



NORTH CAROLINA
Department of Commerce
Division of Workforce Solutions

**Workforce Innovation and Opportunity Act (WIOA)
Annual Statewide Performance Report Narrative**

State of North Carolina

Program Year 2017

Submitted December 21, 2018

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ROY COOPER
Governor
ANTHONY M. COPELAND
Secretary

December 21, 2018

Molly E. Conway, Acting Assistant Secretary
Employment and Training Administration, U.S. Department of Labor

Dear Ms. Conway:

We are pleased to present this Workforce Innovation and Opportunity Act (WIOA) Annual Statewide Performance Report Narrative to the Department of Labor for Program Year 2017. This report represents the dedicated efforts of numerous professionals in the North Carolina Department of Commerce's Division of Workforce Solutions and our partner agencies. As part of the NCWorks system, it is our privilege, and our challenge, to serve both job seekers and employers in a growing, diverse state. In recent years, after recovering from the Great Recession, North Carolina's labor market has tightened as unemployment rates have decreased. This does not mean, of course, that there is less need for the workforce development programs and services we provide. On the contrary, our citizens, business leaders, educators and policymakers increasingly see the quality of our workforce as essential to economic prosperity. In fact, when *Forbes* recently put North Carolina at the top of the "Best States for Business" ranking for the second straight year, the magazine cited our state's "highly educated labor supply" as one of the reasons. At the same time, half of our state's employers report having some difficulty filling their vacant positions.

In February 2018, Governor Roy Cooper introduced "NC Job Ready," his workforce initiative. NC Job Ready is built on three core principles: skills and education attainment so North Carolinians are ready for the jobs of today and tomorrow, employer leadership to remain relevant to evolving industry needs, and local innovation to take great ideas and apply them statewide. North Carolina's workforce development system, NCWorks, is essential to NC Job Ready. The system is designed to help individuals succeed in the workplace by providing skill development, training and employment services, and to help businesses obtain a skilled workforce through recruiting services, training programs, and subsidized employment. In short, we bring local businesses and local talent together, so both can thrive.

The Division of Workforce Solutions specifically oversees WIOA Title I and III programs. The division has implemented an integrated services delivery model at local NCWorks Career Centers to ensure a customer-focused approach to providing services to individuals and business. We enjoy strong partnerships with North Carolina's 23 local workforce development boards, educational institutions and other agencies, and we support the work of the NCWorks Commission, the statewide workforce board. Our efforts at collaboration and innovation continue to advance as we bring together various stakeholders who appreciate the connections between workforce development and economic development.

We appreciate this opportunity to report on our progress in realizing our strategic vision and goals for a workforce system that works for all North Carolinians.

Daniel L. Giddens
Assistant Secretary of Commerce, Division of Workforce Solutions

I. Progress in achieving state goals/vision

State's Strategic Vision and Goals in the Unified Plan

North Carolina established a WIOA State Steering Council to coordinate and align policy among the agencies overseeing WIOA programs. This body has continued to meet since the submission of the 2016 Unified State Plan and worked together on the 2018 modifications of the plan. The group continues its efforts on many of the items mentioned below, including career pathways and system performance.

Career Pathways

The NCWorks Commission, the board that oversees North Carolina's workforce development system, continues to support and promote NCWorks Certified Career Pathways. *See Part II, below.*

Business Engagement

The NCWorks Commission is working to create a shared vision and universal outreach strategy to provide information about the workforce system to businesses. An NCWorks Menu of Business Services tool, which serves as an overview of all workforce system services available to businesses, has been streamlined, with more business-friendly language, and rebranded as *NCWorks for Business*, with new leave-behind cards having been created to reflect the updated tool. A marketing group is working on a web-based outreach strategy and collaborating with The Economic Development Partnership of North Carolina (EDPNC) and Business Link North Carolina (BLNC) to launch a 1-800-number for businesses to call. The group has also collaborated to develop a resource guide for BLNC staff to use when answering 1-800 calls.

Sector Strategies

A cross-agency leadership team representing key workforce development, education, and economic development systems came together to clarify a state vision and strategy for building sustainable partnerships with business and industry across North Carolina's regions. The team was made up of key system leaders who share a commitment to working collaboratively to promote economic competitiveness and income mobility in North Carolina. The discussion resulted in a shared vision, agreement on the roles the state can play in supporting regional partnerships with business and industry, as well as agreement to work together in encouraging regional teams to attend the upcoming national Next Gen Sector Partnership Academy in February 2019. The group agreed to reconvene before the end of the year to further clarify the specific roles the state will play in enabling and encouraging partnership-building.

Work-based Learning activities

North Carolina is focusing on increasing the number and improving the quality of work-based learning opportunities for individuals across the state. As part of a National Governors Association Policy Academy, North Carolina has established an interagency team that collected information on current work-based learning activities, developed an online tool that helps people connect to work-based learning opportunities offered by businesses, and held a statewide summit to encourage more businesses to participate in work-based learning.

