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SENATE DRS85241-LRz-121I* (03/28)

Short Title: Reform Workforce Development.

(Public)

Sponsors: Senator Hartsell.

Referred to:

1
2 A BILL TO BE ENTITLED
3 AN ACT INITIATING REFORM OF THE WORKFORCE DEVELOPMENT LAWS OF
4 NORTH CAROLINA, MODIFYING THE COMPOSITION OF THE NORTH
5 CAROLINA COMMISSION ON WORKFORCE DEVELOPMENT, AND
6 ESTABLISHING THE JOINT LEGISLATIVE WORKFORCE DEVELOPMENT
7 SYSTEM REFORM COMMITTEE, AS RECOMMENDED BY THE JOINT
8 LEGISLATIVE PROGRAM EVALUATION OVERSIGHT COMMITTEE BASED ON
9 RECOMMENDATIONS FROM THE PROGRAM EVALUATION DIVISION.

10 The General Assembly of North Carolina enacts:

11 SECTION 1.(a) G.S. 143B-438.10 reads as rewritten:

12 "§ 143B-438.10. Commission on Workforce Development.

13 (a) Creation and Duties. – There is created within the Department of Commerce the
14 North Carolina Commission on Workforce Development. The Commission shall have the
15 following powers and duties:

- 16 (1) To develop strategies to produce a skilled, competitive workforce that meets
17 the needs of the State's changing economy.
- 18 (2) To advise the Governor, the General Assembly, State and local agencies, and
19 the business sector regarding policies and programs to enhance the State's
20 ~~workforce~~ workforce by submitting annually a comprehensive report on
21 workforce development initiatives in the State.
- 22 (3) To coordinate and develop strategies for cooperation between the academic,
23 governmental, and business sectors.
- 24 (4) To establish, develop, and provide ongoing oversight of the "One-Stop
25 Delivery System" for employment and training services in the State.
- 26 (5) To develop a unified State plan for workforce training and development.
- 27 (6) To review and evaluate the plans and programs of agencies, boards, and
28 organizations operating federally funded or State-funded workforce
29 development programs for effectiveness, duplication, fiscal accountability,
30 and coordination.
- 31 (7) To develop and continuously improve performance measures to assess the
32 effectiveness of workforce training and employment in the State. The
33 Commission shall assess and report on the performance of workforce
34 development programs administered by the Department of Commerce, the
35 Department of Health and Human Services, the Community Colleges



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- 1 System Office, the Department of Administration, and the Department of
2 Public Instruction in a manner that addresses at least all of the following:
3 a. Actual performance and costs of State and local workforce
4 development programs.
5 b. Expected performance levels for State and local workforce
6 development programs based on attainment of program goals and
7 objectives.
8 c. Program outcomes, levels of employer participation, and satisfaction
9 with employment and training services.
10 d. Information already tracked through the common follow-up
11 information management system created pursuant to G.S. 96-32,
12 such as demographics, program enrollment, and program completion.
13 (7a) To issue annual reports that, at a minimum, include the information listed in
14 sub-subdivisions a. through d. of subdivision (7) of this section on the
15 performance of workforce development programs administered by the
16 entities listed in that subdivision. The first annual report shall be delivered to
17 the General Assembly by January 15, 2014.
18 (8) To submit to the Governor and to the General Assembly by April 1, 2000,
19 and biennially thereafter, a comprehensive Workforce Development Plan
20 that shall include at least the following:
21 a. Goals and objectives for the biennium.
22 b. An assessment of current workforce programs and policies.
23 c. An assessment of the delivery of employment and training services to
24 special populations, such as youth and dislocated workers.
25 d. Recommendations for policy, program, or funding changes.
26 (9) To serve as the State's Workforce Investment Board for purposes of the
27 federal Workforce Investment Act of 1998.
28 (10) To take the lead role in developing the memorandum of understanding for
29 workforce development programs with the Department of Commerce, the
30 Department of Health and Human Services, the Community Colleges
31 System Office, and the Department of Administration. The memorandum of
32 understanding must be reviewed at least every five years.
33 (11) To coordinate the activities of workforce development work groups formed
34 under this Part.
35 (12) To collaborate with the Department of Commerce on the common follow-up
36 information management system.
37 (b) Membership; Terms. – ~~The~~ Effective January 1, 2013, the Commission on
38 Workforce Development shall consist of ~~38~~25 members appointed as follows:
39 (1) By virtue of their offices, the following department and agency heads or
40 their respective designees shall serve on the Commission: the Secretary of
41 the Department of Administration, the Secretary of the Department of Health
42 and Human Services, ~~the Assistant Secretary of Commerce in charge of the~~
43 ~~Division of Employment Security,~~ the Superintendent of Public Instruction,
44 the President of the Community Colleges System Office, the Commissioner
45 of the Department of Labor, and the Secretary of the Department of
46 Commerce.
47 (2) The Governor shall appoint ~~32~~19 members as follows:
48 a. ~~Six~~Two members representing public, postsecondary, and vocational
49 education.
50 b. ~~Two~~ membersOne member representing community-based
51 organizations.

