

NCWORKS COMMISSION

Workforce Development Board System Alignment Study

Governance & System Alignment Committee

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Study Charge

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On November 10, 2021, at the NCWorks Commission quarterly business meeting, Chair Tom Rabon, with the support of Governor Roy Cooper, requested that the Governance and System Alignment Committee conduct a study to understand the opportunities to realign the workforce system, specifically the arrangement of our local workforce development boards, to better support economic development in the state.

The Committee conducted this study between November 2021 and February 2022.

The study was guided by the following questions:

1. Are there opportunities to better align the existing workforce system with economic development activity in the state?
2. If so, what guiding principles would best support this realignment?

The Committee collected data focused on commuting patterns, labor and economic trends, and stakeholder perspectives from a diversity of sources including the Department of Commerce Labor and Economic Analysis Division (LEAD) and the Division of Workforce Solutions. The Committee conducted in-depth interviews and surveys with workforce, economic development, and education leaders across the state.

Background: History & State Comparison

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- **1982:** Enactment of the federal Job Training Partnership Act (JTPA)
- **1983:** In response to JTPA, NC shifted to a “regional, multi-county approach to workforce development based on the labor market, not county boundaries.” This began with the creation of the Centralina Interlocal Consortium for Job Training (now known as the Centralina Workforce Development Consortium).
- **1983- 1995:** Other multi-county boards followed, forming throughout the rest of the 1980’s and into the 1990’s.
- **1995:** In anticipation of the passage of Workforce Investment Act, the names of the boards officially shifted from Private Industry Councils to local Workforce Development Boards in 1995.
- **1995 – Present:** Since 1995, WIA and WIOA (replacing WIA) have been enacted. Other shifts in board structure have occurred with the most recent planned for summer of 2022. Triangle South is planning to dissolve with the counties joining other boards. This will decrease the number of boards to 22.
- **2021:** In December, NCAWDB conducted a survey via email to states in the United States Workforce Association to learn about their approach to aligning LWDBs with economic development. Of the 19 states who responded to the survey, 8 have no formal alignment, 9 have some alignment including GA, and 2 states, SC and OR, have close alignment.

Background: Previously Identified Challenges

Since 2012 there have been 3 studies exploring the potential to realign the workforce development system:

- *State and Local Improvements Needed for Workforce Development System Integration and Accountability (2012)* conducted by Program Evaluation Division of the General Assembly
- *North Carolina Workforce System Review And Options for Reform (2014)* conducted by UWC Strategic Services on Unemployment and Workers' Compensation
- *North Carolina Workforce Development Board Re-evaluation (2020)* conducted by students from Duke's MPP

These studies identified the following challenges:

- LWDBs are not aligned with economic development as intended by federal law (2012, 2014, 2020).
- LWDBs have large variation in the # of counties and the # of individuals that they serve (2012, 2020).
- LWDBS vary in effectiveness (2012).
- LWDBs are not aligned with other workforce development programs like community colleges (2012, 2014).
- LWDBs should recognize the active role that employers have in the workforce system (2014).
- The service areas covered by LWDBs do not have a central node where economic activity is concentrated (2020).
- Single workforce board areas do not reflect shared commuter and economic activity (2012, 2020).

Data Collection

The Governance and System Alignment Committee met in November to identify the initial scope and timeline of this study. During subsequent meetings, they reviewed and requested new data. The committee also requested stakeholder interviews and surveys. An initial list of stakeholders was generated by the NCWorks Commission staff. This list was shared with the committee, and additional members were added based on their feedback. Individuals selected for an interview represented state-wide agencies or organizations. Below is a list of stakeholders who participated.

Education

- DPI (interview)
- myFutureNC (interview)
- NC Association of Community College Presidents
- NC Community Colleges System Office
- NCICU – Economic Council
- UNC – Economic Council

Workforce

- DWS (interview)
- NCAWDB (interview)
- Workforce Development Board Directors (20 out 23)

Economic Development

- EDPNC (interview)
- Carolinas Gateway Partnership
- Charlotte Regional Business Alliance
- City of Charlotte Economic Development Department
- NC Chamber
- NC East Alliance
- NCEDA
- North Carolina’s Southeast
- Wake County Economic Development

Other

- Association of Regional Council of Governments (interview)



Data

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Labor Market, Commuting Patterns, and Educational Partners

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Board Administrators

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COG (14)

City or County Government (5)

Community College (1)

Non-Profit (3)

Cape Fear

Capital Area

Triangle South (CCCC)

Eastern Carolina

Centralina

DavidsonWorks

Regional Partnership

Cumberland*

Durham

CharlotteWorks

Foothills

Gaston

High Country

GuildfordWorks

Kerr-Tar

Lumber River

Mountain Area

Northeastern

Piedmont Triad Regional

Rivers East

Southwestern

Turning Point

Western Piedmont

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Commuting Data - WDB

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Percentage of Individuals Living & Working in the Same Workforce Development Board area

