

Preparing
North
Carolina's
Workforce for
Today and
Tomorrow
Strategic Plan, 2014-16

Commission on Workforce Development

Executive Summary

The North Carolina Commission on Workforce Development oversees the state's workforce development system, develops policy, and advises the Governor, General Assembly, state and local agencies, and businesses on how to strengthen the state's workforce. The commission is required by state law to create, each biennium, a comprehensive strategic plan for North Carolina's workforce system that includes goals and objectives; an assessment of programs, policies, and delivery of services; and recommendations. The commission began work in the fall of 2013 to develop a new plan for the 2014-2016 biennium. This plan provides the framework for all workforce agencies to use to create a more aligned and coordinated system. This improved workforce system will strengthen services to individuals and businesses and produce better outcomes.

The commission established a task force to develop the strategic plan that included its members as well as representatives from local Workforce Development Boards, economic development, and community college. After extensive stakeholder work and programmatic reviews, the following system-wide goals and objectives were created for the workforce development system:

- Create an integrated, seamless, and customer-centered workforce system.
- Create a workforce system that is responsive to the needs of the economy.
- Prepare workers to succeed in the North Carolina economy and continuously improve their skills.
- Use data to drive strategies and ensure accountability.

This plan provides a framework for state and local leaders to use to strengthen the state's workforce development system. The information contained in this report provides the initial phase in the development of data-driven recommendations for North Carolina's workforce development system.

Introduction

North Carolina's economy has experienced major changes over the last decade as a result of structural and technological changes that were accelerated by the Great Recession. At the same time, studies in North Carolina and at the federal level identified weaknesses in the workforce development system that were keeping the state from providing the best possible service to businesses and job seekers. The N.C. Commission on Workforce Development has heard these messages and developed a strategic plan to address the weaknesses in the system and as a result improve the economy of North Carolina.

In 2011, the Commission on Workforce Development released the *State of the Workforce* report which examined North Carolina's workforce through an in-depth analysis of economic and employment data. This study found that the recession accelerated the shift to a knowledge-based economy and many workers were not prepared for the jobs that exist in today's economy. Key findings from this study include:

- **Layoffs were accelerated during the recession due to long-term structural changes to the economy.** Industries are constantly exploring ways to increase

productivity. Since the start of the Great Recession herein 2007, many companies have moved operations off-shore to find financial savings while others have redesigned their business processes through the use of new technology. As companies have started rehiring, they are looking for more highly-skilled workers than those that were laid off during the recession.

- **Workers are competing for fewer good-paying jobs which demand higher skills.** There are fewer low-skill, middle-wage jobs available and they are at a greater risk of elimination as a result of technological and operational changes. Workers laid off from these jobs are finding that they don't have the skills necessary for the careers offering wages similar to what they once earned.
- **Laid off and young workers in rural areas have limited alternatives for employment.** Manufacturing job losses in small cities and rural areas of North Carolina were high during the recession and in many places resulted in few viable employment alternatives. As the economy continues to recover, job seekers will have to seek jobs in new industries or in other locations.
- **Workers must increase their skills.** More and more new jobs being created will require at a minimum some post-secondary education, many in science, technology, engineering, and math (STEM) disciplines. Companies are increasingly replacing lower-skilled workers with more highly educated or trained employees and job seekers need to increase their skills to meet the demands of these jobs.

The study noted that these challenges are interrelated and must be addressed intentionally and as a whole if North Carolina is going to improve the state's economy. In addition, the issues need to be addressed in collaboration with the state's educational and economic development systems.

In 2012, the Program Evaluation Division of the North Carolina General Assembly completed a study on the state's workforce development system. This study found a complicated array of workforce development programs and services that were not integrated nor strategically aligned with economic development. The division also found that state-level coordination was insufficient to ensure an integrated workforce development system. This study led to the passage of legislation to strengthen the workforce development system.

Recently, there has been an increased focus on workforce issues. Almost every week there is a story in the news about how businesses can't find the talent they need or how job seekers can't find meaningful employment. These stories highlight the need for a stronger workforce development system that helps businesses find the talent they need and people find employment to support their families.

The Commission on Workforce Development heard these messages and recognized the need for a stronger workforce development system. The commission developed a strategic plan that provides the framework necessary to create a more unified, customer-centric workforce development system that listens and responds to the needs of businesses and trains workers to be successful in the current and future economy.

