Workforce Development in the State of North Carolina: An Overview

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Introduction and Workforce Highlights

The State of North Carolina has been considered a leader for decades in the workforce development arena. Its community college system is one of the most extensive in the country and is considered the backbone of its workforce training system. In fact, North Carolina ranks 5th nationally in the number of people completing community college technical and vocational degrees each year, even though it only ranks 11th in overall population. With 58 community colleges, NC can boast that no business or student is more than a half hour from one of its campuses – an impressive feat in a rural state.

The community college system has long dominated workforce development in the State while their one-stop career center system, JobLink, appears to play a secondary role. For example, North Carolina pioneered free, customized job training for new and expanding businesses in 1958 and continues to provide the nation’s most recognized customized job training service. This service is also available through the North Carolina Community Colleges’ Customized Training and Development Services and “contributed to the multiple rankings that list North Carolina’s business climate as one of the best in the nation.”

Significantly, the community college system serves an astounding 760,764, which is estimated to be one out of every six adults in the State. The financial incentives provided to individuals and employers helps fuel this impressive number. An entire year of training is free to any dislocated worker. Further, employers who use the Employment Security Commission’s recruitment and screening services have access to an on-line job applicant listing system, as well as a 100-day, no-fault guarantee against unemployment insurance taxes for referred employees who are separated due to lack of performance the job.

Another innovative state initiative developed in North Carolina is the Middle and Early Colleges program established in five school districts to bridge the divide between high school and college and to help make higher education more affordable and accessible. These “Colleges” are located on either community college or university campuses and, upon graduation, students receive a high school diploma and either an Associate Degree or two years of transferable college credits.

Although the JobLink centers may not have as many offerings, they are readily accessible throughout the State in 97 locations and offer a variety of programs such as the Career Readiness Certificate and an Incumbent Workforce Development Training Program to train current workers at 200 businesses. The CRC is a portable credential that promotes career development and skill attainment for the individual, and “certifies” to employers that the individual possesses the basic workplace skills of reading and applied math. This certificate is used as an economic development tool in cities and counties where the academic achievement levels of the incumbent, dislocated, or potential workforce hinder business development.
In 2003, the Chancellor of the University of North Carolina, launched the Carolina Covenant, to provide free education for low-income students who apply and are accepted at UNC. The program was the first of its kind for a major public institution and has since been replicated by others. The students graduate debt-free if they work on campus 10 to 12 hours weekly in a work-study job. In another noteworthy investment in its future, a $3.1 billion higher education bond-- the nation’s largest -- was passed in 2000 to build and renovate hundreds of buildings at public universities and community colleges.

These and other workforce initiatives described below are needed given the rapid transformation of the North Carolina economy. In the first half of the 20th century, manufacturing was the traditional source of good paying jobs for most workers in North Carolina. By 1990, however, service-providing industries were the dominant employers in the State. In that year, service industries accounted for over two-thirds of the annual average employment. Since 1995 North Carolina has lost more than 100,000 manufacturing jobs. (Source: NC Dept of Commerce.) Unfortunately, high tech, high wage jobs in NC are increasing but are still not a high percentage of the total workforce (3 percent). (Source: Hudson Institute.)

As background, the U.S. Census Bureau reports for 2003 count 8.4 million people in the State of North Carolina, which is a 4.5 increase since the year 2000, a slightly higher increase than that of the US as a whole. The state’s ethnic and racial composition for the 2000 Census breaks down as follows:

- Caucasian, 72.1%
- Black or African American, 21.6%
- Asian, 1.4%
- Hispanic or Latino origin, 4.7%

I. Workforce Development – The WIA Two-Year Plan

One North Carolina
North Carolina has recently submitted an ambitious, yet candid two-year plan as a part of its requirement under WIA. The Governor, Michael Easley, is in his second term of office, and has laid out a vision for One North Carolina. The One North Carolina Agenda is described as a set of goals to “build the State’s educational, economic, and social support infrastructure.”

Governor Easley’s vision for North Carolina’s workforce development system provides a continuum of employment, education, and training services for citizens and business that reflects community needs. He would like to see the workforce development system offer “end to end” education, employment, and training “beginning with excellent public schools,” and “continuous learning and skill building opportunities for emerging and incumbent workers.”

The Plan candidly describes the challenges North Carolina faces to create quality jobs for all North Carolinians, and notes that the economy is improving, but is “still challenged by the effects of a four-year, manufacturing-led downturn that continues to
be influenced by global economic forces. During this time, the State lost a staggering 160,000 manufacturing jobs, mostly in the textile and furniture industries. Although many of these jobs have been replaced, it has been with lower wage or temporary work. The State recognizes it must transition to a “knowledge-based, skilled workforce from what has been a predominately labor-intensive manufacturing one and is “aggressively investing in its economy.”

North Carolina is targeting growth industries like biotechnology, and expects to excel in this area, in research, development, and bioprocessing, as well as in companies that apply new and innovative technology to remain competitive in the State’s traditional industries, such as textiles and furniture.

**Economic Development Board & JobLink**
The State Economic Development Board (EDB), working closely with the Governor’s office and the State Board, appointed a *Subcommittee on Workforce Development Governance and Accountability*. The EDB tasked the Subcommittee with examining the state level workforce development structure and make recommendations on how this structure needs to function to meet current and future economic and workforce needs. (*Source: WIA Two-Year Plan, 2005.*)

The Subcommittee found that the *JobLink* system (North Carolina’s One-Stop service delivery network), has not reached the level of resource and service integration needed by workers and businesses at the local level. Like many other states, North Carolina has struggled with the issue of allocating costs in the State’s JobLink Career Center System and the issue continues to divide the JobLink agency partners. The Subcommittee also noted the significant budget and service delivery constraints among workforce development agencies, as well as the need for flexibility, easy service access, and enhanced services to new and existing business and industry. The Subcommittee identified the following needs in the state level workforce development structure:

- To leverage resources to provide more services despite budgetary constraints;
- A common vision that guides policy, program design, and use of funds; and
- Clear lines of accountability and communication for effective service delivery.