<u>Workforce Development Board</u>	<u>Employed in Area, Live Outside</u>	<u>Employed and Live in Area</u>	<u>Live in Area, Employed Outside</u>	<u>Residents of Area workers</u>	<u>% Living & Working in area</u>
Cape Fear WDB	36,787	96,829	44,240	141,069	68.6%
Capital Area WDB	203,161	317,364	174,920	492,284	64.5%
Centralina WDB	117,323	140,888	202,858	343,746	41.0%
Charlotte Works	326,428	301,689	127,569	429,258	70.3%
Cumberland County WDB	39,566	39,675	38,613	78,288	50.7%
DavidsonWorks WDB	20,330	16,374	46,274	62,648	26.1%
Durham WDB	131,078	56,292	55,351	111,643	50.4%
Eastern Carolina WDB	44,887	98,898	67,745	166,643	59.3%
Foothills WDB	26,560	32,363	44,276	76,639	42.2%
Gaston County WDB	34,780	30,580	62,879	93,459	32.7%
Guilford Works WDB	127,606	113,637	77,459	191,096	59.5%
High Country WDB	19,317	32,129	27,528	59,657	53.9%
Kerr-Tar WDB	20,255	23,430	54,577	78,007	30.0%
Lumber River WDB	30,519	35,082	41,646	76,728	45.7%
Mountain Area WDB	41,970	109,730	36,448	146,178	75.1%
Northeastern WDB	9,450	27,053	24,245	51,298	52.7%
Piedmont Triad Regional WDB	99,690	137,522	109,594	247,116	55.7%
Regional Partnership WDB	83,582	82,086	106,739	188,825	43.5%
Rivers East WDB	32,341	43,980	32,994	76,974	57.1%
Southwestern WDB	11,934	31,864	23,987	55,851	57.1%
Triangle South WDB	37,274	31,647	67,197	98,844	32.0%
Turning Point WDB	33,989	53,043	39,054	92,097	57.6%
Western Piedmont WDB	44,139	80,047	46,858	126,905	63.1%

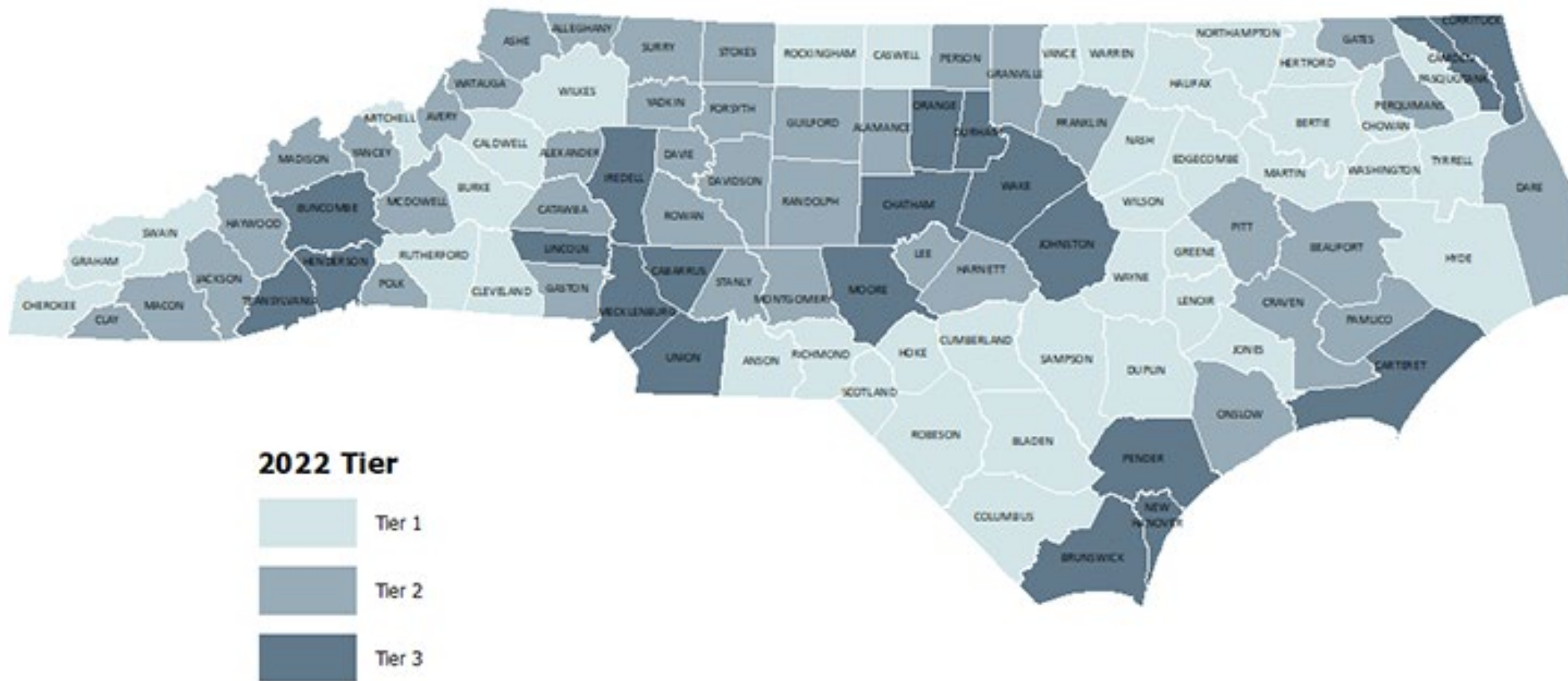
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 Analysis from US Census Bureau Longitudinal Employment Household Dynamics Origin-Destination Employment Statistics, 2019