1 c. ~~Six~~Three members representing labor.

2 d. ~~Eighteen~~Thirteen members representing business and industry.

3 (3) The terms of the members appointed by the Governor shall be for four years.

4 (c) Appointment of Chair; Meetings. – The Governor shall appoint the Chair of the
5 Commission from among the business and industry members, and that person shall serve at the
6 pleasure of the Governor. The Commission shall meet at least quarterly upon the call of the
7 Chair.

8 (d) Staff; Funding. – The clerical and professional staff to the Commission shall be
9 provided by the Department of Commerce. Funding for the Commission shall derive from State
10 and federal resources as allowable and from the partner agencies to the Commission. Members
11 of the Commission shall receive necessary travel and subsistence in accordance with State law.

12 (e) Agency Cooperation; Reporting. – Each State agency, department, institution, local
13 political subdivision of the State, and any other State-supported entity identified by or subject
14 to review by the Commission in carrying out its duties under subdivision (6) of subsection (a)
15 of this section must participate fully in the development of performance measures for
16 workforce development programs and shall provide to the Commission all data and information
17 available to or within the agency or entity's possession that is requested by the Commission for
18 its review. Further, each agency or entity required to report information and data to the
19 Commission under this section shall maintain true and accurate records of the information and
20 data requested by the Commission. The records shall be open to the Commission's inspection
21 and copying at reasonable times and as often as necessary.

22 (f) Confidentiality. – At the request of the Commission, each agency or entity subject
23 to this section shall provide it with sworn or unsworn reports with respect to persons employed
24 or trained by the agency or entity, as deemed necessary by the Commission to carry out its
25 duties pursuant to this section. The information obtained from an agency or entity pursuant to
26 this subsection (i) is not a public record subject to the provisions of Chapter 132 of the General
27 Statutes and (ii) shall be held by the Commission as confidential, unless it is released in a
28 manner that protects the identity and privacy of individual persons and employers referenced in
29 the information.

30 (g) Advisory Work Group. – The Commission shall appoint an Advisory Work Group
31 composed of representatives from the State and local entities engaged in workforce
32 development activities to assist the Commission with the development of performance
33 measures."

34 **SECTION 1.(b)** The terms of the current members of the North Carolina
35 Commission on Workforce Development appointed pursuant to G.S. 143B-438.10(b)(2) expire
36 on December 31, 2012.

37 **SECTION 1.(c)** Beginning October 1, 2012, and quarterly thereafter, the
38 Commission shall make periodic progress reports to the Joint Legislative Workforce
39 Development System Reform Oversight Committee on development and implementation of the
40 workforce development performance measurement system.