II. Progress in sector strategies and pathways

The NCWorks Commission continues to lead the State's efforts in career pathways development. In 2015, the Commission established a process for pathway certification that required regional teams to develop career pathways that meet eight best-practice criteria. As of the end of PY 2017 on June 30, 2018, there were 30 NCWorks Certified Career Pathways across the state in high demand, high wage industry sectors such as healthcare, transportation, advanced manufacturing and information technology. Career Pathways demonstrate that local teams have the tools and resources to fill in-demand positions within their regions.

The Commission requires the development of each pathway to be led by a group of engaged employers. These "champions" convene meetings, assist in curriculum development and commit to work-based learning and employment opportunities for successful pathway completers. Each NCWorks Certified Career Pathway must serve career seekers along a continuum, from youth just beginning the career exploration process to mid-career professionals seeking a career change. To meet this diverse need, work-based learning opportunities vary from job shadowing and industry-tours to on-the-job training, apprenticeships and work experience. Many state agencies work with employers to provide these opportunities. A range of funding sources is leveraged to make opportunities practical for career seekers.

Recently, an "impact report" was commissioned and released by the NCWorks Commission that synthesizes the 13 pathways that had been implemented for one year or more by June 30, 2018. The report is based on information submitted by the workforce development boards, community colleges, and high schools. The data indicates a need for career pathways and describes how they are impactful and provide critical tools for improved collaboration among employers and partners. The NCWorks Commission is working to identify areas for enhancements either to the process, to the pathways criteria itself, and/or regarding future performance metrics.

The report can be accessed at:

https://nccertifiedcareerpathways.com/wp-content/uploads/2018/12/NCWorks-Certified-Career-Pathways-1-Year-Impact-Report-ONLINE_2018.pdf

Sector Strategies

The NCWorks Commission has convened a cross-agency leadership team (NC State Sector Strategy Council) representing key workforce development, education, and economic development systems to clarify a state vision and strategy for building sustainable partnerships with business and industry across North Carolina's regions. The team was made up of key system leaders who share a commitment to working collaboratively to promote economic competitiveness and income mobility in North Carolina. The NC State Sector Strategy Council has developed a vision, identified what success will look like, and clarified the state's role, as follows:

Vision

Grow good jobs and promote economic mobility for all North Carolinians by collaborating across education, workforce development and economic development programs to efficiently and effectively meet the needs of driving industry sectors in North Carolina's regional economies.

What Does Success Look Like?

The team identified what success would look like in deepening and strengthening partnerships with business and industry across North Carolina's regions:

- A clear vision and understanding of the value-add of all partners.
- Develop cross-sectional goals to incentivize collaboration.
- Focus on business needs, not just what individual programs can offer.
- Don't get caught in ownership and credit.
- Change how we do business, not "just another initiative."

What is the State Role?

While sector partnerships are regional, the council identified several specific ways that the state can create the right conditions to foster and support the development of strong partnerships with industry at a regional level. These roles include:

- **Communicate a vision and help regions define their own roadmap to achieve that vision.** The state has a role to play in articulating and promoting a shared vision for aligning education, workforce development and economic development in order to grow good jobs and prepare North Carolinians for those jobs. The state can also help regions develop a customized plan of action without making decisions for them or mandating collaboration.
- **Create a framework with flexibility and customization built in.** A framework or "blueprint" from the state can help regions understand *how* to strengthen partnerships with industry. Coupled with customized technical assistance, this framework can help guide and support regions in building sustainable partnerships.
- **Spotlight and share what's working.** Create opportunities for regions to learn from one another and replicate successful practices.
- **Encourage the development of broad-based, cross-agency regional teams.** In order to ensure that sector partnerships are not just a "workforce thing" or "education thing" or "economic development thing," the group discussed who needs to be included in regional teams. State agencies have a role to play in encouraging each of these players to actively participate and contribute:
 - Community Colleges (Customized training leaders as well as Presidents)
 - K-12 CTE Directors
 - Regional Operations Directors
 - EDPNC Team
 - County-based economic developers
 - Workforce Development Board Directors
 - Career Pathway Facilitators
 - University system representatives

III. Waivers

North Carolina did not have any waivers in place during Program Year 2017.

IV. Performance System

Progress on Federal Primary Indicators of Performance

The table below gives an overview of the performance results for North Carolina's Title I and III programs for Program Year (PY) 2017, with the state achieving over 100% of its negotiated goals for the majority of the primary indicators of performance. In only one instance, the Youth Credential Rate indicator, did the state fall below 90% of the negotiated value.