The WIA Two-Year Plan lists improving the JobLink system as a priority given the need to build a more unified workforce system. The Plan lists the following as “requirements” for these improvements:

- Expansion of service integration among agencies to improve services to business and industry.
- Creative use of multiple funding streams to leverage and maximize services to workers and employers.
- Marketing and communication strategies to effectively inform workers and employers of the available services and benefits.
- Management and accountability structure within the unified system of multiple agencies.

*See the JobLink Career Centers Section below for additional information on the list of services.*

**Management Alliance**
The North Carolina Economic Development Board’s *Subcommittee on Workforce Development Governance and Accountability* went on to recommend the
establishment of a state level workforce development management alliance (Alliance) to implement plans, policies, and initiatives involving multiple agency programs and resources. The Subcommittee noted that the workforce system should be evaluated and redefined as a process based on function rather than funding. The Subcommittee also recommended that the Alliance be chaired by an individual designated and accountable to the Governor, and have a clearly defined role and line of authority. The EDB and the State Board endorsed this recommendation with the intent that it will promote agency collaboration around a common vision for workforce and economic development.

Other Alliance membership includes:
- Chairman of the NC Employment Security Commission,
- President of the NC Department of Commerce, and
- Secretary of the NC Department of Health and Human Services.

**Education, Business and Industry**

The WIA Two-Year Plan recently submitted to the U.S. Department of Labor (June 2005) includes a description of North Carolina’s business friendly environment and the key business organizations with which it works closely on workforce development issues, including: the North Carolina Citizens for Business and Industry (NCCBI); the North Carolina Business Committee for Education (NCBCE); and the North Carolina Economic Development Association.

North Carolina has been a recognized leader in education reform for years and continues to emphasize the importance of building on education reforms and the importance of training emerging workers as well as incumbent workers. The WIA Two-Year Plan highlights a number of creative initiatives, which offer both education and training opportunities, including the:

1) **Early Childhood and Public School Initiatives**
   - More at Four early childhood initiative – an effort to target more at-risk preschoolers and prepare their readiness for entry into K-12.
   - 21st Century Skill Center -- a recently announced public/private partnership supported by NCBCE and the Partnership for 21st Century Skills to prepare students for high-skilled jobs. The Center will work with public school systems, community colleges, and university educational institutions to redesign school curricula, update teacher-training programs, and provide improved assessments of student skills. Educators, administrators, and the business community will also work with the Center to identify the skill needs.
   - New Schools Project (NSP) -- launched in August 2003 by the Governor’s Education Cabinet and the Public School Forum, is a private/public partnership to change the State’s high schools. Supported by an $11 million grant from the Bill and Melinda Gates Foundation, this project will award grants and provide other support to create up to 100 new, small high schools across the State. The schools will serve as academic models to prepare all students for work and college. The first round of funding from the New Schools Project is focused on health science “career academies” in eight school districts. The districts will receive a total of $334,000 in support services and funding for at least a year of planning to establish new, small and academically rigorous high schools. They will then be eligible for implementation grants to open the school and begin
operations.

- Middle and Early Colleges -- will be created from the second round of funding from the New Schools Project above and also supported by the $11 million grant from the Bill and Melinda Gates Foundation. The focus will be on middle college and early college high schools in partnership with the community colleges and public and private colleges and universities. Five school districts have received grants to develop these Middle and Early Colleges to bridge the divide between high school and college and to help make higher education more affordable and accessible. The “Colleges” are located on either community college or university campuses and, upon graduation; students receive a high school diploma and either an Associate Degree or two years of transferable college credits. (Source: www.ncbce.org/April04/8schools.html)

2) Incumbent Worker Training

- Incumbent Workforce Development Training Program -- working with 200 businesses with grants to train their current workers. Begun in 2003, the grants are sponsored by the State Board and managed through a partnership between the Department of Commerce and the 24 local Workforce Development Boards.

- New and Expanding Industry Training Program (NEIT) -- created through the NC Community College System (NCCCS) to provide customized training for new, full-time production jobs, while enhancing the growth potential of companies in emerging industries. This customized training program has been “nationally recognized” and considered a “proven economic development asset for the State.” It is aligned with the Incumbent Workforce Development Training Program (above) to ensure resource maximization and flexibility in providing enhanced business services. (See more on NEIT under the Community College section below.)

- Focused Industrial Training Program (FIT) -- a special training program for North Carolina's traditional industries (such as furniture manufacturing) and is also a part of the NCCCS. Serving manufacturers primarily, FIT uses consultants to design and implement targeted, customized training for organizations that need to upgrade workers' skills because of technological or process advances. (See more on FIT under the Community College section below.)

- Career Readiness Certificate Initiative (CRC) -- a portable credential that promotes career development and skill attainment for the individual, and “certifies” to employers that the individuals possess the basic workplace skills of reading and applied math. This certificate is used as an economic development tool in cities and counties where the academic achievement levels of the incumbent, dislocated, or potential workforce hinder business development. As a result of the testing, individuals earn a CRC or identify areas in which they need further training. JobLink Career Centers are to partner with post-secondary education institutions to ensure that training and education opportunities are available to meet targeted training needs.

3) Targeted Worker Populations

- Advisory Council on Hispanic/Latino Affairs -- appointed by the Governor to focus on issues affecting the Hispanic population in North Carolina
including workforce development.

- **Office of Hispanic/Latino Initiatives** -- a community college-based initiative designed to assist the Hispanic/Latino youth population with successful entry and advancement in the workforce.