Percentage of Individuals Living & Working in the Same Prosperity Zone

<u>Prosperity Zone</u>	<u>Employed in PZ, Live Outside</u>	<u>Employed and Live in PZ</u>	<u>Live in PZ, Employed Outside</u>	<u>Residents of PZ workers</u>	<u>% Living & Working in PZ</u>
Western	43,860	171,219	58,878	230,097	74.4%
Northwest	58,937	129,980	72,272	202,252	64.3%
Southwest	267,606	710,139	189,205	899,344	79.0%
Piedmont-Triad	150,275	457,941	153,220	611,161	74.9%
North Central	208,981	704,824	174,105	878,929	80.2%
South Central (Sandhills)	71,386	135,955	88,566	224,521	60.6%
Northeast	39,235	88,308	59,599	147,907	59.7%
Southeast	67,887	198,635	92,407	291,042	68.2%

County Tiers



County Tiers

<u>Prosperity Zone Region</u>	<u>Tier 1</u>	<u>Tier 2</u>	<u>Tier 3</u>
North Central	5	5	5
Northeast	10	5	2
Northwest	4	8	
Piedmont-Triad	2	9	
Sandhills	8	1	1
Southeast	5	3	4
Southwest	2	3	5
Western	4	6	3

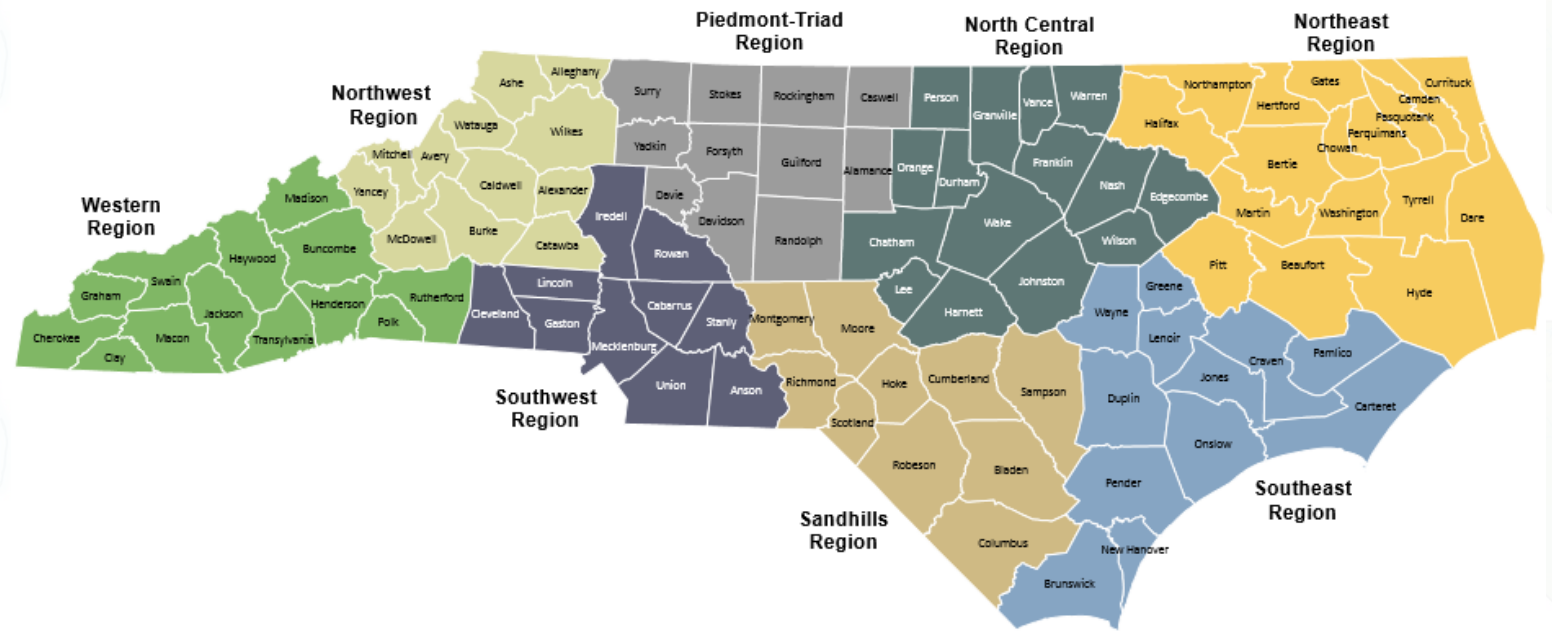
