

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

**SESSION LAW 2012-131
SENATE BILL 815**

AN ACT INITIATING REFORM OF THE WORKFORCE DEVELOPMENT LAWS OF NORTH CAROLINA, MODIFYING THE COMPOSITION OF THE NORTH CAROLINA COMMISSION ON WORKFORCE DEVELOPMENT, AND ESTABLISHING THE JOINT LEGISLATIVE WORKFORCE DEVELOPMENT SYSTEM REFORM COMMITTEE, AS RECOMMENDED BY THE JOINT LEGISLATIVE PROGRAM EVALUATION OVERSIGHT COMMITTEE BASED ON RECOMMENDATIONS FROM THE PROGRAM EVALUATION DIVISION.

The General Assembly of North Carolina enacts:

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

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

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

- (1) To develop strategies to produce a skilled, competitive workforce that meets the needs of the State's changing economy.
- (2) To advise the Governor, the General Assembly, State and local agencies, and the business sector regarding policies and programs to enhance the State's ~~workforce~~ workforce by submitting annually a comprehensive report on workforce development initiatives in the State.
- (3) To coordinate and develop strategies for cooperation between the academic, governmental, and business sectors.
- (4) To establish, develop, and provide ongoing oversight of the "One-Stop Delivery System" for employment and training services in the State.
- (5) To develop a unified State plan for workforce training and development.
- (6) To review and evaluate the plans and programs of agencies, boards, and organizations operating federally funded or State-funded workforce development programs for effectiveness, duplication, fiscal accountability, and coordination.
- (7) To develop and continuously improve performance measures to assess the effectiveness of workforce training and employment in the State. The Commission shall assess and report on the performance of workforce development programs administered by the Department of Commerce, the Department of Health and Human Services, the Community Colleges System Office, the Department of Administration, and the Department of Public Instruction in a manner that addresses at least all of the following:
 - a. Actual performance and costs of State and local workforce development programs.
 - b. Expected performance levels for State and local workforce development programs based on attainment of program goals and objectives.
 - c. Program outcomes, levels of employer participation, and satisfaction with employment and training services.
 - d. Information already tracked through the common follow-up information management system created pursuant to G.S. 96-32, such as demographics, program enrollment, and program completion.



- (7a) To issue annual reports that, at a minimum, include the information listed in sub-subdivisions a. through d. of subdivision (7) of this section on the performance of workforce development programs administered by the entities listed in that subdivision. The first annual report shall be delivered to the General Assembly by January 15, 2014.
- (8) To submit to the Governor and to the General Assembly by April 1, 2000, and biennially thereafter, a comprehensive Workforce Development Plan that shall include at least the following:
- a. Goals and objectives for the biennium.
 - b. An assessment of current workforce programs and policies.
 - c. An assessment of the delivery of employment and training services to special populations, such as youth and dislocated workers.
 - d. Recommendations for policy, program, or funding changes.
- (9) To serve as the State's Workforce Investment Board for purposes of the federal Workforce Investment Act of 1998.
- (10) To take the lead role in developing the memorandum of understanding for workforce development programs with the Department of Commerce, the Department of Health and Human Services, the Community Colleges System Office, and the Department of Administration. The memorandum of understanding must be reviewed at least every five years.
- (11) To coordinate the activities of workforce development work groups formed under this Part.
- (12) To collaborate with the Department of Commerce on the common follow-up information management system.
- (b) Membership; Terms. – ~~The~~ Effective January 1, 2013, the Commission on Workforce Development shall consist of ~~38~~25 members appointed as follows:
- (1) By virtue of their offices, the following department and agency heads or their respective designees shall serve on the Commission: the Secretary of the Department of Administration, the Secretary of the Department of Health and Human Services, the Assistant Secretary of Commerce in charge of the Division of Employment Security, the Superintendent of Public Instruction, the President of the Community Colleges System Office, the Commissioner of the Department of Labor, and the Secretary of the Department of Commerce.
 - (2) The Governor shall appoint ~~32~~19 members as follows:
 - a. ~~Six~~Two members representing public, postsecondary, and vocational education.
 - b. ~~Two~~ One member representing community-based organizations.
 - c. ~~Six~~Three members representing labor.
 - d. ~~Eighteen~~Thirteen members representing business and industry.
 - (3) The terms of the members appointed by the Governor shall be for four years.
- (c) Appointment of Chair; Meetings. – The Governor shall appoint the Chair of the Commission from among the business and industry members, and that person shall serve at the pleasure of the Governor. The Commission shall meet at least quarterly upon the call of the Chair.
- (d) Staff; Funding. – The clerical and professional staff to the Commission shall be provided by the Department of Commerce. Funding for the Commission shall derive from State and federal resources as allowable and from the partner agencies to the Commission. Members of the Commission shall receive necessary travel and subsistence in accordance with State law.
- (e) Agency Cooperation; Reporting. – Each State agency, department, institution, local political subdivision of the State, and any other State-supported entity identified by or subject to review by the Commission in carrying out its duties under subdivision (6) of subsection (a) of this section must participate fully in the development of performance measures for workforce development programs and shall provide to the Commission all data and information available to or within the agency or entity's possession that is requested by the Commission for its review. Further, each agency or entity required to report information and data to the Commission under this section shall maintain true and accurate records of the information and