- **North Carolina’s Dislocated Workers plan** -- developed by the North Carolina Rural Economic Development Center has both short and long-term strategies to assist the thousands of North Carolinians who have been or will be impacted by job loss. The Rural Economic Development Center, in partnership with Governor Easley’s cabinet agencies and other stakeholders, developed an action agenda. *(See North Carolina Expands Manufacturing Employment Program, the New Opportunities for Workers Program under the community college section.)*

- **Going Home Initiative** -- a collaboration between the Department of Corrections, the Department of Commerce (DOC), and the JobLink Career Center system to assist soon-to-be-released inmates from North Carolina’s correctional institutions with transitioning back into the community and with employment. It is supported by a grant from the US Department of Justice, and leveraged with state activities funds from WIA.

4) **Market-Driven Demonstration Projects**

- **Project Health** -- a demonstration project funded with a grant from the US Department of Labor (USDOL) high-growth initiative and leveraged with WIA statewide activities reserve funds. This is a joint demonstration project between the State Board, the NCCCS, the North Carolina Hospital Association, and the public university system (University of North Carolina). This project addresses the shortage of registered nurses in North Carolina by increasing the number of nursing instructors in the community colleges.

- **Retail Training Center** -- a collaboration between the State Board, the Central Piedmont Workforce Development Board, the National Retail Federation, and Northgate Associates (a retail shopping center owner). This training center was developed in response to the need for qualified workers by the retail industry. The training center works with retail companies to train new and incumbent workers in customer service, sales, and management skills.

**State Workforce Development Board**
The North Carolina Workforce Development Board is housed in the Department of Commerce, which is also responsible for the state level economic development divisions. Additionally, leaders from each of the public workforce agencies serve on the State Board as well as those from the economic development community. Through this state-level collaboration, local workforce development partners receive assistance in aligning economic development efforts. The Board is large with 38 voting members; 32 of which are appointed by the Governor and the remaining six represent various state agencies. *(Source: NC WIA Two-Year Plan, P. 39.)*

**JobLink Career Centers**
North Carolina operates 97 JobLink (or one-stop career) centers. The Employment Security Commission (ESC) operates 57 Centers, while local community colleges operate 22 JobLinks. In addition, at many other JobLink Career Centers, local
community college staff provide assessment, training and/or educational services such as job-seeking skills training, adult basic education, and human resource development.

North Carolina, along with other states, has struggled with the issue of allocating costs in the State’s JobLink Career Center System. The State Workforce Board has convened state and local partner meetings to discuss a resolution to this problem, but thus far, the meetings have not produced “tangible results.” Some of the partners want all costs, including staff costs, to be shared; other partners want only facilities costs to be considered. Referral relationships exist between JobLink staff and other partners, including TANF and the Food Stamp Employment and Training program, but these are not state-mandated JobLink partners. The State law, however, requires that all TANF applicants register with the Wagner-Peyser program. (Source: NC Department of Commerce, www.ncjoblink.com/shared/what.asp?c=2)

**Job Seeker Services**

Services available to job seekers in each JobLink Career Center include:

- Job Listings (through America’s Job Bank and North Carolina’s Job Bank)
- Job Placement
- Work Registration
- Labor Market Information
- Career Information and Guidance
- Assessment
- Information about education and training opportunities through NCSTARS (www.ncstars.org)
- Unemployment insurance information
- Filing for unemployment insurance claims
- Resume preparation
- Education and training assistance
- Referral to other partner agency services

**Employer Services**

Services available to employers in each JobLink Career Center include:

- Work recruitment assistance
- Single point for filing and filling job orders
- Rapid response assistance for plant closings and mass layoffs
- Worker training information
- Tax credit and hiring incentive information
- Labor market information Outreach

**JobLink Partners**

- Local Community College
- Workforce Investment Act, title I programs and services
- Adult (an individual 18 years old or older)
- Dislocated Worker (for an individual who lost her or his job)
- Youth (ages 14 through 21)
- Job corps (for youth)
- Native Americans
- Migrant and Seasonal Farmworkers
- Veterans
• Employment Security Commission (public labor exchange and unemployment insurance assistance)
• Vocational Rehabilitation
• Services for the Blind
• County Department of Social Services - WorkFirst program
• County Department of Social Services - Food Stamp Employment and Training program
• Veterans Employment Services
• Trade Adjustment Assistance and North American Free Trade Act Transitional Adjustment Assistance
• Labor Market Information
• Title V of the Older Americans Act - Senior Employment program

North Carolina Progress Board
Created in 1995 by the North Carolina General Assembly, the North Carolina Progress Board is a permanent independent state board with 24 members, chaired by the Governor, and made up of citizens appointed by the Governor, the Speaker of the House of Representatives, and the President Pro-Tem of the Senate. The Progress Board was an outgrowth of the work of the 1990’s Commission for a Competitive North Carolina and charged with tracking eight “imperative” issue areas deemed critical for the economic success of the State. Specifically, the General Assembly charged the Progress Board with tracking the state’s progress in eight these issue areas, including:
1) Healthy children and families.
2) Quality education for all.
3) A high performance workforce.
4) A prosperous economy.
5) A sustainable environment.
6) 21st century infrastructure.
7) Safe and vibrant communities.
8) Active citizenship/accountable government.
(Source: www.theprogressboard.org/mission.htm)

North Carolina 20/20 Report
The North Carolina Progress Board has produced a comprehensive, 273-page report, the NC 20/20 to examine progress toward the eight key “imperatives,” listed above. The NC 20/20 report boldly states that North Carolina and its citizens will not prosper today unless the workers are prepared to compete in the global economy. The need for skilled human capital is the most critical component of our nation’s economy, and demand for highly skilled workers appears to exceed supply, according to the 21st Century Workforce Commission. “By 2006, nearly half of all U.S. workers will be employed in industries that produce or intensively use information technology products and services.” (Source: 21st Century Workforce Commission. Building America’s 21st Century Workforce, (2000.).) Rather sobering for all states is the statistic that 60 percent of new jobs in the early 21st century will require skills possessed today by only 20 percent of today’s workforce according to the Census Bureau, Bureau of Labor Statistics and Hudson Institute. (Source: www.theprogressboard.org/scoreboard.htm, Building a High-Skill, High-Wage Workforce in the 21st Century by Richard Judy of the Hudson Institute at the Southern Legislative Conference, August 7, 2000.)
II. North Carolina Community College System