Workforce Assessment

Prior to the development of the strategic plan, the Commission on Workforce Development completed a review of workforce development program plans, policies, and services across agencies. The commission reviewed workforce program funding levels and sources, service provision types, special populations served, and business outreach initiatives. The following table summarizes the information obtained during this review.

	Total Awarded Funds Received PY2012-2013	Federal Funds Received	State Funds Received	Other Funds Received	# of counties served	Individual Services				Employer Services		Performance Measures					
						Skill Dvlmt & Trng	Employment Services	Subsidized Employment	Support Services	Adults (A), Youth (Y)	Employment Services	Training Programs	Entered Employment	Avg Earnings Gained	Employment Retention	Education/Training Cred	Others
DOA																	
Displaced Homemakers	\$289,670		✓		35	✓	✓	✓	✓	A	✓		✓		✓	✓	
American Indian Workforce Development Program	\$247,991	✓			59	✓	✓	✓	✓	A	✓						
DOC																	
Workforce Investment Act	\$ 79,691,240	✓			100	✓	✓	✓	✓	AY	✓	✓	✓	✓	✓	✓	
Wagner Peysen	\$ 19,836,199	✓			100	✓	✓			AY	✓	✓	✓	✓			
Trade Adjustment Assistance	\$ 35,189,720	✓			100	✓	✓	✓	✓	A	✓	✓	✓	✓			
Veterans' Program	\$ 5,446,000	✓			100	✓	✓	✓	✓	A	✓	✓	✓	✓			
Apprenticeship	\$ 1,604,447	✓	✓	✓	100	✓				A		✓	✓		✓		
NCCCS																	
BioNetwork	\$ 4,726,369		✓		100	✓				A	✓	✓	✓				✓
Customized Training	\$ 23,587,840		✓		100	✓				A	✓	✓					✓
Small Business Center Network	\$ 6,223,799		✓		100	✓	✓			A	✓						✓
Basic Skills	\$ 89,175,304	✓	✓		100	✓				A			✓				✓
Occupational Continuing Education	\$100,512,939		✓	✓	100	✓	✓			A			✓		✓		
Postsecondary Career Technical and Vocational Education	\$372,928,057	✓	✓	✓	100	✓				A			✓		✓	✓	✓
Community Services Block Grant	\$19,820,106	✓			100	✓	✓	✓	✓	A,Y							
Food and Nutrition Services	\$14,476,394	✓	✓	✓	100	✓	✓		✓	A			✓	✓	✓		
TANF	\$29,914,664	✓	✓	✓	100	✓	✓	✓	✓	A			✓	✓	✓		
MCDHHS																	
Employment Services (VR)	\$108,292,534	✓	✓	✓	100	✓	✓	✓	✓	A	✓	✓	✓	✓			
Employment Services (Services for the Blind)	\$16,741,913	✓	✓		100	✓	✓	✓	✓	A	✓	✓					
Long-term, Vocational Support Services	\$11,081,429	✓	✓		100	✓				A,Y			✓	✓	✓		
Senior Community Service Employment	\$3,501,499	✓	✓	✓	100	✓	✓	✓	✓	A		✓	✓	✓			
DPI																	
Career & Technical Education	\$430,661,949	✓	✓		100	✓	✓			Y			✓			✓	✓

The state plans varied significantly and common definitions were not used across programs. Despite these limitations, many similarities between programs were identified. North Carolina's workforce development programs are mission driven and prioritize employment, career counseling, and assessments for the adult population. The commission found that the majority of programs offered some type of skill development and employment services for adults while only five programs served youth.

Programs provided similar services like resume development, career counseling, and skill development. However, the commission found that although it seems duplicative, North Carolina's workforce development programs serve very different target populations. Programs have specialized services geared towards meeting the needs of their customers such as employment specialists trained to help individuals with disabilities find career opportunities.

In addition, the commission found that while many programs provide services to employers, these efforts were not a focus of the programs. In many cases it was difficult to determine what services were provided to employers through the plan review.

Overall, the commission found North Carolina's programs to be service driven with a focus on mission and target populations. There was, however, a general lack of focus on quality customer service, the skills gap, business outreach, and services to youth.

Strategic Planning Process

After review of the state agency workforce development program plans, the Commission on Workforce Development identified the need for a comprehensive strategic plan for workforce development that would provide a framework for North Carolina's workforce development system. To develop this new comprehensive strategic plan the commission established a task force that included members of the commission as well as representatives from local workforce development boards, economic development, and community colleges. Members of this task force represented:

- businesses;
- community colleges;
- K-12;
- local workforce programs;
- community service organization; and
- economic development organizations.

