

## **Trade Jobs for Success Initiative Annual Report**

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The Fiscal Research Division

### **Submitting Entity:**

The Department of Commerce

*Report On*

# **“Trade Jobs For Success”**

*To The*

## **North Carolina General Assembly**

*January 2012*

As required, this is a report, prepared by the N.C. Department of Commerce on the current status of the “Trade Jobs For Success” program. In March of 2011, the “Trade Jobs For Success” initiative was reworked into “Opportunity North Carolina” in conjunction with passage of the “Tar Heel Works” legislation in the Spring of 2010.

The legislation drew from a relatively unique program in another state — Georgia Work\$ — and gave the Employment Security Commission of North Carolina (now known as the Division of Employment Security (**DES**) within the Department of Commerce) the direction and funding to create a similar program. Initially called “Tar Heel Works,” the program is now “Opportunity North Carolina.” It also goes by the name, “OpportunityNC,” and acronym, “ONC.”

A committee leading DES’ “Employer Engagement Initiative” (EEI) was given the task of taking the law and building a new program to carry out its directives. The Employer Engagement Initiative was also created to make the most of existing and newly-identified (or created) programs to assist North Carolina’s more than 190,000-plus employers in job creation and placement.

With respect to ONC, the EEI committee is hopeful that, by providing a unique program helping employers find workers who are the correct fit for their organizations, the balance of the N.C. Unemployment Insurance Trust Fund will be positively impacted in two important ways. First, by getting unemployment recipients into jobs as quickly as possible will reduce the amount of Unemployment Insurance benefits they might draw. Second, by improving the balance in the Trust Fund, the tax implications are lessened, further benefiting the employers who pay into that Fund.

Here is a brief description of how the ONC program works.

DES identifies unemployed workers who might generally have the potential to draw unemployment insurance benefits for the maximum amount of their claim, or, who have filed a second claim in a short period of time. It contacts these individuals and explains the ONC program to see if they would like to volunteer. If so, the individuals sign an ONC Participant Agreement and are matched with a participating employer.

DES will match participants with training opportunities, but the training employer still can interview candidates and select the person who will be given the opportunity. The training period can be up to six weeks and will be for no more than 24-hours per week. At the end of the training opportunity, the business has the option of offering a position to the ONC individual.

In the initial phase of the project, which began in March 2011, six DES offices were serving as pilots the ONC program. Those are located in Asheville, Burlington, Concord, Durham, Laurinburg and Rocky Mount.

Since the opportunity involves training and the individual might not have any directly transferrable skills for the opening, a training plan is formulated by the individual, the business and DES. This is the fundamental tenant of ONC. The program is a connecting point to get individuals the training they need to succeed in a new job and give employers the confidence that — following the training opportunity — this new employee will flourish from day one with the company, should they be offered a position. That is what the training is to provide and is the basis of the North Carolina law.

All employers are eligible to be a part of ONC. Whether approached by the Division of Employment Security, or, hearing about the ONC program through other means, business and industry of all sizes have the opportunity to join the program. After learning more about it from a DES representative, and, after selecting an individual for training, the company will sign an ONC Training Employer Agreement.

There are benefits to each party in this program.

For the employer with a need to hire, ONC offers an opportunity to see a potential employee on a worksite basis for a period of up to six (6) weeks. This "extended job interview," as some have termed it, can give the employer much greater depth concerning how an individual will perform if hired following training. It is not a decision made over two or three brief interviews.

The employer also gets a trained, ready-to-go, worker after the training opportunity, if the individual is hired. So, productivity should be much greater than for someone walking in for their first day — the initial training is already complete.

Because of the way ONC is structured, there are basically no costs for the training employer to participate. They just have to provide the training for the individual. All other costs, including Workers' Compensation, are covered by ONC.

Individuals will find entering into the ONC program beneficial for them as well. This unique training opportunity is designed to put them in contact with ONC Training Employers. If they are chosen by a business for training, then the individual is eligible for a weekly training allowance from ONC. Currently, it is \$100 per week and is to be used to defray some costs associated with an individual's participation, such travel to the worksite.

By taking advantage of the training opportunity, an individual can successfully add to their skill set, and be confident they are prepared if they are offered employment at the close of the opportunity. Regardless of whether or not they are offered employment at the end of their ONC participation, these individuals will have a broader appeal in the job market and additional skills to compete in North Carolina's diverse job network.

All this is against a backdrop of trying to save costs. By reducing costs to the N.C. Unemployment Insurance Trust Fund, the state's businesses will be positively impacted. That is done by getting an unemployed worker back into a job, ending the need to draw benefits. Increasing the balance in the Trust Fund can help reduce the unemployment taxes businesses pay, allowing more capital to be used by those entities for growth.

OpportunityNC is a new way of thinking about an age-old problem. It seeks to encourage businesses to bring in trainees to build skills and better prepare for immediate growth. It also seeks to make this pairing as cost-effective as possible.

#### **ONC Data**

<b>Program to Date</b>	<b>As of October 2011</b>	<b>As of January 2012</b>
Number of pilot local offices	6	12
Participants Enrolled	56	86
Participants Employed	28	41
Total weeks of training	176	305
Total amount of training allowances provided to ONC participants	\$17,600	\$30,500

#### **Additional ONC Information:**

- The Pilot has been extended to an additional six local offices. They include: Charlotte; Franklin; Lexington; Raleigh; Roanoke Rapids; and Wilmington.
- Approximately 1,270 job seekers have expressed an interest to participate in ONC training.