Workforce Development
North Carolina is recognized as a pioneer and one of the leading states in the nation in providing workforce training. The tradition of workforce training dates back to 1957 with the creation of the Industrial Education Centers and the nation’s first customized training program for business and industry. The Industrial Education Centers were the forerunners of the North Carolina Community College System and established a unique tradition for workforce development in North Carolina. While most community colleges in the nation started with an academic focus and have been moving in an industry training workforce development direction, North Carolina’s system started with training and workforce development roots, and has continued to grow. Although the number of students seeking university diplomas in math, computer science and engineering are flat or declining, it appears that increasing numbers of workers are hearing the message to upgrade skills through community college coursework. In the past three years community college enrollments in information technology (IT) related degree, diploma, certificate and other occupational IT training courses have increased by as much as 50 percent.

North Carolina also goes to extra lengths to celebrate its community college system. Each year, the North Carolina Association of Community College Presidents and the North Carolina Community College System Office host an Academic Excellence Awards (AEA) Luncheon to recognize the academic work of 116 students – two from each of the state’s community colleges. An impressive 600 people attended the event this year, and Governor Easley declared April 27 “Academic Excellence in Community Colleges Day.” (Source: www.ncccs.cc.nc.us/Connections/index.html)

Additionally, State Board of Community Colleges hosts the annual Day of Recognition Awards Luncheon event to honor students, staff and leaders in Raleigh on November 19. One award, the I.E. Ready Award is the highest honor bestowed by the State Board of Community Colleges, and recognizes those who have made significant contributions to the establishment and development of the North Carolina Community College System. (The award is named for the late Isaac Epps Ready, who was the first director of the System. Source: www.ncccs.cc.nc.us/Connections/index.html)

North Carolina’s Community College System has earned high marks for its workforce training programs. Expansion Management magazine ranked their programs as “best in the nation” two years in a row. What may make North Carolina most unique is its wide array of short-term job training programs that account for approximately three-fourths of all students. As noted earlier, last year the System served 760,764 students, accounting for one out of every six adults in the state. Classes offered over the Internet and other distance education initiatives are expected to play an increasingly important role in workforce training and retraining.
• North Carolina Community Colleges, along with the University of North Carolina System, are benefactors of the largest higher education bond in U.S. history. Of the $3.1 billion education bond passed in late 2000, $600 million will go to community colleges over the next five years to renovate, update, and build new training facilities throughout the state. (See University of North Carolina section below.)

• The Community College System sponsors one of the largest workforce continuing education programs in the nation. Through this program, individuals can take short-term job training in over 1400 training categories for a low registration fee of only $50 to $65 per course. As a result, North Carolina maintains a reputation as the leading state in providing lifelong learning. Last year, an impressive 315,000 North Carolinians received job training through the continuing education programs.

• Through its Basic Skills programs, North Carolina Community Colleges offer 14,000 literacy classes annually at 2,000 sites. Through its Adult High School and GED programs, North Carolina Community Colleges present one out of every five high school diplomas in the state, and provide free training in English as a Second Language, a program that has grown substantially to over 30,000 participants in the past couple of years.

• North Carolina Community Colleges provide free employability skills training through the Human Resources Development Program to unemployed individuals, dislocated workers, and those working but earning wages below federal poverty standards. The unique program provides training that covers six core components including skills assessment and career development, resume writing and interviewing, self-esteem and work ethic, teamwork, problem solving, and computer/internet literacy.

• The New and Expanding Industry Training Program in the community colleges provides one of the state’s greatest incentives to creating new jobs in NC. This program provides customized training for new employees of manufacturing and technology companies, and national and regional customer service and warehouse/distribution centers. It was the first of its type in the nation, and was so successful it has now been replicated by many other states. Last year the program provided training for 203 new and expanding companies and trained 25,000 North Carolinians for new jobs. Of the companies supported, 67.5% were in rural areas and 60% were expanding facilities. In surveys of company clients last year, 99% rated the community colleges as either excellent or very good in meeting their expectations. (See the New and Expanding Industry Training Program (NEIT) next section.)

• Through its Focused Industrial Training Program (FIT), the community colleges can provide specialized retraining to North Carolina manufacturers and information technology companies that enables them to remain competitive by providing their employees with specialized training in new technologies and processes. The program also enables colleges to support staff to develop customized programs with area companies, and to develop new training programs that support North Carolina industries, including recent efforts in Manufacturing Certification, Biotechnology/Pharmaceuticals, Boat Building, Economic Literacy, and Industrial Maintenance.

• North Carolina Community Colleges are extensively involved in working with
the business community, with most colleges maintaining Industry Advisory Groups for each of their program areas. In partnership with the North Carolina Biotechnology Center and the North Carolina Electronics and Information Technology Association, the System has initiated unique industry collaborative with the biotechnology and information technology communities to enhance the competitiveness of these important industries in North Carolina. Several of the companies involved in these collaborative efforts include Cisco Systems, IBM, SAS Institute, Red Hat Software, Biogen, GlaxoSmithKline, Bayer and Wyeth Lederle. (See the BioNetwork section below.)

• The North Carolina Community College System has undertaken a comprehensive effort to develop concentrated competency-based training programs based on national skill standards and/or industry certifications. These include:

1) The North Carolina Manufacturing Certification Program, a program recommended by the National Association of Manufacturers’ Center for Workforce Success, which provides training in fundamental manufacturing skills as well as specialty programs in plastics, metals, textiles, and electronics;

2) BioWork is a biotechnology and pharmaceutical process technician training program, developed collaboratively with the North Carolina Biotechnology Center, recently profiled in the San Francisco Chronicle; and

3) The North Carolina Boat Building Training Program that provides specialty training for maritime companies.