The task force began meeting the fall of 2013 and began with a review of the commission's current strategic plan and recent reports. The task force determined that the commission needed to update all elements of the strategic plan including the vision, mission, goals, and objectives.

As stated in the State of the Workforce report, if North Carolina is going to address its workforce challenges it must do it intentionally and in collaboration with the state's educational and economic development systems. In an effort to ensure

the task force was aligned with these systems, the task force requested input from local workforce organizations, educational entities, and economic development groups throughout the process. The feedback and input that was received by the task force was used to develop and strengthen the strategic plan.

There were also several other strategic planning efforts related to workforce development happening at the same time the commission was developing its strategic plan. These efforts were being done by:

- Economic Development Board;
- Education Cabinet;
- Community College System; and
- State Board of Education

Task force members participated in each of these efforts to ensure that the commission's strategic plan was aligned with the strategic direction of the state's education and economic future. . Task force members participating in these other planning efforts reported back to the group on the recommendations related to workforce development and included these ideas in the commission plan. As a result, the commission's workforce development strategic plan aligns with those of our key partners.

After the strategic plan was developed by the task force, it was presented to the full commission for approval. On March 7, 2014, the N.C. Commission on Workforce Development voted to approve the 2014-2016 Strategic Plan. Each element of the plan is presented below.

Vision, Mission, Guiding Principles

The first step for the task force was to review and revise the vision and mission for the workforce development system. A vision statement is a picture of the future that provides the framework for all strategic planning. While a vision statement doesn't tell us how we were going to get where we want to go, it does set the direction for planning. The task force recognized the importance of working with both individuals and businesses to create a strong workforce development system.

Vision

Growing the North Carolina economy by strengthening the state's workforce and connecting employers to high quality employees.

In order to achieve the vision for the state, the task force developed a mission statement for the Commission on Workforce Development. A mission statement is the purpose for an organization and its reason for existing. It should guide the actions of the organization and provide the framework within which the organization's strategies are developed. This mission statement developed by the task force focuses on the need for a strong workforce system that prepares

workers to meet the needs of businesses so that all North Carolinians can find economic prosperity.

Mission

To ensure North Carolina has an innovative, relevant, effective, and efficient workforce development system that develops adaptable, work-ready, skilled talent to meet the current and future needs of workers and businesses to achieve and sustain economic prosperity.

Next, the task force developed a charge for the commission to ensure that it is working to achieve the vision and mission. A charge is a statement that states what the organization's responsibilities are to ensure it is working to meet vision and mission. The task force identified the role of the commission to set policy for the workforce development system and to be accountable for strengthening the system. An innovative, relevant, effective, and efficient workforce development system with help achieve the vision and mission stated above.

Charge

The North Carolina Commission on Workforce Development develops policies and strategies which enable the state's workforce to compete in the current and future global economy. The commission leads, builds partnerships, forms alliances, and is accountable for strengthening North Carolina's innovative, relevant, effective, and efficient workforce development system.

As the task force began developing goals and objectives for the strategic plan, the members realized there were several principles that applied to all goals and objectives. Instead of repeating these common themes with each goal, the task force decided to create guiding principles that apply to all goals and objectives.

Guiding Principles

- *Strategies will be developed locally, regionally, and statewide to address the unique needs of different areas of the state.*
- *Best practices will be identified and replicated across North Carolina.*
- *The workforce system will be flexible and adaptable to the changing needs of the economy and the state.*
- *Strategies will focus on the needs of today's economy and developing talent for tomorrow.*
- *The workforce system will focus on target industries and career clusters.*

The task force then established strategic goals focused on creating an accountable, customer-oriented, demand-driven system of workforce development services.

Goals and Objectives

Based on the established guiding principles and stakeholder input, the task force developed four strategic goals to create and support the vision for the workforce system.

Goal 1. Create an integrated, seamless, and customer-centered workforce system.

In 2013, North Carolina's workforce development programs received \$1.4 billion in federal, state, and local funding. Six state agencies used these funds to assist North Carolinians with obtaining and maintaining employment through workforce services, training programs, and education. The agencies and programs comprising North Carolina's workforce system serve businesses, adults, dislocated workers, and youth.

