



## **NCWorks Commission Quarterly Business Session**

Wednesday, February 9, 2022

NCSU Zoom Meeting Webinar | 1:00 – 2:00 P.M.

Raleigh, NC

### **Minutes**

#### *Present:*

Chairman Tom Rabon, Broxton Ashburn, Shawn Brown, Sherry Carpenter, Chris Egan, Secretary Kody Kinsley, Jeff Frederick, Christopher Gergen, Byron Hicks (Peter Hans), Suzanne Johnson, Jessica Englert (Governor Roy Cooper), Candace Lowry, Secretary Pamela B. Cashwell, Bruce Mack (Thomas Stith), David Miller, MaryBe McMillan, Himanshu Karvir, Mike Okun, Stan Sherrill, Rodney Carson, Ronnie Smith, Paul Lawler, Pam Townsend, Olalah Njenga, Cheryl Richards, Cynthia Speight, Kim Toler, Kristie VanAuken (Superintendent Catherine Truitt), Leslie Walden, Gilda Rubio-Festa, Secretary Machel Baker Sanders, Chief Deputy Secretary Jordan Whichard, Hope Williams, Marti Matthews Martin, and Annie Izod

*Absent:* Josh Arant, Osceola Elliss, Tammy Simmons, Jim VanCamp, Steven Con Hunt

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#### **Opening Business**

The first quarterly business session for 2022 began with a welcome to Commission members and attendees from Chair Tom Rabon. He shared several economic and workforce highlights from the past several months, including Governor Cooper's recent announcement that 24,224 new jobs were created in North Carolina during 2021 an all-time high for North Carolina's economic development performance. Additionally, Chair Rabon reported that North Carolina's unemployment rates decreased in 97 of our state's 100 counties in November. All 15 of our state's metro areas have experienced unemployment rate decreases. According to the statewide employment report in January, the number of workers employed in North Carolina increased in December to over 4.8 million, while those unemployed fell to approximately 188,000. Some major industries have experienced upsurges, such as manufacturing, hospitality services, professional and business services, and education and health services. We continue to experience declines in government, financial activities, and other services. However, according to our current *Business Pulse Survey*, respondents have expressed optimism for the future and reported that they were meeting or exceeding revenue goals, and about half of those businesses expect their conditions to improve in the next six months.

Chair Rabon stated since the November 10<sup>th</sup> business session meeting, there have been more than 5,000 new jobs created for the state with new projects. We welcomed the investments of the Meel Corp, Precision Graphics, Hosokawa Custom Processing Services, MasterBrand Cabinets, Sherrill Furniture, Kroger, LT Apparel Group, Science 37, Inc., Toyota, and Boom supersonic. Toyota will build its first North

American battery manufacturing plant for a new generation of vehicles, creating at least 1,750 jobs. Boom Supersonic, an aviation company building modern supersonic airliners for commercial service, will build its manufacturing facility in Greensboro which will create more than 1,750 jobs by 2030.

Chair Rabon congratulated Commission member Olalah Njenga on being appointed to serve on the Nation Small Business Association Board of Trustees for a three-year term. Additionally, he welcomed Secretary Kody Kinsley of NC Department of Health and Human Services (NCDHHS) to the Commission.

### **November 2021 Minutes Approval**

In moving the meeting to more formal business, Chair Rabon asked for a motion to approve the minutes from the November 10<sup>th</sup> meeting. The motion to approve the minutes as written was made by Himanshu Karvir and seconded by Jeff Frederick. There being no corrections, the minutes were unanimously approved as written.

### **Employer Needs Survey Presentation**

Chair Rabon introduced Joshua Levy, policy analyst from NC Department of Commerce's Labor and Economic Analysis Division (LEAD) to provide an overview of the results from the 2022 Employer Needs Survey. Joshua began by stating the survey was targeted to employers with 10 or more employees and designed specifically to gauge hiring experiences, recruitment and retention strategies and workforce challenges. This year's survey had responses from over 2,300 employers across all industries and special samples for construction, healthcare, hospitality, manufacturing, and STEM industries. Joshua stated that 86% of all businesses tried to hire in the previous 12 months and 95% of these businesses reported difficulty hiring for entry-level positions, compared to 84% reporting difficulty hiring for above entry-level positions. Compared to the 2020 survey, these have all increased.