PY 2017 Levels of Performance

Title/Program	Measure	Negotiated Value	Actual Performance	Percentage of Goal Achieved	
Title I	Adult	Employment Q2	68.0%	72.2%	106.18%
		Employment Q4	70.0%	72.5%	103.57%
		Median Earnings	\$4,800	\$4,733	98.60%
		Credential Rate	47.00%	58.10%	123.62%
		Measurable Skill Gains		29.1%	
	Dislocated Worker	Employment Q2	78.5%	75.8%	96.56%
		Employment Q4	78.0%	75.3%	96.54%
		Median Earnings	\$6,680	\$6,861	102.71%
		Credential Rate	56.4%	63.60%	112.77%
		Measurable Skill Gains		31.20%	
	Youth	Employment Q2	63.0%	72.2%	114.60%
		Employment Q4	61.0%	72.3%	118.52%
		Median Earnings		\$2,723	
		Credential Rate	59.0%	50.9%	86.27%
		Measurable Skill Gains		32.7%	
Title III	Wagner-Peyser	Employment Q2	68.0%	71.4%	105.00%
		Employment Q4	70.0%	71.0%	101.43%
		Median Earnings	\$4,800	\$4,650	96.88%

North Carolina has made a concerted effort over the last two years, with particular emphasis in the most recent year, to educate staff from around the state and at all organizational levels, about the primary indicators of performance. This training included information on what the measures are, the cohorts of individuals involved, and how the measures are calculated, including the data sources. Significant focus has been placed on specific areas of our case management system where data entry impacts the accuracy of a measure. This training will continue into PY 2018, but with expanded scope to include the variables that impact such measures, regardless of whether they be participant, geographic, or economic characteristics.

Even with the state's success in achieving performance beyond our negotiated goals, North Carolina recognizes the need to continue to increase our actual performance levels across all indicators, especially the percentage of individuals earning a credential during their participation in WIOA programs. To ensure workforce system staff are fully prepared to assist individuals in their path to achieving a credential, our ongoing staff training has stressed the importance of TEGL 10-16, with particular attention paid to what are acceptable credentials and the need for industry-related credentials. We acknowledge that there is further work to be done with our workforce boards, both in providing participants the support services needed to complete their training, as well as the need for more consistent and timely follow up. In order to capture credentials as soon as they are earned, quarterly follow-up with our participants is a necessity. We expect to see continuous improvements in this measure throughout PYs 2018 and 2019.

We are also playing close attention to our median earnings figures for all programs, recognizing that increasing wages for participants is a key aspect of long-term economic stability. The North Carolina Department of Commerce Labor and Economic Analysis Division assists us in keeping track of earning projections information and updated unemployment data. While their forecast is for an overall increase in the number of jobs in the state moving into PY 2018, the majority of these jobs would fall in the lower end of the pay scale. This implies workers will be able to find employment, but that the jobs found may not be at a high enough pay level to promote economic self-sufficiency. Further, according to NC GS 96-14.3, North Carolina is currently paying unemployment benefits for a period of 12 weeks, based on the most recent seasonally adjusted unemployment rate of 4.5%. Individuals who have been unemployed for 13 consecutive weeks, for any reason, are considered long-term unemployed in North Carolina, therefore making them eligible for the Dislocated Worker program. Workforce boards are increasingly using this category of eligibility to serve individuals who may previously have been served under the Adult program. The potential effect of doing so is a lowering of the skills and qualifications of those seeking employment and a commensurate decrease in the median wages earned for the Dislocated Worker program.

Another factor that will likely have an impact on our performance numbers is the continued reduction of the unemployment rate. The unemployment rate for North Carolina was 5.0% as of July 2016 and had decreased to 4.4% by June of 2017 (the time period of the exiter cohort for PY 2017 performance measures). The rate has continued to steadily decrease, with the latest data available, that of October of 2018, showing a rate of 3.6%. While this is certainly positive news overall for workers, indicating an increased demand for employees by businesses in the state, it also suggests that those individuals seeking the services of a career center may be ones from harder-to-serve populations with increased barriers to earning a credential and employment.

Local Workforce Board Measures

As per the Workforce Innovation and Opportunity Act (WIOA) section 116 and NC General Statute 143B-438.10, the NCWorks Commission is responsible for developing performance accountability measures for local workforce development boards. The NCWorks Commission developed these measures in consultation with the local workforce development board directors and chairs to complement the WIOA federal primary indicators of performance for adult and youth training and employment. Local Workforce Development Boards and the NCWorks Commission work together to collect performance data in three main areas: Outreach & Engagement, Skills Gap, and Process measures. These nine measures for local board performance reveal trends in outreach and engagement with individuals and businesses, training for adults and youth, and career center and career pathway certifications. New targets that were approved by the commission in February 2018 are now effective as of July 1, 2018.

Common Exit Policy

The U.S. Department of Labor requires that an individual’s WIOA exit date be the date on which the last service, funded by the program or partner program, is received by the individual. When an individual has not received a documented WIOA or partner-funded service for 90 days, the case management system will “soft exit” the individual based on entries completed. North Carolina utilizes a common exit model whereby a participant is not exited (and therefore remains active in all programs) until such time as they have not received *any* service within the past 90 days from any program, be it Title I, Title III, or Trade Adjustment Assistance. Individuals who are participating in more than one program will have a single common exit date, following 90 days of inactivity across *all* program enrollments. Follow-up and support services do not qualify as activities that extend the exit date.