The commission recognizes that North Carolina's public workforce development system is a key part of the state's economy. It is comprised of a variety of programs with a broad range of activities that serve a diverse group of people. It includes a group of interactive and interdependent entities, programs, and services. Activities range from self-service activities online, to staff assisted services in a workforce office, to multi-year training programs at a public school or community college. In addition, programs serve people with varying levels of education, employment experience, and barriers. Individuals may participate in a single program or activity or may be eligible to receive services through a variety of programs and entities. The system exists to help businesses find qualified workers to meet their present and future workforce needs and to help individuals gain the skills and training they need to obtain and maintain employment.

However, the current workforce development system, while having some of the best programs in the country, doesn't always operate as a cohesive system. There are many places across the state where there is a seamless system for workforce

development, but it is inconsistent statewide. The task force recognized that the state needed to strengthen the system by integrating programs and services and ensuring that the system is customer-centered. Too often programs serve customers based on their funding source, individual missions, and location. Although the programs have common goals and desired outcomes, programs do not have aligned outreach efforts or strategies—there is no common brand, or shared marketing efforts.

This goal is the foundation for the other goals of the strategic plan. If North Carolina's workforce development system is going to meet the needs of businesses and prepare workers for the jobs that are needed, then the system must be aligned and focused on the customer. The commission drafted objectives around this goal that create a system of services to best meet the needs of North Carolina employers and job seekers.

Objectives:

- Align partner services and strategies.
- Develop a common brand to be used across workforce programs that is recognizable to all customers.
- Increase awareness of and accessibility to workforce services.
- Develop shared marketing strategies that promote the talent in North Carolina.

Why it's important to North Carolina:

An integrated system will allow all customers to access timely and relevant services from a multitude of touch points wrapped around a customer service core.

Achievement of this goal will result in a system moving in the same direction with the same goals. Citizens will experience better service while businesses will find a trusted partner to turn to for their workforce development needs. And, workforce development programs will have improved outcomes.

Goal 2. Create a workforce system that is responsive to the needs of the economy.

Too often businesses state that they don't understand the complexity of the workforce development system. Businesses want services that provide value to their company, are easy to understand, and accessible. Too often workforce development programs operate independently from other programs and contact employers separately to offer their services, but because those services are not aligned and easy to understand, many businesses give up in frustration.

In addition, there are many businesses that don't even know about the programs specifically designed to meet their diverse needs. North Carolina's workforce development system has some of the best programs in the country that train workers to meet the needs of businesses, but if businesses don't know about these services they can't take advantage of them.

Finally, the workforce development system needs a strong relationship with economic development organizations across the state to understand the needs of

the current and future economy. This strong relationship will also help the workforce development system prepare the workers that are needed by new and expanding businesses in North Carolina.

The commission drafted objectives around this goal that will help the business community know about the resources available in North Carolina, ensure the system provides the services that businesses need, is easy for the business community to access, and will strengthen the connections with economic development community.

Objectives:

- Ensure the workforce system is relevant, valuable, and easy to access by the business community.
- Develop and strengthen connections between workforce development and economic development.
- Develop and implement a coordinated and seamless approach to engage business and respond to business needs.

Why it's important to North Carolina:

In order for the North Carolina economy to continue to recover from the Great Recession and grow, it is important for the workforce development system to be responsive to the needs of the economy. A strong workforce is often stated as one of the top reasons a business decides to grow or move its operations.

New jobs in high-growth and emerging industries are key to economic vitality of North Carolina. Understanding the workforce needs of these industries and preparing workers to meet the needs of companies is key. Increased communication and collaboration between workforce partners locally, regionally, and at the state level is essential to developing a strong workforce development system that businesses can use to grow their businesses

Goal 3. Prepare workers to succeed in the North Carolina economy and continuously improve their skills.

The speed of change in the economy is increasing. Not only has the North Carolina economy shifted from one focused on agriculture and manufacturing to one that is focused on the knowledge economy, but the types of jobs have also changed. Employers want people with more education and training than was required in the past. Today, middle-skill jobs, which require more than a high school education, but less than a four-year degree, make up the largest segment of jobs. To succeed workers must stay informed of new technology and continually increase their knowledge and skills.

North Carolina's workforce development system is designed to help workers find good-paying jobs by assessing skills, provide information on careers, connect people to needed training and education programs, and refer people to jobs. However, one of the challenges of the current system, which is operated by five different state agencies, is that the information provided to individuals is not always consistent from program to program.

In addition, it is essential for the state's workforce programs to target its limited resources to careers in high-growth and emerging industries. Providing consistent information to individuals and strong programs in critical career clusters will not only help individuals find good-paying jobs, but it will also help businesses find the talent they need to grow their business.