Workforce Development Board

	<u>Tier 1</u>	<u>Tier 2</u>	<u>Tier 3</u>
Cape Fear WDB	1		3
Capital Area WDB			2
Centralina WDB	1	2	4
Charlotte Works			1
Cumberland County WDB	1		
DavidsonWorks		1	
Durham County WDB			1
Eastern Carolina WDB	5	3	1
Foothills WDB	2	2	
Gaston County WDB		1	
Guilford County WDB		1	
High Country WDB	2	5	
Kerr-Tar WDB	2	3	
Lumber River WDB	5		
Mountain Area WDB		1	3
Northeastern WDB	5	3	2
Piedmont Triad Regional Council	2	5	
Regional Partnership WDB		3	2
Rivers East WDB	3	2	
Southwestern WDB	3	4	
Triangle South WDB	1	2	1
Turning Point WDB	5		
Western Piedmont WDB	2	2	

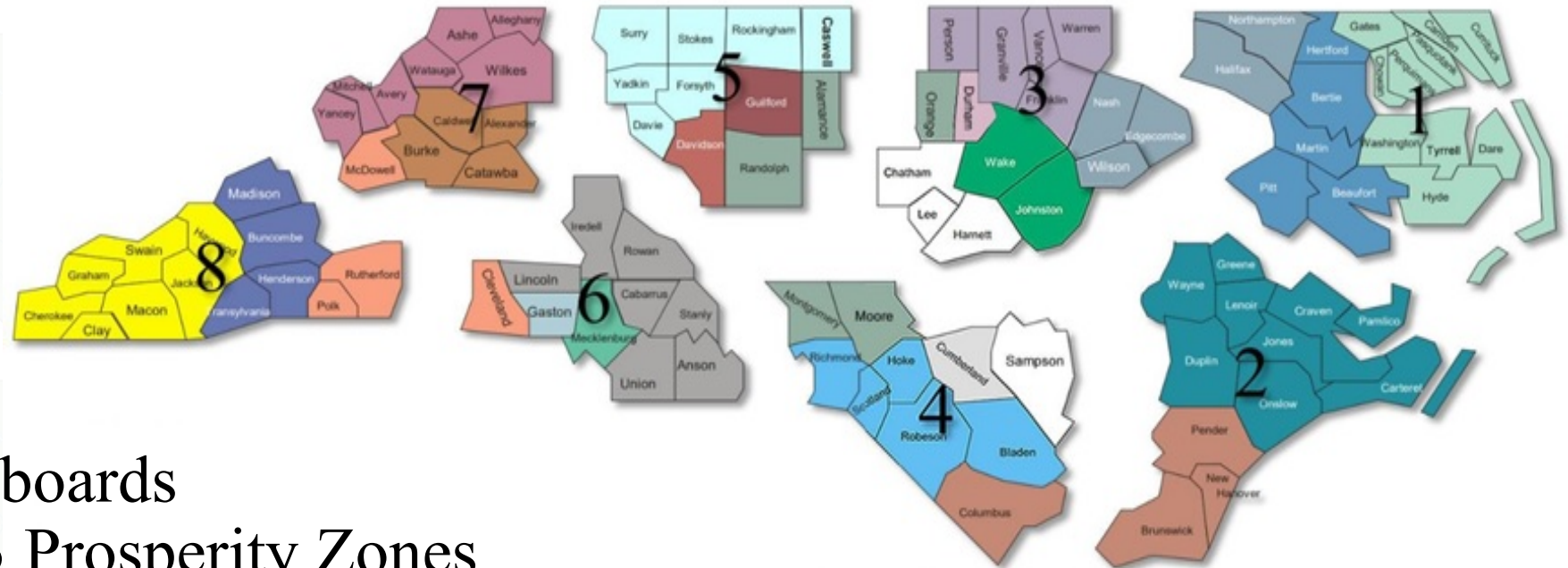
Prosperity Zones

NC General Statutes § 143B-28.1

8 Regional Prosperity Zones



Current WDBs & Prosperity Zones



- 6 single county boards
- 2 boards cross 3 Prosperity Zones
- 3 boards cross 2 Prosperity Zones
- Prosperity Zones contain anywhere from 2 to 6 boards