Revision Service/Activity Codes

All services and activities provided to WIOA participants in Title I and III programs are documented in the NCWorks Online case management system using a set of service/activity codes. Such activity codes are a necessity in order to correctly document the Career and Training Services a participant receives and directly impacts whether a participant is included in the credential and measurable skill gain measures. All services are crosswalked to the services listed in the Training and Employment Guidance Letter (TEGL) number 10-16 and corresponding PIRL reporting elements. During PY 2016, North Carolina began a comprehensive review of its existing services codes with a goal of eliminating unnecessary and underutilized codes, while revising the definition of existing services to more clearly define how they are to be used. This was of particular importance due to an accompanying fundamental shift in North Carolina’s enrollment and service delivery model, one moving away from complete participant dual enrollment. The project involved staff from across the state with feedback sought from multiple levels of the workforce system. It continued into the beginning of PY 2017. The resulting code set reduced the number of active codes by 30% and went live statewide in September of 2017. Moving forward, codes will be revised on an as-needed basis, reflective of reporting requirements for DOL and feedback from the boards.

V. Effectiveness in Serving Employers performance indicator pilot

As part of the Effectiveness in Serving Employers performance indicator pilot, North Carolina has chosen to submit data for the Employer Penetration Rate and the Repeat Business Customer Rate. For PY 2017, employer service data was combined from the Title I and III programs along with data from Title IV Vocational Rehabilitation. When compared to the number of business establishments in the state during the first quarter of calendar year 2018 (the latest data available from BLS at the time of reporting), the North Carolina workforce system served just over eight percent (8.1%) of the state’s business establishments. When considering the Repeat Business Customer Rate since the start of performance under WIOA, just under half (46.1%) of those businesses that were served by the system during PY 2017 were served previously.

Employer Measure	NC Workforce System PY 2017
Employer Penetration Rate	8.1%
Repeat Business Customer Rate	46.1%

VI. Current or Planned Evaluation and Research Projects

The NCWorks Commission is committed to ensuring that data is used to target resources, understand the value of programs to customers, and to assess the effectiveness of the workforce system. The commission's mission is to ensure North Carolina has a world-class workforce development system that is adaptable, integrated, relevant, efficient, and effective. To develop the very best information to support that mission, the commission partners with the Labor and Economic Analysis Division (LEAD) of the North Carolina Department of Commerce to conduct a number of evaluation studies.

Employer Needs Survey

The 2018 Employer Needs Survey (completed during PY 2017) is a biennial survey designed to track the needs of employers over time to ensure that our state's workforce development system is meeting not only their needs, but is becoming a strategic asset for them. This year's survey provides vital data about the extent to which North Carolina businesses are experiencing hiring difficulties and identifies the top reasons for difficulty, recognizing that different challenges exist for different industry segments, different business sizes and different regions. LEAD asked over 2,000 business establishments about their hiring practices, with emphasis on hiring difficulties and workforce needs.

The results showed that hiring remains strong in North Carolina, with 43.3% of employers expecting hiring to increase in the future. However, half of all companies surveyed reported difficulty in hiring new staff, a substantial increase over previous years. In key growth industries like Manufacturing and for Science, Technology, Engineering, and Mathematics (STEM) industries, the number approaches two-thirds. Among the reasons that employers encountered difficulties, two-thirds cited inadequate employability skills and half also reported that candidates had inadequate experience or technical skills – or that there simply were not enough candidates in the applicant pool to fill their roles.

Looking across the state, employers in the two largest metropolitan areas (Charlotte and the Triangle) had less difficulty hiring (40%) than the state as a whole (50%), while employers in the state's other metro areas had more difficulty (61%). Micropolitan (49%) and Rural (46%) area employers had a similar level of difficulty to the state as a whole.

The conclusions drawn from the report will assist the workforce development ecosystem to develop or move to scale data-informed policies and programs that equip job seekers with the skills and experience required by businesses. For example, the evidence suggests younger workers would benefit greatly from earlier work experiences – such as apprenticeships, internships, and other work-based learning programs – that will help them develop the kinds of employability skills they need for the good jobs that are too often difficult to fill in our state. Opportunities also exist for the workforce system to more fully engage with employers to help meet their needs and prepare job seekers for current and future jobs.

The commission will continue its efforts to identify and address misalignments that exist between labor supply and demand. The findings in the report support the key elements of Governor Roy Cooper's NC Job Ready Initiative and his priorities for workforce development. NC Job Ready has three core principles: skills and education attainment, employer leadership, and local innovation. The NCWorks Commission's continued, collaborative progress on NCWorks Certified Career Pathways, business engagement strategies, and NCWorks Career Centers will support NC Job Ready by preparing North Carolinians for the jobs of today and tomorrow.

Annual Performance Report

North Carolina General Statute requires the NCWorks Commission to develop, continuously improve, and report on system-wide performance measures to assess the effectiveness of the entire workforce development system.