One of the best ways to help individuals gain skills and learn more about a career is through work-based learning. These programs combine classroom education with on-the-job experience and individuals gain valuable work experience while learning new skills.

The commission recognizes the need for consistent information, a focus on high-growth and emerging industries, work-based learning opportunities, and it supports policies that shift our culture to one that embraces life-long learning.

Objectives:

- Strengthen career development services and ensure consistency across programs.
- Enhance programs and enrollment in critical career clusters by targeting resources.
- Strategically coordinate programs among workforce partners to develop skill and education pathways.
- Become a national leader in providing structured work-based learning.

Why it's important to North Carolina:

North Carolina's ability to grow its human capital infrastructure and raise the educational attainment levels is necessary to compete in today's economy. A unified workforce development system will reap the benefits of best practices and resources that will reach participants who may not otherwise be available for lengthy academic and skills preparation.

Educational attainment is a key factor in determining the ability of workers to perform in increasingly knowledge-based work in every industry and occupation. Employers see value in industry recognized credentials in high-growth career clusters. Not implementing a unified workforce plan would create a missed opportunity to demonstrate North Carolina's commitment to innovate and provide business and industry with the skilled workforce they need to be competitive.

Data indicates that access to education and training impacts the lives of North Carolinians when looking at the average salaries and unemployment rates of workers. When workforce agencies and economic development work together to create career pathways, it will increase the prosperity of jobseekers.

Goal 4. Use data to drive strategies and ensure accountability.

Workforce development programs have traditionally been accountable to their funding source such as the U.S. Department of Labor. Each program has its own performance measures and until recently there were no statewide performance measures for the entire workforce development system. This lack of statewide

performance measures made it impossible to assess the effectiveness of workforce development activities in the state.

Session Law 2012-131 required the Commission on Workforce Development to develop system-wide performance measures to assess the effectiveness of the workforce development system. These new measures will help program administrators and state leaders understand the effectiveness of the workforce development system and where improvements can be made.

Data must also be used to make well-informed decisions about critical career clusters and determine where to target limited resources. With declining financial resources and a multitude of service, training, and education opportunities, the system must determine where its resources will have the greatest affect.

The workforce development system must also gather, evaluate, and utilize feedback from businesses and individuals about their experience with the system. This information will help the system and its individual programs understand what's working and where improvements are needed.

The commission has drafted objectives around this goal that will ensure that data is used to target resources, understand the value of programs to customers, and to assess the system's effectiveness.

Objectives:

- Develop a consistent and coordinated approach of identifying critical career clusters that workforce system partners will use to target resources to meet the needs of the economy.
- Gather, evaluate, and utilize information on the usage and quality of services.
- Measure and report on the effectiveness of the workforce development system.

Why it's important to North Carolina:

The *2011 State of the North Carolina Workforce* reports that the majority of jobs lost during the last recession will not return, therefore new jobs in high-growth and emerging industries are key to the state's economic vitality. The commission will use data to identify these emerging critical career clusters and target resources around them. Collecting, understanding, and using data effectively is critical in guiding a successful workforce development system.

Not only will data drive strategic goals, but it will be used to ensure accountability across the entire system. Applying common methods across a wide range of workforce programs offers a comprehensive and consistent, program-by-program look at North Carolina's workforce. This accountability is key in routinely and rigorously measuring how well the workforce development system works for North Carolina's workers and employers.

Next Steps

The Commission on Workforce Development is focused on developing an innovative, relevant, effective, and efficient workforce development system and

this strategic plan is the first step in making that goal a reality. North Carolina has some of the best workforce development programs in the country, but the lack of a consistently coordinated system has at times limited the effectiveness of the system. An integrated, seamless, and customer-centric system which responds to the needs of businesses and helps prepare workers to meet those needs will help grow the state's economy.

With the approval of this strategic plan the commission will now turn its focus to developing an implementation plan that will clearly define how the state will achieve the goals and objectives listed above. This plan will also identify the lead entity, cost, timeline, and how success will be measured. These two documents together will provide a roadmap for how the state will strengthen its workforce development system over the next two years.

The commission will track the progress towards achieving the goals and objectives in the strategic plan as well as the strategies in the implementation plan. With more information on the system, the commission will develop recommendations for the Governor and General Assembly for how to continue to strengthen the state's workforce development system to achieve and sustain economic prosperity.