Community Colleges Overlap Summary

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Workforce Development Board

1 – 7 colleges per WDB

7 colleges overlap with 2 WDBs

- Beaufort Co. CC
- Caldwell CC & TI
- Davidson-Davie CC
- Durham Tech CC
- Gaston College
- Piedmont CC
- Sandhills CC

Prosperity Zones

6 – 9 colleges per Prosperity Zone

1 college overlaps with 2 Prosperity Zones

- Piedmont CC

COG

2 -7 colleges per COG

6 colleges overlap with 2 COGs

- Beaufort Co. CC
- Caldwell CC & TI
- Central Carolina CC
- Davidson-Davie CC
- Piedmont CC
- Sandhills CC

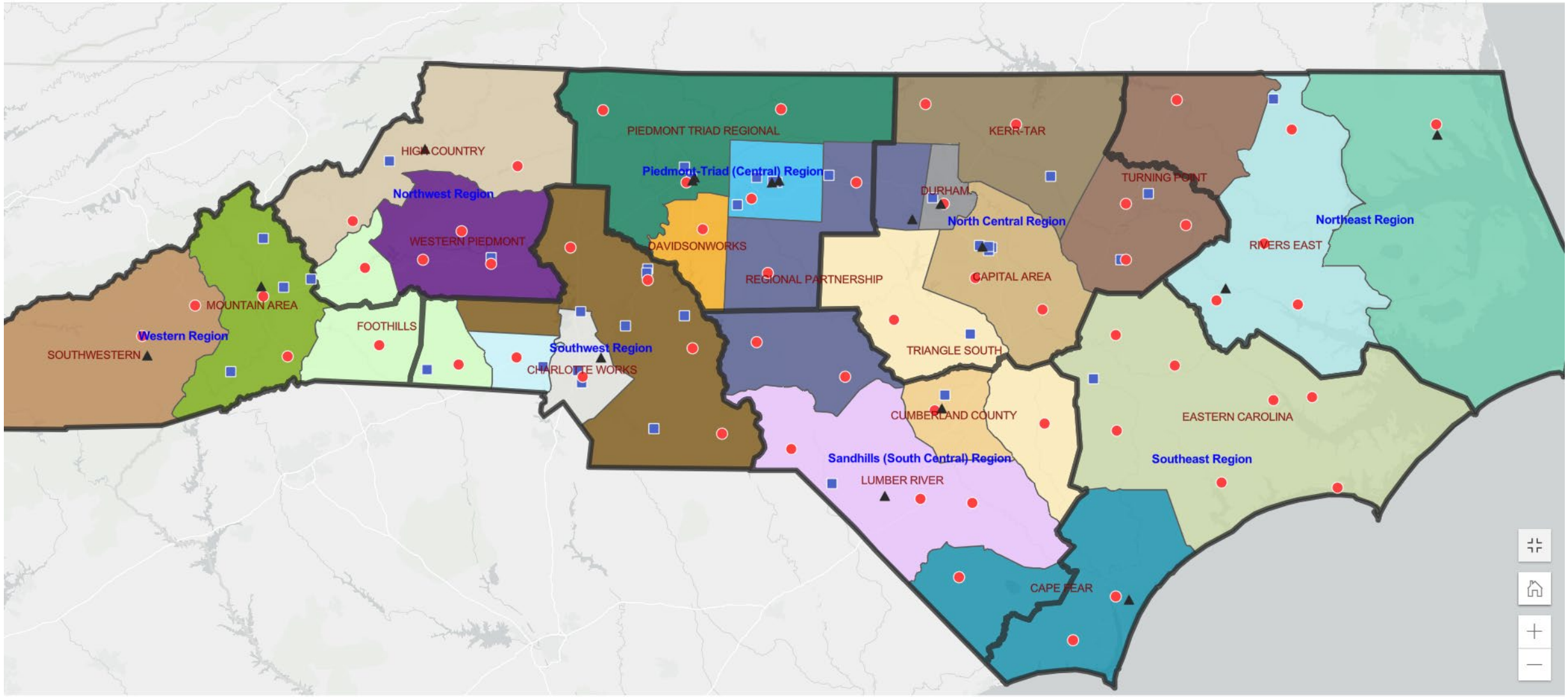
Training Mobility Patterns

<u>Community College</u>	<u>% Enrolled Outside of Service Area</u>	<u>Next Largest County Enrollment</u>	<u># of WDBs</u>	<u># of WDBs Certified as an Eligible Training Provider</u>
Alamance Community College	36%	10% Guilford	1	8
Asheville-Buncombe Technical Community College	23%	8% Henderson	1	7
Beaufort Co. Community College	36%	16% Pitt	2	9
Bladen Community College	57%	19% Robeson	1	7
Blue Ridge Community College	25%	11% Buncombe	1	5
Brunswick Community College	32%	4% New Hanover	1	4
Caldwell Community College & Technical Institute	35%	7% Catawba	2	12
Cape Fear Community College	32%	9% Brunswick	1	7
Carteret Community College	30%	10% Craven	1	3