III. Highlights of the Community College System’s Workforce Programs

New and Expanding Industry Training (NEIT)

As noted above, North Carolina pioneered free, customized job training for new and expanding businesses in 1958 and continues to provide the “nation’s most recognized” customized job training service through the New and Expanding Industry Training (NEIT) Program, which is the oldest of its kind in the country. Operated through the North Carolina Community Colleges and their Customized Training and Development Services, it has “contributed to the multiple rankings that list North Carolina’s business climate as one of the best in the nation.” With a budget of about $7.5 million, the NEIT program, trained 25,000 people for new jobs in 203 new and expanding North Carolina companies. Of the companies supported, 67.5% were in rural areas and 60% were expanding facilities. This widespread accessibility of the North Carolina Community Colleges has allowed NEIT to provide customized training to thousands of companies, meeting the most diverse training needs. (See attached Appendix A for a recent article on NEIT.)

These customized training services are available to companies that create 12 or more new jobs in any one community in North Carolina during a one-year period. The services provided may include instructors and training program development, customized video training programs, temporary training facilities, equipment, and supplies. The companies served range from auto parts and electronics manufacturers to biotechnology companies and data processing centers.

Employers may use facilities at a nearby community college at no expense if they do not have sufficient space on their own. The program can even absorb the costs of locally
transporting training equipment to and from the community college training facility. Companies also have access to fiber-optic based distance learning systems. Through the "North Carolina Information Highway," companies can take advantage of real-time, interactive training opportunities in community colleges across the state.

While start-up training assistance is significant, ongoing training support in North Carolina is provided as well. Once a business or manufacturing site is operational, the community college continues to serve as a training partner. North Carolina’s community colleges offer state-subsidized, low-cost training in more than 1,400 categories, available at a community college or the company’s work site.

**Worker Training Tax Credit**

North Carolina’s **Worker Training Tax Credit** works "hand-in-glove" with the **New & Expanding Industry Training Program** (NEIT) as an added incentive to North Carolina employers to invest in worker training. Companies eligible for either the Job Creation Credit or the Machinery and Equipment Investment Credit of the William S. Lee Quality Jobs Act, are in turn eligible for the Worker Training Tax Credit. The Worker Training Tax Credit provides employers with a credit against their State Income or Franchise taxes for the wages of new employees during training, or of existing employees being trained on new equipment. Thus, the New & Expanding Industry Training Program provides support to new and expanding companies that help offset their direct training costs (i.e., instructors, curriculum, supplies, training facilities), or take tax credits against their indirect training costs (i.e., employee wages during training).

To qualify for the **William S. Lee Quality Jobs Act** and the **Worker Training Tax Credit**, a company must be in specific industry categories and meet an average wage standard for the county in which the facility is located. Each of North Carolina’s 100 counties is classified into one of five economic tiers and vary by geographic location with more distressed areas receiving higher credits. Incentives are provided in the form of a *state* tax credit, for eligible companies to expand or relocate in North Carolina. Eligible taxpayers may offset up to 50 percent of state income and or franchise tax with credits for job creation, investment in machinery & equipment, worker training, research and development, and for operating a central administrative office.

**Job Development Investment Grant Program** (JDIG) is a discretionary incentive that provides sustained, annual grants to new and expanding business measured against a percentage of withholding taxes paid by new employees.

- **One North Carolina Fund** is a flexible, discretionary tool that can be used in competitive situations in which North Carolina must respond quickly to enable job creation and/or retention within its borders. Its purpose is to attract and retain sustainable investments and jobs to North Carolina communities, to stimulate state and local economies, and to provide resources to enable communities to improve their economic development infrastructures, expand their tax bases, and improve their general economic health and welfare.

- **North Carolina Economic Infrastructure Fund**, created by the General Assembly in July 2004, is a $20 million initiative to stimulate business growth and job creation in rural and low-wealth communities. The funds are administered by the North Carolina Rural Center through four programs designed to update water
and sewer facilities, provide business and technology assistance, renovate and restore buildings for new and expanding businesses, and invest in major research and development projects with the potential to stimulate job growth in rural and distressed areas.

- **Industrial Revenue Bonds & Composite Bonds** provide low-interest capital for new and existing manufacturers, with goals of sustaining and growing industrial employment in North Carolina.

(Source: www.ncccs.cc.nc.us/Business_and_Industry)

**Pre-Employment Assistance**
Attracting a qualified workforce is critical to any employer. Through a statewide network of "one-stop" JobLink Career Centers and the Employment Security Commission, North Carolina continues to be a pioneer and pacesetter in job placement assistance. Employers who utilize the Employment Security Commission’s recruitment and screening services have access to a strong, Internet-based job applicant listing system, as well as a 100-day, no-fault guarantee against unemployment insurance taxes for referred employees who are separated due to an inability to perform the job.

Job analysis assistance is also available to new and expanding companies through the Community Colleges’ **Customized Training and Development services** as noted above in the NEIT section. For many employers, this service is an important resource in determining appropriate employee selection and testing instruments. To facilitate and expedite the employment process, the program also provides pre-employment training to potential new employees, designed to employer specifications. A statewide network of skilled professionals provides industry-based experience in a variety of technologies and disciplines. Qualified instructors assist in implementing the company’s job training specifications and are available at no expense to eligible new and expanding companies. However, sometimes the best instructor for a particular training course may be a company employee. In this instance, the program can offset the costs of instructor wages, "train-the-trainer" expenses, and travel costs of a negotiated number of company employees that provide start-up training to newly employed North Carolinians.

**Small Business Center Network (SBCN)**
The North Carolina Community Colleges sponsor one of the largest small business assistance networks in the country, with 58 **Small Business Center Networks (SBCN)** located at each of their community college sites to provide free entrepreneurial training and business development counseling. These Centers are designed to increase the success rate and the number of viable small businesses in North Carolina by providing high quality, readily accessible assistance to prospective and existing small business owners and their employees. Each Small Business Center (SBC) is a provider of education and training, counseling, information and referral. The program provides support to approximately 70,000 North Carolinians a year with both counseling and entrepreneurial training services.