data requested by the Commission. The records shall be open to the Commission's inspection and copying at reasonable times and as often as necessary.

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

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

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

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

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

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

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

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

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

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

SECTION 2.(e) The work group established by subsection (d) of this section shall complete its work on the memorandum of understanding for the JobLink Career Center system by May 15, 2013, so that the revised memorandum becomes effective July 1, 2013. The revisions shall be reported to the Joint Legislative Workforce Development System Reform Oversight Committee by no later than May 15, 2013. The work group shall issue a final report on the implementation of the revised memorandum of understanding that describes the effect of the revisions on the JobLink Career Center system by no later than December 15, 2014. The work group shall dissolve upon the issuance of this final report.

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

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

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

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

- (1) To develop policy and act as the governing body for local workforce development.
- (2) To provide planning, oversight, and evaluation of local workforce development programs, including the local One-Stop Delivery System.
- (3) To provide advice regarding workforce policy and programs to local elected officials, employers, education and employment training agencies, and citizens.
- (4) To develop a local plan in coordination with the appropriate community partners to address the workforce development needs of the service area.
- (5) To develop linkages with economic development efforts and activities in the service area and promote cooperation and coordination among public organizations, education agencies, and private businesses.
- (6) To review local agency plans and grant applications for workforce development programs for coordination and achievement of local goals and needs.
- (7) To serve as the Workforce Investment Board for the designated substate area for the purpose of the federal Workforce Investment Act of 1998.
- (8) To provide the appropriate guidance and information to Workforce Investment Act consumers to ensure that they are prepared and positioned to make informed choices in selecting a training provider. Each local

~~workforce development board~~ Workforce Development Board shall ensure that consumer choice is properly maintained in the one-stop centers and that consumers are provided the full array of public and private training provider information.

(9) To provide coordinated regional workforce development planning and labor market data sharing.

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

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

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

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

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

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

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

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

(d) The DLEA shall do the following:

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

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

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

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

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

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

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

SECTION 5.(a) The Department of Commerce shall convene a group of program administrators to develop a plan for a common Internet-based intake system for the State's workforce development efforts, including JobLink Career Centers. To that end, the Department of Commerce, the Department of Health and Human Services, and the Department of Administration shall develop jointly a plan that expands the Department of Commerce intake system to include workforce development programs administered by all three State agencies. The plan should include how the database will work, an implementation time line, estimated costs, and a method to pay for the up-front and ongoing costs of the system. The Department of Commerce should present the plan to the Joint Legislative Workforce Development System Reform Oversight Committee no later than July 1, 2013.

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

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

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

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

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

- (1) Eight members of the Senate appointed by the President Pro Tempore of the Senate, at least two of whom are members of the minority party and at least one cochair of each of the following committees:
 - a. Senate Appropriations Committee on Education and Higher Education.
 - b. Senate Appropriations Committee on General Government and Information Technology.
 - c. Senate Appropriations Committee on Health and Human Services.
 - d. Senate Appropriations Committee on Natural and Economic Resources.
- (2) Eight members of the House of Representatives appointed by the Speaker of the House of Representatives, at least two of whom are members of the minority party and at least one cochair of each of the following committees:
 - a. House Appropriations Subcommittee on Education.
 - b. House Appropriations Subcommittee on General Government.
 - c. House Appropriations Subcommittee on Health and Human Services.
 - d. House Appropriations Subcommittee on Natural and Economic Resources.

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

A quorum of the Committee is nine members. No action may be taken except by a majority vote at a meeting at which a quorum is present. While in the discharge of its official

duties, the Committee has the powers of a joint committee under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4.

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

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

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

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

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

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

SECTION 8. This act is effective when it becomes law.
In the General Assembly read three times and ratified this the 26th day of June,
2012.

s/ Walter H. Dalton
President of the Senate

s/ Thom Tillis
Speaker of the House of Representatives

s/ Beverly E. Perdue
Governor

Approved 12:31 p.m. this 29th day of June, 2012