Services across Areas

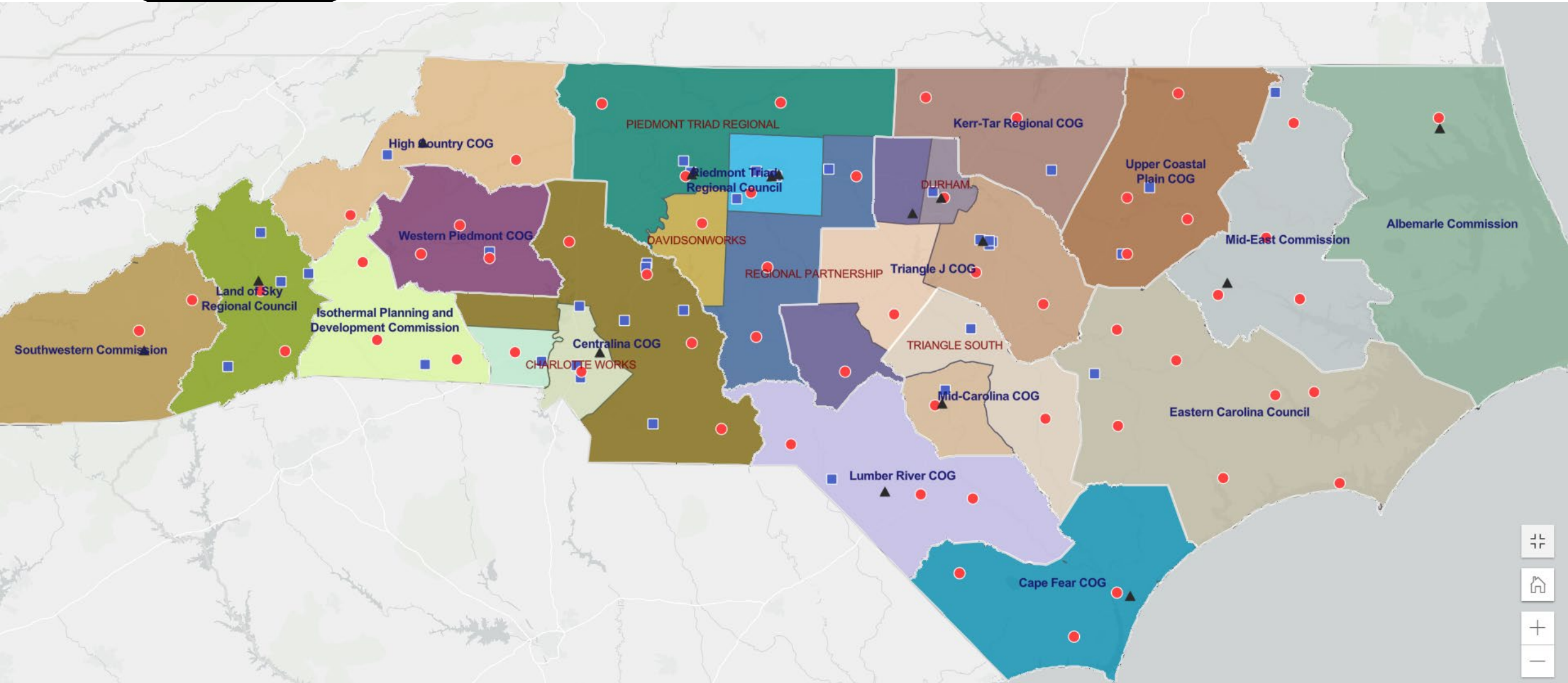
	<u>Current</u>	<u>COGs</u>	<u>Prosperity Zones</u>	<u>Sub Prosperity Zones</u>
# Areas	23	16	8	16
Range of the # of Counties	1 – 10	3 – 12	10 – 17	3- 12
Live & Work in same region (range average)	26%-75%	30%-78%	59%-80%	
# of Region with at least 1 Tier 3 County	10 out 23 (43%)	6 out of 16 (38%)	6 out 8 (75%)	7 out of 16
Range of the # community colleges # of community colleges overlapping multiple areas	1 – 7 7	2 – 7 6 overlap	6 – 9 1	1 – 7 7
Range of the # of all colleges	1 – 10	2 – 16	9 – 21	2 – 18
Map Reference	Map #1; Map #2	Map #2; Map #4	Map #1; Map #3	

