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State Should Evaluate and Consolidate Job Training Programs, N.C. Center Says

North Carolina spends nearly \$800 million annually on 49 job training programs in eight different state agencies. But the state may need to consider program evaluation and consolidation to make sure those dollars are spent wisely, says the N.C. Center for Public Policy Research. The Center says effective delivery of job training will become more important as the state attempts to prepare its work force for the 21st Century and implement the requirements of Work First, its welfare reform effort.

The Center examined job training efforts in the state as part of a study of economic development policy issues in North Carolina published in *North Carolina Insight*, the Center's magazine. An October 1996 report by the State Auditor described a fragmented job-training system with tentacles in so many state agencies it's difficult to determine the overall effectiveness of training efforts. It recommended that job training programs be consolidated within a single state agency. Since then, the state has taken a step toward consolidation by moving its work force development commission into the Department of Commerce in recognition of the importance of job training in economic development efforts. The Center suggests that a gubernatorial task force examine whether further consolidation would enhance program effectiveness and accountability. More importantly, the Center says the task force should develop standards by which job training performance can be measured.

"There are so many job training programs in North Carolina that the left hand is not sure what the right hand is doing," says *Insight* editor Mike McLaughlin. "The State Auditor has advised consolidating job training programs under a single state agency. We think that's an idea to consider seriously. And no matter how programs are organized, increasing the evaluation of job training efforts is even more important."

49 Job Training Programs, Eight Agencies, and \$800 Million

An annual report by the Governor's Commission on Workforce Preparedness attempts to list all the state's work force programs, the agencies where they are located, the latest available budget figures, and the number of people each program serves. State agencies administering

these programs are the departments of Public Instruction, Community Colleges, Administration, Commerce, Correction, Health and Human Services (formerly Human Resources), Labor, and the Employment Security Commission. Also administering job programs using state and federal funds is the private nonprofit Telamon Corporation, which works with migrant and seasonal farm workers.

The inventory makes one thing clear: North Carolina does a lot in pursuit of job training. Twelve programs serve the general population, while others serve specific segments of the population, such as the disabled, prison inmates, welfare recipients, or youth.

"With programs serving such diverse clienteles, full consolidation presents a challenge," says McLaughlin. "A gubernatorial task force could evaluate the pros and cons and give this issue the airing it deserves."

The inventory report says that it is impossible to provide an "unduplicated count" of the job training and job-linkage efforts in North Carolina. It is obvious, however, that the number of **participants** reaches well into the hundreds of thousands. They include:

- 172,000 people in community colleges' occupational education;
- 260,000 in community colleges' occupational continuing education;
- 374,000 in vocational and technical education in the state's public schools;
- 53,000 in vocational rehabilitation;
- 6,300 registered apprentices in Department of Labor programs; and
- 5,500 in adult Job Training Partnership Act programs and 4,400 in JTPA summer youth programs.

As for cost, the Governor's Commission on Workforce Preparedness documented \$799.3 million in government spending on work force development efforts: \$578 million in state funds; \$216.1 million in federal funds; and \$4.1 million in local funds. Of the state funds, 93 percent went to two statewide education systems. Community colleges received \$336 million for training-related programs, and the public schools got \$195 million.

Evaluation of Job Training Programs

"With almost \$800 million going toward job training in North Carolina, the obvious question is, are we getting enough bang for all these bucks?", says McLaughlin. "Without more serious evaluation, we won't know for certain."

In previous research on the Job Training Partnership Act, the Community Work Experience Program, and the community college program Human Resources Development in 1989, the Center for Public Policy Research found programs lacking in preparing participants for long-term jobs that paid a living wage. For example, only 40 percent of participants in the Community Work Experience Program (also known as Workfare) got jobs, and often these jobs paid poverty-level wages. The JTPA program initially found jobs for nearly seven out of 10 participants, but often the jobs didn't last long, and only one of every two welfare recipients who participated in JTPA programs found a job. Three months after leaving a JTPA program, only 55 percent of the participants had held a steady job. A 1993 study by the U.S. Department of Labor found that less than 20 percent of those who were trained under federal programs for dislocated workers were able to find a new job paying at least 80 percent of their former salary.

Thus, the Center concludes there is a strong need for evaluation of job training programs. At the minimum, the Center says the state should adopt a goal that job training programs place a majority of their participants in jobs that pay above the poverty level and that these workers should keep their jobs at least a year.

Job Training Crucial to State's Economic Development Efforts

Job training programs are crucial to the state's economic development efforts for two reasons, says McLaughlin. "First, job training programs have to work well for welfare reform to work at all. Second, as fast as our economy is changing, our workers' skills have to change to match the jobs that are available."