41 **SECTION 2.(a)** The Commission on Workforce Development shall be the lead
42 agency in collaboration with the Department of Commerce, the Department of Health and
43 Human Services, the Community Colleges System Office, and the Department of
44 Administration in providing an effective, integrated workforce development system.

45 **SECTION 2.(b)** To provide for effective local services for workforce development
46 in this State, the Commission on Workforce Development shall set criteria and standards for
47 JobLink Career Centers. Local areas shall be afforded the flexibility to determine how to meet
48 these criteria and standards as follows:

49 (1) The Commission on Workforce Development shall strengthen JobLink
50 Career Center requirements to require center staff to engage in
51 cross-education or cross-training to ensure all staff is familiar with the State,

- 1 federal, and local programs offered at the center and the full range of
2 beneficial programs and services available to center customers.
- 3 (2) JobLink Career Centers shall use technology to integrate programs and to
4 improve access to services. Distance learning tools and electronic solutions
5 should be employed to provide remote access for customers and a virtual
6 presence for partner workforce development agencies that cannot offer
7 on-site staff.
- 8 (3) Each center shall provide cross-education or cross-training for staff to
9 provide seamless services to customers when the usual program service
10 provider is unavailable to provide services.
- 11 (4) Each center shall demonstrate partnership with the community college or
12 colleges in its service area.
- 13 (5) Each center must have an online presence on the Internet that provides
14 information about its location, operating hours, services, and contact
15 information.
- 16 (6) JobLink Career Centers and the Commission on Workforce Development
17 should encourage participation of career development coordinators from
18 local education agencies.

19 **SECTION 2.(c)** The Commission on Workforce Development, in collaboration
20 with the Department of Commerce, the Department of Health and Human Services, the
21 Community Colleges System Office, and the Department of Administration, shall conduct a
22 review and revision of the memorandum of understanding for JobLink Career Centers in
23 accordance with the requirements of this subsection and any policies adopted by the
24 Commission on Workforce Development. The review shall evaluate whether the memorandum
25 of understanding includes all of the following:

- 26 (1) Commitments to provide staff to the centers and use of technology to
27 provide a virtual presence for partner workforce development agencies that
28 cannot provide on-site staff.
- 29 (2) Development of coordinated local job development and placement
30 processes.
- 31 (3) Integration of job placement with job training provided by community
32 colleges.
- 33 (4) Establishment of cross-education and cross-training of center staff.
- 34 (5) Participation in cost- and resource-sharing arrangements.
- 35 (6) Mandated participation of locally administered programs such as county
36 departments of social services.
- 37 (7) Use of technology to improve center efficiencies, such as a common
38 Web-based intake system.

39 **SECTION 2.(d)** The Department of Commerce, the Department of Health and
40 Human Services, the Community Colleges System Office, the Department of Administration,
41 the Department of Labor, the Department of Public Instruction, and the North Carolina Rural
42 Economic Development Center, Inc., shall appoint a work group that includes representation
43 from their respective workforce development programs to assist in the review and revision of
44 the memorandum of understanding for the JobLink Career Center system, as required in
45 subsection (c) of this section.

46 **SECTION 2.(e)** The work group established by subsection (d) of this section shall
47 complete its work on the memorandum of understanding for the JobLink Career Center system
48 by May 15, 2013, so that the revised memorandum becomes effective July 1, 2013. The
49 revisions shall be reported to the Joint Legislative Workforce Development System Reform
50 Oversight Committee by no later than May 15, 2013. The work group shall issue a final report
51 on the implementation of the revised memorandum of understanding that describes the effect of

1 the revisions on the JobLink Career Center system by no later than December 15, 2014. The
2 work group shall dissolve upon the issuance of this final report.

3 **SECTION 2.(f)** The Commission on Workforce Development shall complete its
4 work on JobLink Career Center requirements by May 15, 2013, so that all JobLink Career
5 Centers must utilize the final criteria during the 2013-2014 fiscal year. The Commission shall
6 report on the development of final requirements to the Joint Legislative Workforce
7 Development System Reform Oversight Committee no later than May 15, 2013. The
8 Commission should issue its final report on the implementation of requirements no later than
9 December 15, 2014.