Map #1: Current LWDBs & PZ



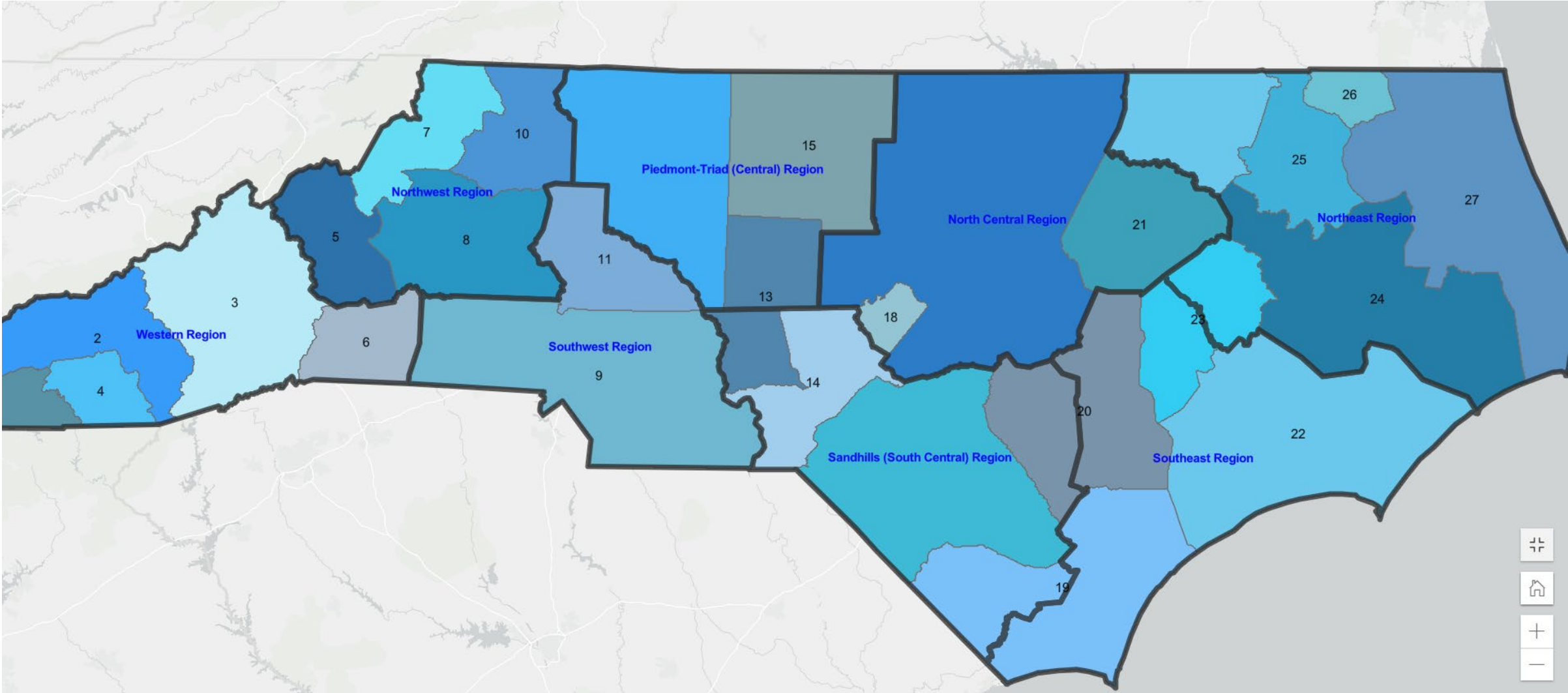
Red dots – Community colleges; blue squares – NCICU; black triangles – UNC

