

Joint Meeting

NC Commission on Workforce Development and the Governor's Education Cabinet

**Business Session
Jane S. McKimmon Center
August 20, 2014**

1:00 pm

Minutes

Present:

Commission Members:

Korey Coon Chair, Kip Blakely, Ken Boham, Sherry Carpenter, Paul Combs, Ron Cummings, Bill Daughtridge, Lewis Dishmon, Terry Frank, Martha Matthews, Priscilla Nunn, Mike Okun, Bill Ragland, Alex Rankin, Jerri Tryon, Jerry Walters and Matthew McKillip (for Aldona Vos).

Absent: Lisa Conger, Susan Jackson, MaryBe McMillan, and Cherie Berry

Education Cabinet:

Governor Pat McCrory, Eric Guckian, June Atkinson, Scott Ralls, Tom Ross, Hope Williams, Lee Roberts, Robert Kindsvatter, and Bill Cobey.

Chairman Coon opened the meeting at 1:00 pm welcoming Governor McCrory, members of his Education Cabinet, Commission members and guests.

In his remarks Chairman Coon noted that it was the first joint meeting of the Commission and the Education Cabinet, which "speaks to the importance of working collaboratively." He proposed changing the name of the Commission to the "NCWorks Commission" to better align with the current branding.

Approval of Minutes

Chairman Coon called for a motion to approve the minutes of the May 12 meeting. After a motion by Lewis Dishmon and a second by Bill Ragland, the minutes were approved as written.

Coon recognized Governor McCrory who applauded his leadership of the commission and after reading the Ethics Statement reiterated the historical significance of this joint meeting, a collaboration that will inevitably lead to successful outcomes for North Carolina.

The Governor highlighted recent initiatives as well as budget items that positively impacted both workforce and education efforts across the state as follows:

NCWorks Online, the State's job search portal has 5,000 employers and 450,000 individuals registered and 76,000 jobs posted.

After providing a brief history of the Cabinet, the Governor said that "education is really 1-20, because that is where education starts, and quite frankly education never stops." By communicating the needs of both the private sector and education the state can work cohesively rather than in silos. McCrory stated that he was pleased with the Education Cabinet and their teamwork.

The recent signing of a \$21 million budget increased education spending by \$305 million. However, tough decisions were made as we looked for efficient ways to train our students and adults in the future.

The Governor expressed his appreciation for the work of President Scott Ralls of the Community College system and Tom Ross of the University system. President Ralls has been instrumental in closing the skills gap, an ongoing state and nationwide issue, through enrollment savings and reinvesting the money to fund courses with special emphasis on manufacturing and STEM. President Ross' cooperation and leadership along with President Ralls helped provide a means to transfer coursework between community colleges and universities. Their support and that of their boards in allowing this transfer which will enable North Carolina to compete with other states and the world.

Also included in the budget, were funds that provided internship experiences for historically black colleges with Fortune 500 companies allowing for real life experience coinciding with academic study.

The budget also affords North Carolina the ability to offer military personnel in-state tuition at community colleges and universities. Both Presidents Ralls and Ross were instrumental in this initiative, which will give North Carolina an edge in retaining the talent, leadership and technical skills of military personnel --skills our businesses are looking for. Governor McCrory said efforts to provide lower tuition to military personnel will make it easier for them to call North Carolina home and "puts us steps ahead of other states and I am proud of this accomplishment."

The Governor thanked June Atkinson and Bill Cobey for their teamwork in the teacher pay raise. This pay raise averaged to a 5 to 5.5% increase and also reduced the number of steps from 37 to 6. This change will make North Carolina competitive with private sector practices

Governor McCrory thanked Education Advisor Eric Guckian for his work with teacher pathways. The funding, earmarked for teacher promotions, paying market value for degrees, providing raises based on performance of their students, and leadership initiative, was not approved. Many of North Carolina's teachers want to remain teaching, however without this funding, raises could only be realized through promotions into an administrative capacity.

He completed his remarks by saying the goals and ideas are coming from teachers, superintendents, business people, frontline workers, and more. Governor McCrory thanked everyone for sharing their ideas and looks forward to continuing that relationship.