Through the Community College System, the SBCN has also launched the “FastTrac New Venture” program for dislocated workers, which is designed to help potential entrepreneurs test the power of their ideas for self-employment and founding new small businesses. Staff in each of the 58 Small Business Centers are located in JobLink
one-stop resource centers and have been trained to become certified FastTrac instructors; and the New Venture weeklong course is available to all, but is free for those who have been laid off by their employer during the previous year.

Small Business Centers also provide free, confidential counseling services for new and existing businesses. Available on an as-needed basis, this free, confidential counseling services and access to resource libraries are free of charge. Some seminars and workshops require a minimal registration fee. While specific training can be designed for individual business needs, some of the workshop and course topics include:

- How to Start a Business
- How to Write a Business Plan
- Financing a Business
- Marketing for Success
- Record Keeping and Taxes.

(Source: www.ncjoblink.com/shared/news.asp)

NCCCS BioNetwork

NCCCS BioNetwork is a statewide initiative that connects community colleges across North Carolina, providing specialized training, curricula and equipment to develop a world-class workforce for the biotechnology, pharmaceutical and life sciences industries. The BioNetwork program includes a statewide biotechnology planning unit at the Community College System Office to direct the initiative, and five centers at community colleges across the state. The Centers - each with an area of specialization - share information, innovations and resources with all the other BioNetwork Community Colleges so that they can remain at the cutting edge of workforce training and development. A sixth center, the BioNetwork Capstone Center - will be based at NC State University Centennial Campus, and will house a dedicated community college “aseptic process suite” for hands-on training for students and workers from all over the state.

BioNetwork is a key part of the Biomanufacturing & Pharmaceutical Training Consortium, or BPTC. The BPTC is made up of BioNetwork; the Biomanufacturing Training & Education Center (BTEC) at NC State University - where the BioNetwork Capstone Center is located; and the Biomanufacturing Research Institute & Technology Enterprise at NC Central University (BRITE).

New Opportunities for Workers Program (NOW)

Manufacturing jobs once represented the economic mainstays of rural North Carolina communities, but over the past 10 years, more than 210,000 of those jobs have disappeared. In response, the Rural Center, the state Department of Commerce, Small Business Center Network of the community college system, and NC REAL Enterprises created the New Opportunities for Workers Program (NOW). Anyone unemployed or underemployed after being laid off from a manufacturing job and living in an area served by a participating community college may apply for the program.

The program was piloted during in 2004 at 13 community colleges serving the counties with the highest rates of unemployment and layoffs. The program has now been expanded to 22 community colleges, serving 43 counties. NOW provides training and support for dislocated manufacturing workers who are interested in starting a business
including:

- Individual needs assessments.
- Scholarships to attend training in small business development through a participating community college or NC REAL program. Scholarship money provides up to $175 per participant for tuition, fees, books and other relevant supplies—comes from the federal Workforce Investment Act.
- Follow-up counseling through a Small Business Center or referral to an outside technical assistance provider.
- For those who qualify and complete viable business plans, start-up loans and ongoing technical support through the Rural Center’s Microenterprise Loan Program. (Source: www.nga.org/center/frontAndCenter/1,1188,C_FRONT_CENTER%5ED_8155,00.htm)

IV. University of North Carolina -- Higher Education Initiatives

A $3.1 billion bond referendum for higher education was passed by a 3 to 1 margin by the North Carolina voters in late 2000. It was the nation’s largest higher education bond package to build and renovate hundreds of buildings at public universities and community colleges. Chancellor Moeser of the University of North Carolina pledged at the time that if voters passed the bond referendum, the University would triple the investment through private fund-raising efforts in the Carolina First Campaign.

Moeser announced the University’s $1.8 billion goal for the Carolina First Campaign in October 2002. The multi-year private fund-raising effort is helping to position University of North Carolina as a leading public university. At this point, the campaign had raised nearly $1.48 billion in gifts and pledges. Carolina First has created 146 new endowed professorships toward a total goal of 200 and 493 new scholarships and fellowships for students with a goal of 1,000. A $1.5 billion capital construction program is among the largest at any major American university. Another $600 million is projected to go for critical building needs at the state’s 58 community colleges.

The Chancellor also launched the Carolina Covenant, to provide free education for low-income students who apply and are accepted at UNC. The Carolina Covenant was a first for a major U.S. public university when it was announced in 2003. The students graduate debt-free if they work on campus 10 to 12 hours weekly in a work-study job. UNC meets the rest of students’ needs through a combination of federal, state, university and private grants and scholarships. Since it was announced in 2003, several universities, including Harvard, Virginia and Maryland, have adopted similar programs for low-income students. This fall the Carolina Covenant will cover 345 students and has added a mentorship program with faculty volunteers.

The University’s ties to North Carolina are so important that Moeser launched a new effort in 2004 to strengthen the connections between Carolina and the lives of state citizens and their communities. Through his “Carolina Connects” initiative, Moeser travels the state to highlight the many ways in which the University serves the communities and people of North Carolina. He also seeks out opportunities to learn about other ways Carolina can connect with the state and its issues. (Source: “Leaders foresee campus revamp; UNC, community college chiefs ally” Tim Simmons, Staff Writer, The
Regional Training Facilities
In addition to college-sponsored facilities, North Carolina sponsors two state-of-the-art regional training facilities – one located in the Western region and the other located in the Global TransPark Region, as described below.

- The **Western Regional High Technology Center**, located in Waynesville, North Carolina, is the “forefront of virtual reality and laser technologies” and home of Haywood County’s North Carolina Information Highway room, which is networked to over 100 distance learning and video conferencing rooms across the state. Through the center, the college provides extensive job training for employees of area industries and beyond, including the training of scientists and engineers involved in NASA’s space shuttle program. It includes the home of the Haywood Community College’s Engineering Technology, Telecommunication and Network Engineering Technology, and Information Systems Technology programs. It also houses the Haywood Community College’s Small Business Center.  
  
