communities, staff recommend the following two program amendments:

Excluding private entities from the type of eligible primary applicants: The September 2022 Board Memo included private entities as an eligible applicant type. Staff believe that public entities such as public schools and county colleges, and nonprofits, including, but not limited to, Community-Based Organizations, are best positioned to develop workforce training with wrap-around services that are focused on Overburdened Communities because these entities often serve as known and trusted organizations in the community. With this amendment, private for-profit entities may still be part of an applicant team and receive a portion of the grant funds as detailed in an awarded proposal, however they may not be a primary applicant. By making this change, the Grant Challenge is focused on providing resources to public and nonprofit entities in the leadership role as a primary applicant to

develop workforce training programs.

Waiving the standard \$1,000 non-refundable application fee: The EDA fee rules authorize the CEO, with the approval of the Board, to waive the application fee “upon demonstration by the applicant that the imposition of the fee would impose an undue financial hardship.” Once private, for-profit entities are no longer eligible to apply, eligible applicants will be public entities such as public schools and county colleges, and nonprofits, including, but not limited to, Community-Based Organizations. Those types of organizations do not typically have unrestricted disposable funds that can be utilized for a \$1,000 non-refundable application fee, as charging fees, particularly non-refundable fees, for grant funding for workforce training is highly unusual. Imposing such a fee would constitute an undue financial hardship for most public and nonprofit entities given the uncertainty of receiving a grant due to the competitive nature of the program. By waiving the fee, the program will become more accessible to Community-Based Organizations and other public and non-profit entities that serve Overburdened Communities and improve the chances that the program does benefit such communities.

The Authority does not need to collect application fees to cover the costs of this program, because the Authority’s administrative costs for operating the program will be covered by utilizing a portion of the \$5 million appropriated in the Governor’s Fiscal Year 2023 Budget for the Wind Institute for Innovation and Training.

Recommendation

The Members are asked to approve the amendment of the NJ Offshore Wind Workforce and Skills Development Challenge to restrict private entities as a primary applicant and waive application fees for the NJ Offshore Wind Workforce and Skills Development Grant Challenge. The Authority’s administrative costs for operating the program will be covered by utilizing funds appropriated in the Governor’s Fiscal Year 2023 Budget for the Wind Institute for Innovation and Training.



Tim Sullivan, CEO

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