One program that appears to do an effective job of training welfare recipients for work is the Center for Employment Training at Research Triangle Park. Invited to the state as a demonstration project to show how intensive training and support can quickly move the jobless poor from welfare to work, the agency has placed enrollees in jobs averaging \$7.50 an hour, often with benefits. The program follows up at 30, 60, 90, and 180 days to make sure its clients are still employed. "We have an 80-plus percent six-month retention rate, which is very strong, and a high percentage of ex-participants earning above the poverty line and becoming self sufficient," says Tim Moore, executive director of the Triangle CET. Moore says the agency plans to add a 360-day follow-up, which would mean tracking workers for almost a full year after graduating from the program.

Equally important is the job training assistance the state provides to industry to help workers keep pace with technological changes in the economy. At MCI in Cary, for example, workers receive training in the latest telecommunications technology through a cooperative arrangement with Wake Technical Community College. Wake Tech provides instructional equipment and supplies and pays part of instructors' compensation for on-site customized training -- one of North Carolina's longest-standing industry-recruiting programs.

But such job-training needs must be consolidated and coordinated to attain maximum impact, says the Center. A task force of the Governor's Commission on Workforce Preparedness that examined the job-training component of Governor Hunt's Work First welfare reform initiative found fragmentation in the system as it relates to welfare recipients. "Multiple agencies use varying funding sources to provide comparable services," says the task force report. "Training programs are not offered frequently enough to accommodate the recipient pool's differing points of entry in the welfare stream. Furthermore, current training programs too often provide long-term training programs that are not connected to labor force demands."

The state is taking steps to address some of these issues. Under program consolidation, the former Governor's Commission on Workforce Preparedness has been moved into the N.C. Department of Commerce. The move recognizes the role of work force development as an economic development tool.

The Employment Security Commission -- technically an agency under the Commerce Department but which operates relatively independently -- is now the first stop for Work First participants. The welfare recipients are evaluated and referred to employment opportunities or job training programs. The Department of Community Colleges also is revamping its program to prepare welfare recipients for work, focusing on speedier training and placement. Called Pathways to Employment, the program aims at having welfare recipients ready to work within 12 weeks.

Private Sector Job Training Efforts Needed Too

The Center says the state can't rely simply on government-supported initiatives; job training will have to be business' business too. Buster Humphries of National Spinning Co., chairman of the Governor's Commission on Workforce Preparedness, has a pat answer for business leaders who ask, "What if you pay for training and employees leave?" His reply: "What if you don't pay for training and they stay?" National Spinning Co. has been a leader in high school apprenticeships, with programs at all four of its plants in North Carolina.

But much of the state's work force is employed in vulnerable jobs -- that is, in labor-intensive industries like cut-and-sew apparel factories likely to lose employment in the near future. At issue is whether the state will marshal its educational and job training resources in concert with an economic development strategy that focuses not simply on having a job but on having a stable job that pays above poverty-level wages.

Among other issues the Center identifies that the state's job training system must face in the near future are: possible declines in federal funding; the need for increased flexibility in how community colleges provide job training; and a campaign to raise the education level of the North Carolina work force so that the majority of workers get at least two years of education beyond high school.

The Center says the governor should appoint a task force to explore these many issues, with a particular focus on evaluation and on the pros and cons of consolidating job training and work force development programs into a single agency. As the importance of work force preparation increases in the new economy, so does the importance of a focused state effort to make sure participants in job training programs actually get good jobs.

The N.C. Center for Public Policy Research is an independent, nonpartisan, nonprofit corporation created to study public issues facing North Carolina and to evaluate state government programs. The Center is supported in part by a grant from the Z. Smith Reynolds Foundation in Winston-Salem, with additional funding from 18 private foundations, 190 corporate contributors, and almost 1,000 individual and organizational members. In addition to publishing *North Carolina Insight*, the Center issues book-length research reports and publishes a citizens' guide to the legislature and biennial rankings of legislators' effectiveness. Recent studies by the N.C. Center have examined year-round schools in North Carolina, trends in funding for the arts, and how the state's public universities evaluate and reward excellent teaching.

Copies of the issue of *North Carolina Insight* containing the Center's research on job training programs are available for \$20, which includes tax, postage, and handling. To order, write the Center at P.O. Box 430, Raleigh, N.C. 27602, call (919) 832-2839, fax (919) 832-2847, or order through the Center's Website at <http://www.nando.net/insider/nccpr>.

For more information on job training programs in North Carolina, contact Mike McLaughlin, editor of *North Carolina Insight*, at (919) 832-2839.