Mr. Guckian thanked the Governor and also commented on the historical significance of the joint meeting. He stated that the Education Cabinet and its subcommittees had been meeting for over a year and were pleased with the level of communication and achievements among educators, business leaders and community members as they frame an education strategy for North Carolina. He noted the need to focus on students who are not graduating with the skills needed for today's workforce, further stating that 65% of fourth graders are not at reading level and over 15% of high school students drop out before graduation. He also said "...I have learned in reading both Scott (Ralls) and Tom (Ross)'s strategic plan, a remarkable and sobering number, is 1.5 million North Carolinians are what we refer to as "part way home," some college, no degree."

To address those issues he outlined the four focus areas of the Education Cabinet's strategic plan: Early Learning; Educator Quality and Compensation; College and Career Readiness; and Educational Attainment. These four areas fall into two categories - Standards and Assessment and Digital Learning. Following discussions with regional and national experts the cabinet's plan is expected to be rolled out in November. Mr. Guckian was pleased with the progress of the cabinet, but indicated there is much to be done.

Chairman Coon introduced Jeff Debellis from the Labor and Economic Analysis Division (LEAD) at Commerce.

Jeff Debellis from LEAD, provided background information as to the reasons for, and nature of, the “Employer Needs Survey”. He acknowledged the work of Dr. Jeff Rosenthal, Josh Levy, Carisa Rudd, Steven Barrington, and Vail Carter as well as business services representatives around the state who partnered with them in this study.

Although less than half of North Carolina employers face hiring difficulties, those that do report a critical need to fill positions and grow their businesses. Not all problems identified are about a lack of skills since work experience and education credential are also vital. Employers facing hiring difficulties are spread geographically across the state and many industries. Several industries mentioned included education (teachers), construction, healthcare (nurses), and management (administrative support). The manufacturing industry also lacks skilled machinists, welders, and office support (shipping clerks and customer service representatives).

Mr. Debellis said that many businesses turn to private vendors and/or utilizing higher educated individuals to fill their needs. He concluded by saying many employers, but not all, are suffering from hiring difficulties. And enhanced engagement with education and workforce development partners could help improve the supply of qualified workers who match their needs.

Skills Gap Report

Alex Rankin, Chair of the Skills Gap Task Force outlined recommendations the task force developed and asked for the adoption of the recommendations by the Commission. His task force found that their conclusions mirrored that of the LEAD report. He then outlined recommendations his task force developed following their research and input from business services representatives and workforce boards. Chairman Rankin recommended adoption of the recommendations by the Commission.

During discussion, Governor McCrory stated that he felt the recommendations were excellent and asked that his cabinet share them with their departments. He also asked that these recommendations, due to their education components, be shared by Bill Cobey and Tom Ross with their colleagues. Governor McCrory congratulated Rankin, the Skills Gap Task Force, and the Commission for their work.

Eric Guckian also thanked Debellis and Rankin for the information and reminded the Commission that some of the recommended activities are in progress and every effort should be made to synchronize efforts for a more powerful outcome.

Ken Boham spoke to the need to have the career and college promise available to high school students beginning in the 9th grade. Governor McCrory added that it could be that it needs to be available to 7th graders. Sharon Decker added the need to reeducate families on manufacturing and farming opportunities in North Carolina.

June Atkinson commented on the opportunity through our middle school explorers program for students to study different careers. Adding that combining CFNC and NCWorks to provide students with one access point to this information would be a powerful tool and a huge step in the right direction. This would also benefit our teachers who work with over 300,000 middle school students to provide instruction about careers. Our teachers are always looking for ways to connect business and industry. She requested that it be included in the Economic Development package to give our children experience on the job which would result in attracting businesses to North Carolina. Mr. Guckian followed by noting his hopes are for teachers to develop their skills to not only teach our children but to develop skills in children that translate into the job market. Both development for teachers and students are very much intertwined.

The Governor expressed interest in exploring the concept of hiring teachers during the summer months by local companies so they can gain firsthand knowledge of occupations. That knowledge could have a direct impact on

how they teach and advise students. This work is being done in universities now, but may need to be more formalized at this level.