The fifth version of the *Measuring the Performance of North Carolina's Workforce Development System* report was released at the end of PY 2017. This report is based on data from the North Carolina Common Follow-up System (CFS). CFS is a longitudinal repository of information from a variety of educational and workforce programs. It also includes data on employment, wage, claims and benefit payment information. In designing the original version of the report, the commission convened a task force of members along with an advisory group representing each of the state workforce development agencies. After extensive stakeholder collaboration, core measures were developed to provide a common framework to analyze the performance of the workforce development system. By using common metrics and applying them across a wide range of workforce programs, the performance measures offer a comprehensive program-by-program look at the workforce system. It also provides information on the services participants receive from multiple workforce programs, acknowledging that citizens view workforce as one fluid system, rather than distinct, siloed programs.

Annual Program Review

The NCWorks Commission conducts an annual survey to collect and review funding levels, fund distributions, target populations, services to individuals and employers, program goals and performance measures, and types of outreach strategies, along with work-based learning information from the 19 agency programs that provide workforce development services in North Carolina. This is done to evaluate federally funded or State-funded workforce development programs for effectiveness, duplication, fiscal accountability, and coordination of workforce development programs administered by the Department of Commerce, Department of Health and Human Services, Community Colleges System Office, Department of Administration, and Department of Public Instruction.

Quarterly Labor Market Data Sheet

In addition to the more comprehensive Employer Needs Survey and Annual Performance Report from the state's Common Follow-Up System, the Commission and LEAD also provide a quarterly publication to provide key economic and labor market information that relates to the workforce, so that Commission members can see the latest trends in North Carolina and discuss future needs in workforce development policy.

Copies of all reports are publicly available at: <https://www.nccommerce.com/about-us/boards-commissions/ncworks-commission#data-and-accountability>

VII. Customer Satisfaction

State's approach to customer satisfaction

The NCWorks Customer Satisfaction Survey is an initiative to solicit feedback from individuals and businesses registered with NCWorks, in an effort to improve overall services offered, as well as to increase customer satisfaction. Results and feedback from the survey are used to determine and promote continuous quality improvement initiatives and make overall improvements to the one-stop system.

Survey Methodology

Two independent online customer satisfaction surveys were developed using a robust online survey platform, to obtain feedback from individuals and businesses that utilized one or more services (Online, Career Center, and Telephone) provided by NCWorks. The Initial Customer Experience Satisfaction Survey (ICESS) was developed to assess the initial customer experience of job seekers throughout the state of North Carolina. The Business Customer Satisfaction Survey (BCSS) was developed to assess business customers' needs and their satisfaction with the services received.

Sample questions on the survey included, *'In what ways have you used NCWorks services?'*, *'Tell us the reason(s) for your most recent website visit to NCWorks Online'*, *'How easy was it to use the automated phone system?'* and *'Based on your experience, how likely are you to recommend calling the NCWorks Career Center to others?'*.

Response

Online survey data collection took place between October 1, 2017 and August 31, 2018. In total, 207,088 surveys were sent to job seekers, and 9,058 surveys were sent to business customers registered with NCWorks. After considering an email bounce rate of 16%, a total of 46,905 job seekers started the ICESS survey and a total of 39,760 completed the ICESS survey, leading to a completion rate of 85%. Similarly, with a 14% of email bounce rate for the BCSS survey, a total of 1,149 business customers started the BCSS survey and total of 1,107 surveys were completed, leading to a completion rate of 96%.

Results

Job Seeker Survey Results

A total of 39,760 job seekers completed the ICESS survey.

- The top three reasons for using NCWorks included: job search, obtaining information on unemployment benefits, and job application.
- NCWorks Online: Job seekers identified specific areas of improvement: (a) increase access to NCWorks staff, resources and community outreach; (b) improve NCWorks online navigation; (c) improve NCWorks website; and (d) increase number and variety of jobs available.
- NCWorks Career Center: Job seekers identified specific areas of improvement: (a) improve NCWorks online navigation and center equipment; (b) increase access to staff, follow-up services and resources; and (c) reduce customer wait-time and improve customer service.
- NCWorks Telephone: Job seekers identified specific areas of improvement: (a) update telephone and online service; (b) improve wait-time and follow-up; and (c) improve customer service.

Business Survey Results

A total of 1,107 business customers completed the BCSS survey.

- NCWorks Online: Business customers identified specific areas of improvement: (a) increase access to qualified applicants; (b) improve NCWorks website and online navigation; and (c) improve customer service.
- NCWorks Career Center: Business customers identified specific areas of improvement: (a) improve NCWorks online and customer service; and (b) need for training, education and outreach.
- NCWorks Staff: Business customers identified specific areas of improvement: (a) update NCWorks online and employer account assistance; (b) increase opportunity for employer-employee engagement; and (c) improve customer service.