10 **SECTION 3.(a)** G.S. 143B-438.11 reads as rewritten:

11 "**§ 143B-438.11. Local Workforce Development Boards.**

12 (a) Duties. – Local Workforce Development Boards shall have the following powers
13 and duties:

- 14 (1) To develop policy and act as the governing body for local workforce
15 development.
- 16 (2) To provide planning, oversight, and evaluation of local workforce
17 development programs, including the local One-Stop Delivery System.
- 18 (3) To provide advice regarding workforce policy and programs to local elected
19 officials, employers, education and employment training agencies, and
20 citizens.
- 21 (4) To develop a local plan in coordination with the appropriate community
22 partners to address the workforce development needs of the service area.
- 23 (5) To develop linkages with economic development efforts and activities in the
24 service area and promote cooperation and coordination among public
25 organizations, education agencies, and private businesses.
- 26 (6) To review local agency plans and grant applications for workforce
27 development programs for coordination and achievement of local goals and
28 needs.
- 29 (7) To serve as the Workforce Investment Board for the designated substate area
30 for the purpose of the federal Workforce Investment Act of 1998.
- 31 (8) To provide the appropriate guidance and information to Workforce
32 Investment Act consumers to ensure that they are prepared and positioned to
33 make informed choices in selecting a training provider. Each local
34 ~~workforce development board~~Workforce Development Board shall ensure
35 that consumer choice is properly maintained in the one-stop centers and that
36 consumers are provided the full array of public and private training provider
37 information.
- 38 (9) To provide coordinated regional workforce development planning and labor
39 market data sharing.

40 (b) Members. – Members of local Workforce Development Boards shall be appointed
41 by local elected officials in accordance with criteria established by the Governor and with
42 provisions of the federal Workforce Investment Act. The local Workforce Development Boards
43 shall have a majority of business members and shall also include representation of workforce
44 and education providers, labor organizations, community-based organizations, and economic
45 development boards as determined by local elected officials. The Chairs of the local Workforce
46 Development Boards shall be selected from among the business members.

47 (c) Assistance. – The North Carolina Commission on Workforce Development and the
48 Department of Commerce shall provide programmatic, technical, and other assistance to any
49 local Workforce Development Board that realigns its service area with the boundaries of a local
50 regional council of governments established pursuant to G.S. 160A-470."

1 **SECTION 3.(b)** Beginning March 15, 2013, and then quarterly until December 15,
2 2014, the Department of Commerce shall report to the Joint Legislative Workforce
3 Development System Reform Oversight Committee on the status of any realignment of local
4 Workforce Development Board service areas and any regional planning and cooperation
5 required by this act.

6 **SECTION 4.(a)** Effective July 1, 2012, G.S. 96-32 reads as rewritten:

7 "**§ 96-32. Common follow-up information management system created.**

8 (a) The ~~DES~~ Department of Commerce, Division of Labor and Economic Analysis
9 (DLEA), shall develop, implement, and maintain a common follow-up information
10 management system for tracking the ~~employment status of~~ performance measures related to
11 current and former participants in State job training, education, and placement programs. The
12 system shall provide for the automated collection, organization, dissemination, and analysis of
13 data obtained from State-funded programs that provide job training and education and job
14 placement services to program participants. In developing the system, the ~~DES~~ DLEA shall
15 ensure that data and information collected from State agencies is confidential, not open for
16 general public inspection, and maintained and disseminated in a manner that protects the
17 identity of individual persons from general public disclosure.

18 (b) The ~~DES~~ DLEA shall adopt procedures and guidelines for the development and
19 implementation of the CFS authorized under this section.

20 (c) Based on data collected under the CFS, the ~~DES~~ DLEA shall evaluate the
21 effectiveness of job training, education, and placement programs to determine if specific
22 program goals and objectives are attained, to determine placement and completion rates for
23 each program, and to make recommendations regarding the continuation of State funding for
24 programs evaluated.