Chairman Coon stated that since NCBCE is working on some of the same initiatives he reiterated the importance of leveraging current activities. He then stated that it appeared there was a general agreement of the task force recommendations. He asked for a motion to approve the recommendations and include them in the NCWorks Commission 2014-2016 Strategic Action Plan. Lewis Dishmon made a motion for approval and was promptly seconded by Scott Ralls. The Commission unanimously adopted the recommendations by the Skills Gap Task Force.

Assistant Secretary Report:

Will Collins welcomed the Governor and his cabinet to the meeting and expressed his thanks to the Governor for his leadership. Mr. Collins reported on the following:

- Following the Governor's announcement in April of the NCWorks brand, collaboration between Commerce, NC Community colleges and Department of Public Instruction has yielded the alignment of resources and the use of data to measure current workforce efforts and guide future efforts.
- We continue to stress the NCWorks Initiative, working under one name to allow for better customer recognition and coordination of services. He also stated that our centers are no longer the "unemployment office."
- Teams comprised of community college, commerce, and educators are working together to author an action plan on how to provide business services in the future.
- The Community College System recently announced that it would provide \$300,000 in funding to cover the \$50 annual apprenticeship fee for each apprentice.
- Work continues on recharging the commission as we continue to work on performance, overlaps, gaps and challenges. The commission stands ready to work and is committed to the process.
- Emphasis on the use of data to enhance accountability.
- 1,000 in 100. Local teams will meet with 10 businesses in each of the 100 counties to ascertain their needs, gather best practices and learn about how the workforce system is working for them. These meetings are an opportunity to find out what is going right and what needs improvement. Employer feedback has been positive thus far.

Catherine Moga Bryant, Director of Governance and Strategic Planning for the Division echoed Assistant Secretary Collins remarks about the importance of working under one name. In her presentation she provided examples of ways the workforce development partners are adopting the NCWorks wordmark and tagline "Connecting Talent to Jobs" in many workforce activities.

Ms. Moga Bryant also announced that North Carolina had been selected, along with 7 other states, to participate in the National Governor's Association (NGA) Policy Academy. This academy is designed to support the activities around aligning education and training through career pathways to meet the needs of the economy.

She then noted during the next few months the NCWorks Commission would clearly establish itself as the coordinating body for developing, maintaining, and strengthening a cohesive workforce and education system. To that end, a working group consisting of Linda Weiner, JoAnn Honeycutt, Dion Terry, Korey Coon, Will Collins, Jackie Keener and Susan Fleetwood has been established. Their charge is as follows: work towards ensuring that timely and consistent data is available for partners, building on current career and education pathways as well as developing additional pathways, and aligning state and federal resources. They will also identify ways to work across agencies to better utilize those resources. Ms. Moga Bryant thanked the group for participating.

Chairman Coon thanked Ms. Moga Bryant for her efforts in bringing this group together. Governor McCrory also felt this work was very important and that we should take advantage of the opportunity.

Hope Williams expressed her thanks to the division and particularly staffer, Dana Martinez for her informative presentations about NCWorks Online to both the human resource managers and career service directors at North Carolina Independent Universities. Ms. Williams said Ms. Martinez was a “great resource” and thanked her for her time.

Will Collins noted that NCWorks is a collaborative effort among the community colleges, Department of Public Instruction and commerce to ensure a successful, seamless system. He recognized Superintendent of Public Instruction, June Atkinson, who announced the NCWorks Certified Work Ready Community initiative. Communities designated as work ready will have met criteria including high graduation rates and the number of students with a Career Readiness Certificate (CRC). This effort enables North Carolina to identify communities that meet certain levels of readiness showing that North Carolinians are ready for work in our state.

Ms. Atkins acknowledged the Department of Commerce, the Community College System and JoAnne Honeycutt, Director for Career and Technical Education the Department of Public Instruction for their work on this initiative. She also stated that it was important to NCWorks, the state’s economic development and education system that North Carolina strives for all of our 100 counties to have work ready communities.

Mr. Collins thanked Superintendent Atkinson and agreed it was a great initiative and was looking forward to being a part of it. He invited both Secretary Decker and Scott Ralls to make comments.