Continuous improvement processes for incorporating the customer satisfaction feedback

As part of the state's Career Center certification process, local workforce area and center management are required to monitor survey outcomes by accessing an online dashboard of results. Centers are asked to meet with their staff periodically to discuss the results and any customer feedback received, and in response, to develop plans to improve customer service.

VIII. Wagner-Peyser

Reemployment Programs

The federally funded Reemployment Services and Eligibility Assessment (RESEA) and Employment Assessment Interview (EAI) programs are an integral part of North Carolina's Integrated Service Delivery System to enhance and expand the capacity of the workforce system to improve reemployment service delivery to unemployment insurance (UI) claimants. The RESEA and EAI program are statewide initiatives. Sixty-five (65) percent of first-pay claimants who are ranked most likely to exhaust are referred to RESEA for services, while the remaining thirty-five (35) percent are referred to the EAI program.

RESEA

The intent of the RESEA program is to provide unemployment insurance (UI) claimants with an entry to a wide array of available resources that support reemployment. RESEA programs are designed to be an integral part of the state's strategies for delivering reemployment services. The target populations for RESEA services include individuals who are identified as most likely to exhaust their UI benefits and transitioning veterans receiving Unemployment Compensation for Ex-Servicemembers (UCX).

EAI

EAI provides concentrated reemployment services to claimants receiving UI benefits. The EAI program is mandatory for persons receiving UI benefits and is a part of the NCWorks Career Center's daily Integrated Services Delivery format. EAI claimants must be scheduled within four (4) weeks of their first payment of (UI) benefits for program services. For the period of January 1, 2017 through December 31, 2017, 20,129 claimants were provided EAI services.

For both RESEA and EAI, key milestones for the year include:

- Ongoing program enhancement within NCWorks Online to streamline Career Center staff program processes and procedures, such as promotion and development of email/text appointment reminders to improve RESEA show-rates;
- Evaluating the profiling model used to select participants;
- Revising call-in letters to stress the importance and value of attending the reemployment service program;
- Providing translated call-in letters and other related documentation to assist claimants with limited English proficiency understand program requirements and benefits; and
- Making reminder phone calls/emails when possible to reinforce the positive value of the service and to remind the customer of the appointment.

North Carolina Department of Commerce Reentry Initiative

The Reentry Initiative ensures job seekers with criminal records are provided assistance with overcoming barriers to employment. Initiative staff provide technical assistance and training to NCWorks Career Center staff who in turn, provide direct services to former offenders, market the initiative to employers and community partners, participate in outreach efforts, and coordinate efforts with community partners.

The Reentry Initiative works to promote the Federal Bonding Program, which provides individual fidelity bonds to employers when they hire “at risk” job applicants who are, or may be, denied coverage by commercial carriers because of criminal history, poor work history, history of drug or alcohol abuse, or due to a dishonorable discharge from the military.

Older Worker Program

The program ensures older workers are provided with resources to assist them in seeking employment.

Equal Opportunity, Americans with Disabilities Act, Limited English Proficiency

DWS is responsible for ensuring Career Center and partner agency facilities have the capacity to provide a full range of employment and training services that are accessible to persons with disabilities, those with limited English proficiency, and other special populations.

IX. National Dislocated Worker Grants (NDWG)

North Carolina’s Hurricane Matthew, Sector Partnership, and Reemployment and System Integration National Dislocated Worker Grants were in operation during Program Year 2017.

National Dislocated Worker Grant participants are often co-enrolled in the WIOA Dislocated Worker program in order to provide additional supportive services not offered through NDWG programs. National Dislocated Worker Grants have minimal impact on North Carolina’s established performance measures.

North Carolina’s Rapid Response unit works closely with local area staff to coordinate state rapid response activities with services offered through National Dislocated Worker Grants.

Hurricane Matthew National Dislocated Worker Grant

The Hurricane Matthew National Dislocated Worker Grant was awarded by the U.S. Department of Labor in the amount of \$13,587,554 to provide employment opportunities to long-term unemployed and to participants who became unemployed as a result of the disaster. Employment opportunities were in the public or non-profit sectors and provided services related to disaster clean-up, debris removal, and office or administrative work related to the disaster.

The project involved hiring outreach workers for humanitarian efforts; warehouse workers for food banks and food distribution; office assistants to support the American Red Cross; clerical assistants to support county health departments and DWS local offices. Workers were limited to working for up to 12 months. More than 600 participants were served by this program.

The NCWorks Mobile Career Center, a mobile unit that provides Career Center services to customers and includes services to help survivors of natural disasters, was dispatched to hurricane-impacted counties to assist with the recruitment of grant participants who may not have had access to NCWorks Career Centers. The Mobile NCWorks Career Center also provided a safe environment in which to facilitate workshops.