The survey provided insights around the reasons for employers having difficulties with hiring. The highest reason sighted for hiring difficulties was too few applicants, followed by lack of employability skills, lack of experience, and low pay. Joshua highlighted how employers responded to these difficulties, over 63% of employers (upwardly) revised their pay and benefits to attract more candidates, 43% provided additional training to new hires and 31% utilized the workforce system in some way to assist during the hiring process. More employers reported using online job boards, social media and their company website for recruitment compared to the previous survey. For those employers who reported they utilized the workforce system, 82% utilized Community Colleges, while 61% utilized NCWorks online and 59% utilized the NCWorks Career Centers. For those employers who stated they did not utilize the workforce system, 42% stated they were not aware of the services. Employers reported they have increased paid leave, health insurance, and childcare assistance since the pandemic began. Joshua further illustrated that along with increased wages for both new hires and existing employees, employers have begun offering flex schedules, signing bonuses and remote work to increase their workforce. Looking forward to the future, 52% of the employers surveyed said they were very confident in their outlook for next year's business success, while 30% said they were confident and 14% said they were somewhat confident.

New for this year, LEAD developed a Tableau dashboard where the public can view the results of the 2022 Employer Needs Survey including breakdowns by industry and geographic area. Joshua provided a brief tutorial of how the dashboard functions and illustrated all the various features included with this online tool.

There were several questions posted in the meeting virtual chat, including whether or not the 2020 survey collected before the pandemic, to which the answer is yes, for the 2020 survey, the data was

collected in 2019. In addition, audience members asked if the Powerpoint will be posted to the NC Commerce website, and the answer was yes, within one week. Hearing no further questions, Chair Rabon thanked Mr. Levy for his presentation and moved to the next order of business – reports from the Commission committee chairs.

### **Committee Reports**

***Skills and Education Attainment Committee*** - Chair Sherry Carpenter reported that the committee held its first meeting of the year on January 25<sup>th</sup>. Youth initiatives are a key priority for the committee as they recently hosted focus groups to learn how to better support disconnected youth. Results from the focus groups will be used to develop trainings to support NextGen youth program staff who work with youth around the state. Additional initiatives include supporting the Statewide Youth Summit and developing a youth ambassador program. The committee is continuing to support the use of NCCareers.org and learned about a new marketing campaign being supported by Department of Public Instruction (DPI) to make both parents and middle school students more aware of the tool. During the committee meeting, they received reports from representatives from the NCAWDBs and from the Governance and System Alignment Committee regarding the Workforce Development Board System Alignment Study. Finally, the committee will focus on a new project this year to look at aligning career pathways across the workforce system, community colleges, and K-12.

***Employer Leadership Committee*** – Chair Jeff Frederick informed the Commission that the committee has met twice since the November 10<sup>th</sup> NCWorks Commission meeting. The committee is working on several initiatives including exploring industry sector partnerships, learning from the business pulse survey, and continuing the support of the workforce academy. Finally, the committee also heard an update from the Governance and System Alignment Committee regarding the Workforce Development Board System Alignment Study.

***Local Innovation Committee*** – Chair Leslie Walden began by thanking Olalah Njenga for her service as chair of the committee and expressed her enthusiasm for being able to serve as the new chair. The committee last met on December 14<sup>th</sup> where they continued their on-going discussion of the weekly Workforce Observer. This newsletter has been instrumental in identifying novel ideas for the committee to highlight, including the most recent Spotlight on Local Innovation - “Project GAP.” “Project Gap” is a program for disconnected youth hosted by Elizabeth City State University and funded by The Golden Leaf Foundation. The committee is still waiting on an announcement regarding additional funding for the NCWorks Local Innovation Fund. Finally, as with the other committees, this committee also heard an update from the Governance and System Alignment Committee regarding the Workforce Development Board System Alignment Study.