(Source: www.rhtc.org/about/)

- The **Global TransPark Education and Training Center** supports tenants of the Global TransPark in Kinston, NC, as well as industries located in the county. The state-of-the-art facility is 33,000 square feet and is available to both Global TransPark tenants and other companies for industrial, technical and management training. The Training Center is a state-sponsored program and works in partnership with area community colleges to provide free employee training to qualifying companies.
  
(Source: www.ncgtp.com/pg/workforcetraining1.html.com)

V. **Current NC Labor Market Picture**

The North Carolina economy has been transformed over the last decade to a service dominant labor market. As of March 2005, service sector industries make up almost four-fifths of the non-farm employment in the State. North Carolina’s industry employment is expected to reach 4.7 million in 2012, which represents an additional 700,000 jobs from the 2002 employment levels. North Carolina is expected to continue both growth and dominance in the service sectors and declines within its manufacturing or goods-producing industries.”

The higher paying service jobs of the 21st century require more than a high school education. Not only do workers entering the labor market need advanced training; but those already in the workforce need retraining to stay competitive in a global economy. Nationally, 60 percent of new jobs in the early 21st century will require skills possessed by only 20 percent of today’s workforce. The top 3 fastest growing occupations in North Carolina are computer engineers, system analysts, and health care aides. Contrasting this trend, the textile industry lost 72,000 jobs, while the apparel industry lost 45,000 jobs between 1990 and 2000. By 2012, North Carolina’s service providing industries will comprise 74 percent of total employment, while goods producing
industries are expected to decrease to 20 percent. Almost half of all employment will be concentrated in three service providing “supersectors:”

1. Education and Health;
2. Trade, Transportation and Utilities; and
3. Professional and Business Services.

The State’s manufacturing supersector will continue to be impacted by job losses. By 2012, over two-thirds of the State’s occupational employment will be concentrated in eight occupational groups:

1. Healthcare Practitioners and Technical Occupations;
2. Management Occupations;
3. Education, Training, and Library Occupations;
4. Food Preparation and Serving Related Occupations;
5. Transportation and Material Moving Occupations;
6. Production Occupations;
7. Sales and Related Occupations; and

(Source: www.theprogressboard.org/mission.htm and the Bureau of Labor Statistics.)

The WIA Two-Year Plan identifies 160 occupations as critical to North Carolina’s economy, which breaks out into 22 major occupational groups spanning a variety of education/training levels and occupations. Of these 22 occupational groups, there are 6 considered critical to the state including:

- Office and administrative support
- Healthcare practitioners, technicians, and support
- Food preparation and serving
- Construction and extraction
- Sales and related
- Transportation and materials moving.

(Source: WIA Two-Year Plan.)

Workforce Population
It is estimated that one million workers will be added to North Carolina’s workforce by 2015, and that the total workforce between the ages of 16 and 64 will increase to just over 5 million – 3.4 million of prime working age. The number of both younger and older workers will increase by 250,000. The numbers of older workers are projected to increase by over 50%.

North Carolina is one of the top destinations for state-to-state migrations, according to the Census Bureau’s special report, “State-to-State Migration Flows: 1995-2000”³, and was fourth in the nation in terms of net migration - with 48.4 more people moving into North Carolina than were moving out (for every 1000 residents). Two of the largest state-to-state migration flows in the nation were from New York to North Carolina (100,727) and from Florida (96,255) to North Carolina. Nearly 500,000 working age people were added to North Carolina’s population during the period covered by the report, as twice as many people moved in as moved out.
North Carolina has experienced population growth rates above the national average throughout the 1990s and early 2000s as well as consistently large positive annual net migration rates; therefore it is projected that this trend will continue. As a result of migration, North Carolina’s labor pool is becoming more diverse. The net migration rates are positive for each of the workforce age categories when broken out by race, meaning that more people of all ages and races are moving into North Carolina than are moving out. Migration increases the diversity of North Carolina as more people of color move in and stay. For example, nearly 40% of people of current Hispanic and “Other/Multiple Races” can be accounted for by net migration, as well as over 20% of the current Asian/Pacific Islander population. In 2003, the Hispanic population accounted for nearly 5% of North Carolina’s total working age population, up from 1.4% in 1995. While fewer Hispanics live in North Carolina (5.6% of the total population) relative to the nation as a whole (13.8%), the presence of this population presents challenges to the State’s education and training systems in addressing the language barriers.

The net migration rates are positive for each of the educational categories and occupations, and appears that North Carolina has benefited from the migration, with increases in the numbers of college educated in the available labor pool, and increased numbers of people working in professional and related occupations. (Source: WIA Two-Year Plan, P. 27 of 139.)

VI. Other Economic Development Activities

North Carolina Innovative Development for Economic Advancement (NC IDEA)
The Boards of Directors of the Council for Entrepreneurial Development (CED) and North Carolina Innovative Development for Economic Advancement (NC IDEA) have formed a strategic alliance this year to help North Carolina become the country’s leading state for innovation-based entrepreneurs. CED and NC IDEA have established a formal relationship to stimulate and nurture innovation-based new company formation, increase access to capital and technical expertise, and develop a new model for entrepreneurial advancement.