25 (d) The DLEA shall do the following:

26 (1) Collaborate with the Commission on Workforce Development to develop
27 common performance measures across workforce programs in the
28 Department of Commerce, the Department of Health and Human Services,
29 the Community Colleges System Office, the Department of Administration,
30 and the Department of Public Instruction that can be tracked through the
31 CFS in order to assess and report on workforce development program
32 performance.

33 (2) Determine whether other workforce development programs not participating
34 in CFS should be required to report information and data.

35 (3) Provide information from CFS to reporting agencies annually.

36 (4) Provide training for participating agencies to ensure data quality and
37 consistency.

38 (5) Develop common data definitions that are shared across agencies
39 contributing information to the system.

40 (e) The Department of Commerce shall ensure that funding and staff resources for the
41 CFS are not diverted to other programs or systems managed by the Department of Commerce."

42 **SECTION 4.(b)** Beginning March 15, 2013, the Department of Commerce shall
43 report quarterly to the Joint Legislative Workforce Development System Reform Oversight
44 Committee on its efforts to strengthen the common follow-up information management system,
45 with a final report due by December 15, 2014.

46 **SECTION 5.(a)** The Department of Commerce shall convene a group of program
47 administrators to develop a plan for a common Internet-based intake system for the State's
48 workforce development efforts, including JobLink Career Centers. To that end, the Department
49 of Commerce, the Department of Health and Human Services, and the Department of
50 Administration shall develop jointly a plan that expands the Department of Commerce intake
51 system to include workforce development programs administered by all three State agencies.

1 The plan should include how the database will work, an implementation time line, estimated
2 costs, and a method to pay for the up-front and ongoing costs of the system. The Department of
3 Commerce should present the plan to the Joint Legislative Workforce Development System
4 Reform Oversight Committee no later than July 1, 2013.

5 **SECTION 5.(b)** The Department of Commerce, in expanding its workforce
6 development Internet Web site, shall include hyperlinks to information on the following:

- 7 (1) All workforce development programs.
- 8 (2) The location and operating hours of service providers and community
9 colleges.
- 10 (3) Training opportunities and programs.
- 11 (4) The State's job matching system.
- 12 (5) The State's unemployment insurance filing system.

13 The unified Web portal shall be completed by July 1, 2013. The Department of Commerce
14 should present and demonstrate the unified Web portal to the Joint Legislative Workforce
15 Development System Reform Oversight Committee by September 15, 2013.

16 **SECTION 6.** The North Carolina Community Colleges System Office shall cease
17 operation of the Workforce Initiatives program funded through grants from the Department of
18 Commerce, and the Department of Commerce may reallocate any remaining funds previously
19 appropriated for that purpose.

20 **SECTION 7.(a)** The Joint Legislative Workforce Development System Reform
21 Oversight Committee is created. The Committee consists of 16 members to be appointed as
22 follows:

- 23 (1) Eight members of the Senate appointed by the President Pro Tempore of the
24 Senate, at least two of whom are members of the minority party and at least
25 one cochair of each of the following committees:
 - 26 a. Senate Appropriations Committee on Education and Higher
27 Education.
 - 28 b. Senate Appropriations Committee on General Government and
29 Information Technology.
 - 30 c. Senate Appropriations Committee on Health and Human Services.
 - 31 d. Senate Appropriations Committee on Natural and Economic
32 Resources.
- 33 (2) Eight members of the House of Representatives appointed by the Speaker of
34 the House of Representatives, at least two of whom are members of the
35 minority party and at least one cochair of each of the following committees:
 - 36 a. House Appropriations Subcommittee on Education.
 - 37 b. House Appropriations Subcommittee on General Government.
 - 38 c. House Appropriations Subcommittee on Health and Human Services.
 - 39 d. House Appropriations Subcommittee on Natural and Economic
40 Resources.