Map #2: Current LWDBs & COGs

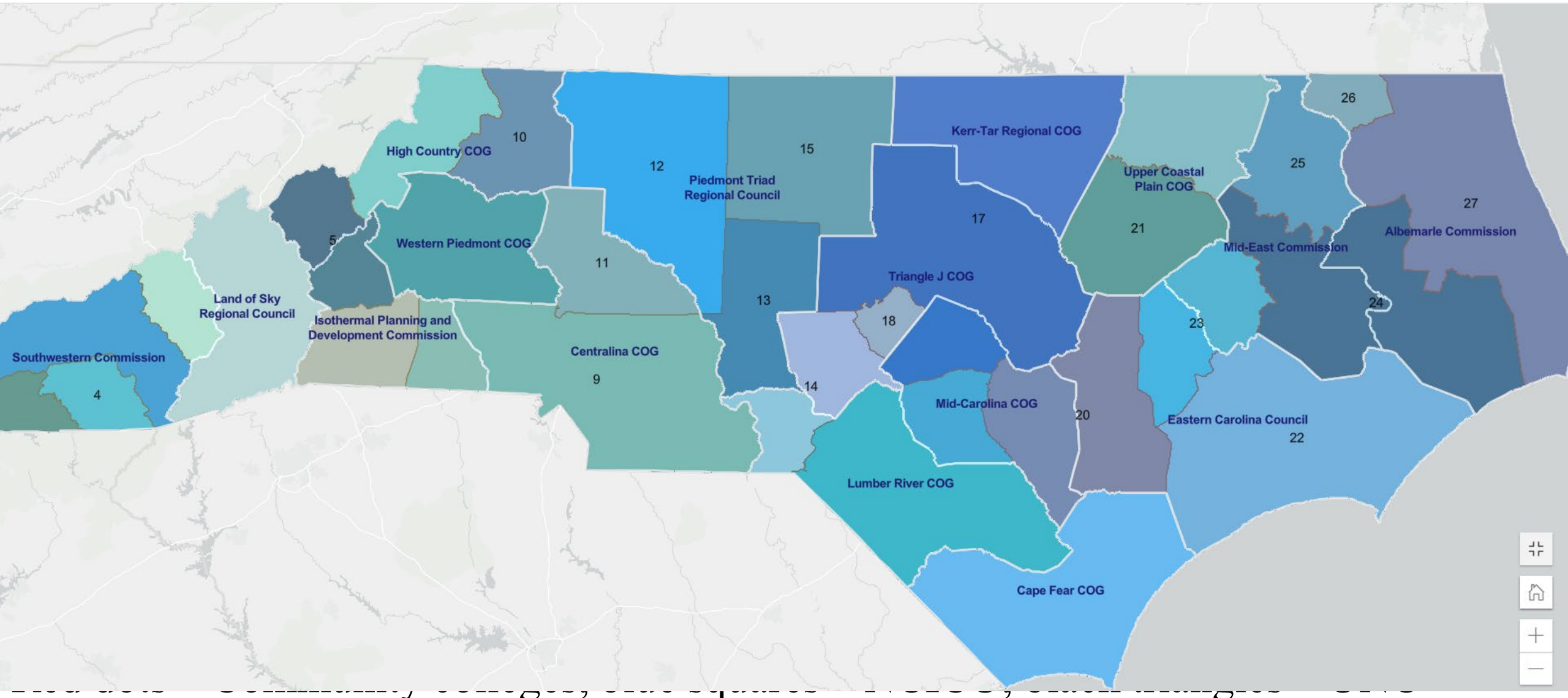


Red dots – Community colleges; blue squares – NCICU; black triangles – UNC

Map #3: PZ and labor markets



Map #4: COG and labor markets



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Summary of Survey and Interview Findings

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Opportunities for Engagement

Stakeholders have differing perspectives of how current LWDBs engage with economic development activities.

- Workforce Board Directors, the NCAWDB and some local and regional economic developers provided clear examples of how LWDBs are successfully working with local economic developers to support economic development activities in their service areas.
- Some regional and state level economic developers expressed concern about the complexity of the workforce board system and how that can create confusion for new or expanding businesses.
- State level entities working around economic development shared that there is a feeling that LWDBs are inconsistent in their ability to engage in economic development activities. This inconsistency means sometimes LWDBs are invited to conversations and other times they are not.
- Multiple stakeholders suggested there may be opportunities to improve relationships and communication between LWDBs and economic developers through technical assistance.

COG Service Regions

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Theme #2: COGs boundaries resonate and are familiar to stakeholders, but do not have strong support as the ideal model to realign.

- Stakeholders shared that there is an important distinction between aligning COG services areas and having COGs operate LWDBS. Currently, COGs operate 14 LWDBS. Across the surveys and interviews, stakeholders suggested, just like with any organization, there are likely some COGs that are more successful at operating LWDBS than others.
- Aligning with COGs would mean reduction in the number of boards and potentially a reduction in variation.
- There were varying opinions about the relevance of the current groupings of COGs given that the COG service areas have remained relatively stable for 50 years. The ARCOG shared that the COG service areas are voluntary and that as needed alignments have changed or regrouped.
- **The strengths to aligning with COGs include:**
 - possible opportunities to partner with other service deliveries;
 - alignment with EDA regions;
 - ability to lead long-term planning; and
 - strong connections to local elected officials.
- **Challenges or concerns include:**
 - the relevance of the COG service regions
 - the varying role of COGs in economic development; and
 - strengths are in long-term planning vs. addressing current customer and employer needs.

Prosperity Zones and Economic Development

Theme #3: Stakeholders have divergent views on the value of aligning workforce boards with Prosperity Zones.

- Workforce Board Directors, NCAWDBs, and some regional and local economic developers shared that they saw little benefit to aligning LWDBs with the 8 Prosperity Zones. They shared challenges of this model include:
 - LWDBs being too large, losing out on the “localness;”
 - smaller, rural communities would not be well represented and may have access to fewer resources;
 - LWDBs would be too large and unable to come to consensus; and
 - concerned about about who would be able to operate boards.
- Some regional and local economic developers, as well as state economic developers, DWS, and education organizations held strong support for aligning with the 8 prosperity zones. They shared that the strengths of this model include:
 - Alignment with how state agencies currently operate and deliver services to customers and employers allowing for greater partnership and coordination;
 - reduction of boards would lead to less variation and more consistency in services; and
 - employers would have a single point of contact within a given region.
- There was some limited conversation around exploring the possibility of aligning via sub-prosperity zones.

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