The Council for Entrepreneurial Development, located in Research Triangle Park, NC, is a private, non-profit organization formed in 1984 to identify, enable and promote high-growth, high-impact companies and accelerate the entrepreneurial culture of the greater Research Triangle region. CED is the largest entrepreneurial support organization in the nation with more than 3,500 members representing 1,000 entrepreneurial companies, financiers and professional firms. (Source: www.cednc.org)

The North Carolina Innovative Development for Economic Advancement (NC IDEA) provides grants, loans and traditional venture capital to help young companies between seed funding and Series A financing. NC IDEA further supports these companies by leveraging its strong, strategic partnerships and alliances to help them through research phases, business challenges and growth goals. (Source: www.ncidea.org)

NC IDEA assists entrepreneurial companies with bridge funding through grants, loans
and traditional venture capital. NC IDEA was founded in 2005 and is located in Research Triangle Park, NC. It focuses on helping companies in the following areas:

- Optical Network Technologies
- Network Security and Encryption
- Sensors and Actuators
- Microelectronics and Microfabrication
- Wireless Infrastructures
- Biomedical Applications

(Source: [http://www.ncidea.org/index.html](http://www.ncidea.org/index.html))

Conclusion

North Carolina’s Community College System is the jewel in its workforce development system and has earned high marks for its workforce training programs. Its wide array of short-term job training programs account for approximately three-fourths of all students and has served a surprising one out of every six adults in the state. A variety of financial incentives provided to individuals and employers helps fuel this impressive number. For example, an entire year of training is free any dislocated worker. Free, customized training programs are designed for employers that create 12 or more new jobs.

The Employment Security Commission offers another creative and employer-friendly service through its recruitment and screening services. Employers have access to an online job applicant listing system, as well as a 100-day, no-fault guarantee against unemployment insurance taxes for referred employees who are separated due to lack of performance the job.

The JobLink system (North Carolina’s One-Stop service delivery network) is extensive, but not considered to be at the level of resource and service integration needed by workers and businesses at the local level. North Carolina has admittedly struggled with the issue of allocating costs in the State’s JobLink Career Center System and this issue continues to divide the JobLink agency partners. (Source: WIA Two-Year Plan, 2005.)

NC has also been aggressive in building and expanding its higher education system. A $3.1 billion bond referendum for higher education was passed by a 3 to 1 margin by the North Carolina voters in late 2000. It was the nation’s largest higher education bond package to build and renovate hundreds of buildings, including a $600 million investment in their community colleges. A smaller, but still significant program is the Carolina Covenant, launched in 2003 by the Chancellor of the University of North Carolina, to provide free education for low-income students who apply and are accepted at UNC.

The initiatives and programs discussed throughout this report make a convincing case in demonstrating North Carolina’s commitment to education and its current and future workforce.
References:


APPENDIX A
North Carolina Workforce Development
From the WIA Two-Year Plan

(Source: NC WIA Two-Year Plan, June 2005.)
APPENDIX B
North Carolina Workforce Development

Community college system helps to lure Dell to N.C.
By Jennifer Burcham
Community College Times
November 23, 2004

Gov. Mike Easley credited North Carolina community colleges’ “good work” in responding to recent manufacturing layoffs as a key to Dell Inc.’s decision to locate its new plant in the Piedmont Triad region of North Carolina.

Dell’s new computer manufacturing facility, which will be built in either Guilford or Forsyth County, will create at least 1,500 new jobs in the region and is expected to have a $24.5 billion impact on the state over the next 20 years. The company plans to build and equip a state-of-the-art, 400,000-square-foot manufacturing and distribution facility somewhere in the Piedmont Triad region.

Between one and three community colleges in the region are also expected to benefit from the new Dell facility, because they will be asked to train potential workers through the New and Expanding Industry Training (NEIT) program.

Forsyth Technical Community College located in Winston-Salem, Guilford Technical Community College located in Jamestown and Davidson County Community College in Lexington are all possible sites of the training depending on the location Dell chooses.

Dell employs about 50,000 workers worldwide and holds 16.8 percent of the global market for computers. Its sales during the fiscal year that ended Jan. 31 totaled $41 billion. Dell has two U.S. factories in Nashville, Tenn., and Austin, Texas.

North Carolina lured the computer manufacturer and distributor to the state with a $242 million incentive package, the most ever for a single company in the state. The incentives include free land, free property taxes over the next 20 years and about $8.3 million in job-training assistance to the company’s new employees.

There are no details about what kind of training the new workers will need, but Chancy Kapp, the North Carolina Community College System’s (NCCCS) assistant to the president for external affairs is sure that, which ever community college is chosen, it will be ready and able to undertake the task.

“The training could be anything from the assembly process to providing clean rooms. It could be three-hour training sessions or six month sessions, it depends on what the client wants,” she said. “We have some great success stories from this program. We’ve always been in this business of customized training.”

The NEIT program, which began in 1958, is the oldest customized training program in the country and is offered through North Carolina’s 58 community colleges. With a
budget of about $7.5 million last year, 10,610 people were trained through the program for 131 new and expanding North Carolina companies. New companies who locate to the state or existing companies who are expanding to hire 12 or more employees are eligible to take advantage of free training through the NEIT program. Eligible companies include manufacturers and technology companies, as well as telecommunications companies, warehouses and distribution centers.

Instructional programs offered at the community colleges feature both the technical skills required on machinery or equipment and the interpersonal skills needed to perform effectively with other workers in a productive work environment. The programs may be original programs created by the community college or may be the application of world-class programs recognized by the industry.

One company that recently took advantage of the NEIT program is Oxford, N.C-based Revlon Inc. Revlon experienced unexpected growth between 2001 and 2003 and partnered with Vance Granville Community College in Henderson, N.C. to receive training for new employees in the expansion.

“The service and training provided by the community college was consistent and of the highest quality. We felt that Mr. Garland Elliott understood our requirements and made every effort to be a part of our training decision-making to ensure that we were getting the right training for the right situations,” Milton Thomas, director of Revlon’s Human Resources in Oxford told NCCCS. “We have made our past transitions seem seamless and we know that the community college training programs contributed greatly to our success in these accomplishments. We at Revlon-Oxford, consider the New and Expanding Industry Program to be exactly what this area and the State of North Carolina needs.”

Source: http://www.aacc.nche.edu/Template.cfm?Section=EconomicDevelopment&template=/ContentManagement/ContentDisplay.cfm&ContentID=13960&InterestCategoryID=189&Name=Economic%2FWorkforce%20Development&ComingFrom=InterestDisplay