Sector Partnership National Dislocated Worker Grant

The Sector Partnership National Dislocated Worker Grant (SP NDWG) was awarded in the amount of \$5,250,000 to support the State's existing efforts to meet employer needs and equip the workforce through NCWorks Certified Career Pathways. Certified Career Pathways are in high-demand occupations and help individuals become work ready in a shorter time period as they seek to reduce duplication of educational and work experience attainment. Employers benefited from participation in Certified Career Pathways by being able to create a pipeline of talent to meet their short- and long-term needs. Certified Career Pathways also benefited the educational and workforce development institutions that serve dislocated workers by providing a guided, sector strategy approach – with a regional focus – to provide classroom and work-based learning opportunities.

The SP NDWG provided funding to local and regional partners to ensure the certification of career pathways. Funds were used to provide assessments, career counseling and compensation for work-based learning opportunities. Additionally, administrative funds were used to provide resources for local and regional teams to administer the programs. The SP NDWG provided North Carolina another tool to incentivize the certification of career pathways statewide, further ensuring that dislocated workers navigating the pathways received the same level of high-quality career and educational opportunities anywhere in North Carolina. More than 500 participants were served by this program.

Reemployment and System Integration National Dislocated Worker Grant

The Reemployment and System Integration National Dislocated Worker Grant was awarded in the amount of \$834,230. Following a modification submitted by DWS during PY 2017 and approved by the U.S. Department of Labor during PY 2018, the Reemployment and System Integration grant was designed to streamline the provision of Labor Market Information (LMI) for the benefit of both customers (dislocated workers) and the NCWorks Career Center staff who assist them. DWS partnered with LEAD to obtain and import the relevant data.

The grant supported the purchasing of equipment, including touch-screen kiosks and printers, which present the user with simple, easy-to-read results. This equipment was installed at various NCWorks Career Centers across the state after the end of PY 2017. New formatting of the LMI data allowed a faster display of career pathways that focus on high-growth, high-demand occupations, which can lead to reemployment. This also allowed staff to focus on transferable skills and real-time LMI so that they could assist customers in developing realistic, practical career paths.

X. Rapid Response

During Program Year 2017, the DWS Rapid Response unit, part of the agency's Business Services Section, responded to a total of 97 Worker Adjustment and Retraining Notifications (WARN) from across the state, which covered 9,951 employees. By county, those with the highest percentage of employees

impacted were: Wake County (19%), followed by Mecklenburg (10%), Durham (9%), Pitt (6%) and Wilson (5%).

Over half of the worker dislocations during the year were attributed to permanent closures, with significant layoffs occurring in the manufacturing industry (33%), followed by healthcare (23%), retail food products (16%) and financial (4%) industries.

The Rapid Response team engages with businesses to develop a comprehensive plan of action to ensure employees have a successful transition into new employment based upon sector strategies and career pathways. This is a proactive process, with services conveniently provided onsite at the business location and may include customized job seeking skills workshops, hiring events, targeted job fairs, health insurance information, and financial resources. The NCWorks Mobile Career Center, or “Mobile Unit,” was dispatched over 61 times during the program year to assist with business closures, hiring events and job fairs. The Mobile Unit also attended events for youth, homeless veterans, and people with disabilities.

Layoff Aversion

Layoff Aversion Task Force

In July 2017, the 20-member Layoff Aversion Task Force team completed the comprehensive plan for layoff aversion that meets the requirements within TEGL 19-16. The Task Force team named the document, “Saving Jobs in North Carolina: a Technical Assistance Guide for Layoff Aversion.” The team consisted of:

- North Carolina Department of Commerce Regional Operations Directors
- Business Services Representatives
- Workforce Development Board Directors
- Economic Developers
- Community College Representative
- A representative from North Carolina State University
- Company Representatives – Union & Non-union

Business Edge Process

The name “Business Edge” was chosen as an alternative to “layoff aversion” in the hope that our communications efforts regarding the process would be perceived positively by companies. The Business Edge process was established and approved by senior leadership at the Department of Commerce. It was suggested by senior leadership that we pilot Business Edge in two prosperity zones in the state (Northeast and Sandhills). The initial pilot occurred at a metal fabricator in Washington, North Carolina. The local Workforce Development Board Business Services Representative (BSR), the Economic Developer and the DWS layoff aversion specialist worked closely together throughout the Business Edge process. The outcome was a comprehensive engagement conducted by a North Carolina-based “turnaround” firm called Anderson Bauman Tourtellot Vos (ABTV). The firm assessed and analyzed the company and produced a report with findings and recommendations that, if implemented, could save the 37 jobs at the company.

Following this pilot, a “Lessons Learned/Recommended Solutions” document was created so that the Business Edge process would be smoother for the next implementation. A Memorandum of

Understanding (MOU) was established that puts emphasis on ensuring that the distressed company participates and is cooperative throughout the Business Edge process.

Steel Valley Authority

DWS continued to collaborate with Steel Valley Authority in Pennsylvania, the nationally recognized leader in layoff aversion. Their Executive Director, Tom Croft, has been a consistent resource as we developed the activities and comprehensive plan for layoff aversion. We have granted Mr. Croft permission to share our Business Edge concept with other states as they develop their process and strategies for preventing and or averting layoffs and closures.