***Governance and System Alignment Committee*** - Chair Chris Egan began his committee report by introducing NCDHHS Secretary Kody Kinsley to the Commission and invited him to share a few remarks. Secretary Kinsley highlighted several areas of focus for the Department, including a commitment to the health of children and families, building the connection between health and work, and challenging his team to act under the mantra “Lead Change Together.” He shared his enthusiasm for the Workforce Innovation and Opportunity Act (WIOA) Unified State Plan and the many opportunities to collaborate to

serve individuals with barriers to employment through the Division of Vocational Rehabilitation Services, the Division of Services for the Blind, and programs for English Language Learners.

Chris Egan provided an update of the committee's activities since the last quarterly business meeting with the committee meeting a total of 11 times. The committee's work fell into three main areas during this time. First, the Workforce Development Board System Alignment Study, second, the committee reviewed and voted to accept two new policies, CPS 01-2022 which provides updated instructions for the annual Local Area Workforce Development Board plans and CPS 02-2022 which provides updated guidance on procurement and contracting. Finally, the WIOA Unified State Plan Updates which were reviewed and accepted unanimously by the committee.

**CPS 01-2022 Updates to Local Area Plan Instructions PY 2022:** North Carolina requires each Local Area Workforce Development Board (WDB) to annually review the Local Area Plan and board membership, in partnership with the Chief Local Elected Official, and prepare and submit modifications to the Local Area Plan to reflect changes in labor market and economic conditions. These plans are submitted by the 23 Local Area Workforce Development Boards in early May for review by the DWS policy and planning unit, the NCWorks Commission, DWS Performance and Accountability Unit, and DWS Business Services Unit.

**CPS 02-2022 Procurement and Contracting Policy:** The policy provides the Local Area Workforce Development Boards (WDBs) and other subrecipients minimum standards and procedures designed to ensure the proper procurement of and contracting for services using the WIOA funds received from DWS. The Local Area Workforce Development Boards are required to incorporate these minimum standards into their procurement and contracting policies and procedures and submit to the DWS Planners

**2022 WIOA Unified State Plan Updates:** The WIOA Unified State Plan communicates North Carolina's vision for the state workforce system. Federal WIOA regulations require all states to submit a two-year modification of their WIOA Unified State Plans to the U.S. Departments of Labor and Education. The 2-year update to the plan is designed to document North Carolina's response to recent events and changes to local economies. This cycle has been highly impacted by the Covid-19 pandemic and the plan documents the state workforce system's response to the pandemic. Once the plan is approved by the Commission, it is sent to the Governor's office for review and afterwards, the plan updates are submitted by March 15<sup>th</sup>, 2022, using the Federal online portal. Once submitted, the Department of Labor will review and provide a decision within 90 days for the WIOA core programs.

Chair Chris Egan reported the committee reviewed and voted to move forward to the full Commission both Commission Policy Statements and the WIOA Unified State Plan updates.

Following Chris Egan's update, Chair Rabon moved to vote on both policy statements and the WIOA Unified State Plan updates. As the motion was brought to the floor by the Governance and System Alignment Committee, Chair Rabon asked if there were any comments or questions before the vote. There being none, the Commission then voted unanimously to accept Commission Policy Statement CPS 01-2022 and CPS 02-2022 as written. Chair Rabon then provided a brief overview of the 2-year updates to the WIOA Unified State Plan. Federal WIOA Law requires all states to make a 2-year update to the plan to be reflective of recent changes to local economies. Staff to the Governance and System Alignment Committee have been working alongside the WIOA State Steering Council and the various workgroups around the state in the development of this plan. This updated plan is focused on the

impacts of the pandemic and the many ways in which the state's workforce system supported workers, employers, and others throughout the pandemic. As the motion to approve was brought to the floor by the committee, Chair Rabon asked if there were any comments or questions before the vote. There being none, the Commission then voted unanimously to approve the 2022 WIOA Unified State Plan updates as written.