Secretary Decker agreed and stated that North Carolina had positioned itself to work collaboratively to produce a workforce that no other state can beat. NCWorks allows North Carolina to pull education and economic development together in a “brand-able way, marketable to the world.” She went on to say that this collaboration will enable North Carolina to be competitive and was thankful for the collaboration of the partners.

President Ralls also agreed and thanked everyone for their leadership. He said this was a seminal day – the first time a governor has attended a commission meeting. He felt that North Carolina needed to celebrate its accomplishments and understand the challenges of relating the intangible quality that is North Carolina. He also mentioned how universities, while not providing short term training, still are very unique and crucial in the process. Lastly President Ralls noted the importance of “1,000 in 100.” He stated North Carolina is strong, but must face its weaknesses collectively to become stronger.

Chairman Coon thanked all for their comments. He and Governor McCrory then presented career center certifications to the following centers, staff, and their respective workforce boards, who have met the criteria for becoming certified NCWorks Career Centers: Cabarrus County, Iredell County, Charlotte at Morehead Street, Thomasville Career Center, Wayne County, High Point Office, Robeson County, Asheville Center Surry County, Pitt County, Lee County, Edgecombe/Nash County, and Wilson Office.

Secretary Decker added that while the commission understands the significance of becoming a certified center she wanted to ensure that the Education Cabinet did as well. Centers are required to provide excellent customer service, become a single source for career, job, and training information; and be staffed by professionals in a professional setting. She went on to say that these centers have passed all the goals outlined by Governor McCrory earlier in the year.

Task force reports:

Performance and Evaluation Task Force Chair Paul Combs reported that his task force continued to make progress in in the development of program specific measures. The working group committed to provide a

common framework to measure North Carolina's workforce development system's progress across a wide variety of programs and give policymakers, workforce professionals, and the public a consistent look at the results of the system.

Marti Matthews, Chair of the Criteria and MOU Task Force reported that during today's session, 13 centers would be recognized for achieving NCWorks Certification, bringing the total number of certified centers to 23. She indicated that applications from across the state have been submitted and that reviews and site visits are moving along accordingly. The task force has two deliverables due to the legislature on December 15, 2014, regarding the impact of the career center system MOU, and the implementation of the new career center criteria. Highlights from these initiatives will be presented at the November commission meeting. She also stated the task force is working with local area directors to address those centers who are not able to meet the full certification requirements. Alternate criteria is being developed for these centers. The Division is expected to certify a total of 50+ centers by year's end.

Chairman Kip Blakely, of the Strategic Plan Task Force reported that progress continues on the plan. The task force is kept apprised of the progress of the Skills Gap Task force as the work of the two are connected. He indicated that the draft strategic implementation plan will be shared at Town Hall meetings across the state beginning in September and concluding in October at the Partnership Conference. He encouraged everyone to attend to share their ideas.

Chairman Coon thanked everyone for their reports and noted that the work of the Technology Task Force, under the leadership of Jerry Walters, had been completed. He thanked Jerry and the members of that task force for their work. Moving forward, the commission's focus would be around the new strategic plan, requiring the formation of new task forces. He asked members to keep that in mind for future discussion.

President Ralls acknowledged and recognized the work of the workforce board chairs, community colleges, career technical education staff, and apprenticeship. Their collaborative efforts are appreciated and important.

In Governor McCrory's final comments he noted three recommendations: 1. That a copy of the Skills Gap Report be shared with education groups (teachers, professors, career counselors, community colleges, and college boards), cabinet members, and other committees and boards with the goal of adapting policies to align with this new information; 2. Improve communication efforts for NCWorks to a wider audience, and 3. Conduct another joint meeting in the near future to follow-up on items. He felt there was great benefit in the information shared and after thanking everyone in the audience for their work he turned the meeting over to Chairman Coon.

Chairman Coon echoed the Governor's remarks and thanked everyone for their participation and asked if there was any new business. There being none, Chairman Coon adjourned the meeting at 3:00 pm.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Lynn Hayes', with a long horizontal line extending to the right.

Lynn Hayes

Approved November 12, 2014