XI. Governor's Reserve

DWS is partnering with the North Carolina Department of Military and Veterans Affairs (DMVA) to implement initiatives resulting in improved services to veterans and those employers supporting veterans. As part of the North Carolina for Military Employment (NC4ME) initiative, DWS conducts eight to ten NC4ME Hiring Events across the state throughout the year. These entail veteran job seeker resume and interview preparation, job seeker skill set matching with employer needs, and on-site interviews during the hiring event. A supporting effort of this initiative is formal training for employer Human Resources Directors on interpreting/cross-walking service member skills into civilian parlance, and on the benefits of hiring veterans. DWS also partners with DMVA to publish the annual North Carolina Veterans Resource Guide as an all-encompassing reference for veterans and employers.

DWS is also partnering with the North Carolina Communities in Schools for the Career and College Readiness Initiative. This initiative focuses on eight communities, one in each of the state's Prosperity Zones, with two different models to help students in middle and high school prepare for both graduation and for a career. The high school model focuses on helping students achieve high outcomes in graduation and employment rates, resulting in increased college access and completion. In addition, College and Career Specialists are trained to prepare students to achieve academic, career and life successes. In addition to the high school model, the program supports six middle schools offering the AVID (Advancement Via Individual Determination) system, which is dedicated to closing the achievement gap while equipping students with the skills necessary to succeed academically and socially.

XII. Promising practices/lessons learned/success stories

Examples of success are found in the recipients of the 2018 Governor's NCWorks Awards of Distinction, which recognize outstanding accomplishments and contributions related to workforce development.

NCWorks Awards were presented to the following recipients:

- **Allen Shellenbarger of Charlotte: Outstanding Adult.** Shellenbarger overcame physical disabilities resulting from a massive stroke to complete a degree in Exercise Science at the University of North Carolina at Charlotte in 2017, with assistance from the N.C. Division of Vocational Rehabilitation (VR) Services. VR staff helped Shellenbarger with specialized transportation, assistive technology and living supports. The staff also arranged an On-the-Job Training opportunity for him at the Keith Family YMCA as a personal trainer. Shellenbarger has persevered through numerous obstacles, earning several career-related certifications along with the respect of peers, professors, clients and coworkers.

- **Lamonty Bullock of Fayetteville: Outstanding Young Adult.** Bullock was 18 years old, had recently exited the foster care system and was homeless when he first visited the NCWorks Career Center in Cumberland County. He wanted help becoming a certified substance abuse counselor and particularly wanted to work with teens and young adults. With a positive attitude and determination, Bullock has completed the first part of his substance abuse counselor training at Fayetteville Technical Community College with support from the NCWorks NextGen program. Meanwhile, he has participated in an internship with Fayetteville Urban Ministry as an emergency assistance aide.
- **Khamiah Alderman of Charlotte: Outstanding Teen.** A student at Vance High School in Charlotte, Alderman has excelled in an internship opportunity with Carolinas Healthcare System through MeckEd's Career Pathways program. Through this program, she has received invaluable knowledge and experience as she prepares for a future medical career. Teachers and fellow students alike are inspired by her grit, dedication to academic excellence, and involvement in her school and community. Alderman was later appointed to serve as the student member of the board of directors of MeckEd, a local education fund.
- **Patricia Chandler of Raleigh: Wayne Daves Award for Outstanding Achievement in Workforce Development.** Chandler serves as a senior employment counselor for Wake County Human Services, where she helps participants in the Work First program enroll in the NCWorks system and obtain jobs. In collaboration with community partners, she has organized monthly hiring events to connect her clients to employers. At the first such hiring event, 25 participants obtained jobs. Chandler has been recognized for her dedication to customer service, continuous improvement and communication.
- **BSH Home Appliances Corporation of New Bern: Outstanding Employer.** BSH, which manufactures and distributes home and kitchen appliances, is active in a variety of efforts to build a strong talent pipeline in partnership with the community. The company has partnered with Craven County Schools on the county's first advanced manufacturing/mechatronics program at the high school level, hosted teachers through externships and shadowing experiences, collaborated with Craven Community College on apprenticeships, worked with Eastern Carolina Workforce Development Board on an Advanced Manufacturing Certified Career Pathway, and financially supported other local STEM education programs.
- **IT-Ready Charlotte: Innovative Partnership.** IT-Ready is a national not-for-profit program developed and administered by Creating IT Futures, a workforce charity founded by the trade association CompTIA. In partnership with Charlotte Works, IT-Ready is being offered in Charlotte with funding from TEKsystems, a tech staffing firm, and grant support from Google to Goodwill Industries of the Southern Piedmont. IT-Ready Charlotte offers short-term technology career training and certification testing to adults, completely free of charge. The program targets unemployed and under-employed workers, as well as veterans, ethnic minorities and women. All the graduates of the pilot class held in Charlotte received job offers from local businesses.