41 A member continues to serve until a successor is appointed. A vacancy shall be
42 filled within 30 days by the officer who made the original appointment. The President Pro
43 Tempore of the Senate and the Speaker of the House of Representatives each shall designate a
44 cochair of the Joint Legislative Workforce Development System Reform Oversight Committee.
45 The Committee shall meet at least once per quarter, except while the General Assembly is in
46 regular session, and may meet at other times upon the joint call of the cochairs.

47 A quorum of the Committee is nine members. No action may be taken except by a
48 majority vote at a meeting at which a quorum is present. While in the discharge of its official
49 duties, the Committee has the powers of a joint committee under G.S. 120-19 and
50 G.S. 120-19.1 through G.S. 120-19.4.

1 Members of the Committee receive subsistence and travel expenses as provided in
2 G.S. 120-3.1. The Committee may contract for consultants or hire employees in accordance
3 with G.S. 120-32.02. The Legislative Services Commission, through the Legislative Services
4 Officer, shall assign professional staff to assist the Committee in its work. Upon the direction
5 of the Legislative Services Commission, the Supervisors of Clerks of the Senate and of the
6 House of Representatives shall assign clerical staff to the Committee. The expenses for clerical
7 employees shall be borne by the Committee.

8 **SECTION 7.(b)** Purpose and powers. – The Joint Legislative Workforce
9 Development System Reform Oversight Committee shall monitor and oversee efforts to
10 streamline the workforce development system, enhance accountability for the workforce
11 development system, strengthen the JobLink Career Center system, implement technology to
12 integrate programs at JobLink Career Centers, and improve access to workforce development
13 activities. In conducting this monitoring and oversight, the Committee shall do all of the
14 following:

- 15 (1) Review reports prepared by the Department of Commerce, the Commission
16 on Workforce Development, and any other State, local, or non-State entity
17 related to the workforce development system.
- 18 (2) Monitor the integration of workforce development programs from the former
19 Employment Security Commission into the Department of Commerce.
- 20 (3) Monitor the implementation of any realignment of the local workforce
21 development areas based on the regional council structure.
- 22 (4) Monitor and review the development and implementation of the
23 performance measures developed by the Commission on Workforce
24 Development.
- 25 (5) Monitor the implementation of improvements to the common follow-up
26 information management system authorized by G.S. 96-30 through
27 G.S. 96-35.
- 28 (6) Monitor and review the programmatic requirements and the memorandum of
29 understanding for the JobLink Career Center system.
- 30 (7) Monitor and review the development plan of the common Web-based intake
31 form for workforce development programs.
- 32 (8) Study any other matter related to the workforce development system that the
33 Committee deems necessary to accomplish its purpose.

34 **SECTION 7.(c)** Additional Powers. – The Joint Legislative Workforce
35 Development System Reform Oversight Committee, while in discharge of official duties, shall
36 have access to any paper or document, and may compel the attendance of any State official or
37 employee before the Committee, or secure any evidence under G.S. 120-19. In addition,
38 G.S. 120-19.1 through G.S. 120-19.4 shall apply to the proceedings of the Committee as if it
39 were a joint committee of the General Assembly.

40 **SECTION 7.(d)** Reports to Committee. – Whenever a State agency is required by
41 law to report to the General Assembly or to any of its permanent, study, or oversight
42 committees or subcommittees on matters affecting the workforce development system, the
43 Department shall transmit a copy of the report to the cochairs of the Joint Legislative
44 Workforce Development System Reform Oversight Committee.

45 **SECTION 7.(e)** Interim and Final Reports. – The Committee shall make an interim
46 report to the 2014 Session of the 2013 General Assembly and a final report to the 2015 Regular
47 Session of the 2015 General Assembly. The interim and final reports may contain any
48 legislation needed to implement a recommendation of the Committee. The Committee shall
49 terminate upon filing its final report.

50 **SECTION 8.** This act is effective when it becomes law.