### **Workforce Development Board System Alignment Study Update**

Chair Rabon reminded the Commission of his charge during the November 10<sup>th</sup> business session to study the current service areas of local workforce development boards and the possibility of realigning the workforce development board system to better meet the needs of economic development in the state. He shared an overview of the work of the committee including the questions guiding the study, the process by which they gathered data, and the numerous stakeholders they engaged with through surveys and interviews. He shared that the Governance and System Alignment Committee is planning to vote in late February on their final recommendations. If their recommendations are approved, the recommendations will then go out for public comment for 14 days with a vote by the full Commission at the March 30<sup>th</sup> Special Virtual Meeting. If the recommendations are approved by the full Commission, Chief Local Elected Officials can begin submitting their specific requests for any new local areas for designation on March 30<sup>th</sup> and will work with the Division of Workforce Solutions on implementing the new areas with an effective date of July 2023. Chair Rabon reiterated that while he shared the timeline for if realignment is recommended, there is not a predetermined outcome of this study, and that the committee is approaching this with the utmost care and thought.

### **Closing Remarks**

Chair Rabon welcomed NC Commerce Secretary Machel Baker Sanders to deliver closing remarks to the Commission. Secretary Sanders started by thanking the members of the Governance and System Alignment committee for all their long hours, dedication, and care in undertaking the realignment study. She then thanked Chief Deputy Secretary Jordan Whichard and Dr. Annie Izod for their leadership. Secretary Sanders highlighted several recent economic development projects around the state including the announcement of Boom Supersonic opening their first manufacturing facility at the Piedmont Triad International Airport in Guilford County, North Carolina. Secretary Sanders also highlighted Eli Lilly and Company, a global healthcare and biopharmaceutical company who plans to invest nearly one billion dollars in their new facility in Cabarrus County. She stated that companies are choosing to locate to North Carolina due to our workforce and she reiterated her commitment to ensuring our talent pipeline remains strong through workforce training. She then shared an update about the NC Workforce Credentials Initiative, which is a partnership of the Office of the Governor, the North Carolina Community College System, the North Carolina Department of Public Instruction, the North Carolina Association of Workforce Development Boards, the Department of Commerce, and myFutureNC to identify high quality credentials. This work involves strategizing which credentials are the most valuable to employers and can lead to great career opportunities. This work is part of myFutureNC's larger attainment goal to have two million North Carolinians (between the ages of 25 and 44) have a high-quality credential or postsecondary degree by 2030. Secretary Sanders stated nearly 70 percent of jobs in North Carolina already require this type of credential or degree, yet less than half of North Carolinians aged 25 to 44 have completed that level of education. Next, Secretary Sanders shared she recently appointed Jennifer Mundt to serve as the Department's Assistant Secretary of Clean Energy Economic

Development. This important new role at Commerce represents part of Governor Cooper’s commitment to securing clean energy economic and workforce opportunities for North Carolina.

Finally, Secretary Sanders concluded by reminding the Commission of the importance of celebrating the incredible history and achievements of African Americans in North Carolina during Black History Month. This includes North Carolina’s 10 Historically Black Colleges and Universities (HBCUs), otherwise known as the “NC 10”. North Carolina has the greatest number of HBCUs and is also home to the largest HBCU in the entire country, North Carolina A&T State University. Secretary Sanders highlighted the vital role that African Americans have played in advancing Science, Technology, Engineering and Math in our state. In addition to the tradition of academic excellence, there is a long list of outstanding contributions of black entrepreneurs, all of which are directly tied to our workforce and economic opportunity. While North Carolina has a diverse workforce, it is vital to make sure the economy is equitable and inclusive to all. This is in line with the Department’s First in Talent Plan as all North Carolinians must be empowered to fully participate in the economy and use their talents and skills to succeed. She closed by encouraging all to be well and continue to follow the guidance of public health experts.

### **Closing Business**

Chair Rabon thanked Secretary Sanders for her inspirational remarks. He then noted that the next Commission meeting would be a special virtual meeting to be held on March 30<sup>th</sup>. Chair Rabon further stated the next regular quarterly business meeting would be held on May 11<sup>th</sup> at The Conference Center at Guilford Technical Community College.

With no questions or comments, Chair Rabon closed the meeting by thanking everyone for their participation and patience in the virtual setting. There being no more business, the meeting was adjourned.

Respectfully submitted,

Dr. Annie Izod

Approved on March 30, 2022