A Report on the Operations of the North Carolina COMMON FOLLOW-UP SYSTEM

May 2018
# Table of Contents

What is Common Follow-up System? ........................................................................................................... 1  
History of the Common Follow-up System .................................................................................................... 1  
  CFS Years 1992-2000: CFS Converted to a Longitudinal Database ........................................................... 2  
  CFS Years 2001-2015: CFS Expansion and Enhancement ......................................................................... 2  
  CFS Current Operation .............................................................................................................................. 4  
    Expanding Data Coverage ..................................................................................................................... 4  
    Enhancing System Outputs ................................................................................................................... 5  
How is the Common Follow-up System Operated? ...................................................................................... 6  
How are CFS Data Processed? ...................................................................................................................... 7  
Is the CFS Cost-Effective? .......................................................................................................................... 7  
What are the Strengths and Limitations of CFS Data? .................................................................................. 8  
Participation Summary Across the Years ..................................................................................................... 9  
Interrelationships Among Agencies in the Provision of Services .............................................................. 12  
Relationship of Individuals Served to the North Carolina Economy ....................................................... 14  
Operation Summary ................................................................................................................................... 15  
Appendix ..................................................................................................................................................... 17
A REPORT ON THE OPERATIONS OF
THE NORTH CAROLINA COMMON FOLLOW-UP SYSTEM
May 1, 2018

The 2018 Common Follow-up System (CFS) Operational Report provides information on CFS activities over the past calendar year. This report includes information related to education, employment and training programs for which data were reported by state agencies under the requirements of the North Carolina General Statute Chapter 96 Article 4.

WHAT IS COMMON FOLLOW-UP SYSTEM?

The Common Follow-up System provides information on the educational and employment outcomes of participants in publicly supported educational, employment, and training programs. CFS grew out of the recognition by a group of state agencies that quality outcome information was needed on the participants of educational, employment, and training programs. This data was essential for program planning, evaluation, and resource management.

Although each of the agencies conducted independent follow-up studies to fulfill specific programmatic, regulatory, or other requirements, CFS information content and collection procedures were specific to each agency. Existing collection methods often were expensive and no mechanism was available for the sharing of information among agencies. No process existed to review outcomes across programs and agencies, to study the relationships among programs and agencies, or to examine results for the system as a whole. In short, there was no consistent method that allowed for the examination of the education, employment, and training community. CFS was developed as a cost-effective response to these limitations.

HISTORY OF THE COMMON FOLLOW-UP SYSTEM

The CFS was developed in 1992 as a cooperative venture of the participating agencies under the auspices of the North Carolina State Occupational Information Coordinating Committee (NCOSICC). The original participating agencies were:

- the University of North Carolina System (UNC System);
- the North Carolina Community College System (NCCCS);
- the North Carolina Department of Public Instruction (DPI), Workforce Development Education;
- the Employment Security Commission (ESC) of North Carolina;
- the Division of Employment and Training (DET);
- the North Carolina Department of Human Resources, Division of Vocational Rehabilitation Services (DVRS); and
- the North Carolina Department of Labor (DOL).
The participating agencies chose the former Employment Security Commission as the system operator, due to its expertise with large data sets and its responsibility for the unemployment insurance wage file. In the initial year, a prototype matching system was developed. This matching system provided a mechanism whereby data submitted by an individual participating agency were matched to data submitted by each of the other agencies and to employment and wage information in the Unemployment Insurance wage file.

**CFS Years 1992-2000: CFS Converted to a Longitudinal Database**

Over the first few years of operation, the CFS evolved in terms of processing procedures and system expansion. The system was converted from a single year matching system to a longitudinal database. The longitudinal database structure allowed the tracking of an individual’s progress through the workforce system across time, in addition to supporting comparisons at specific intervals or points in time. This conversion also provided the opportunity to study the long-term impact of programs, to examine the interrelationships among agencies in the overall provision of services, and to gain a better understanding of the paths individuals follow while utilizing these services. The system grew in terms of both records and individuals processed. The number of individuals processed per year increased from 330,045 in 1992 to over 1.7 million in 1995, while the number of agencies grew from six to eight over the same period.

In 1995, the General Assembly enacted legislation that amended Chapter 96 of the North Carolina General Statutes and established CFS by statute; defined system participation; established operational and evaluative responsibility; mandated data integrity and confidentiality; and outlined reporting and schedules. The former ESC was assigned operational responsibility while the Office of State Budget and Management (OSBM) was charged with analysis and evaluation.

Over the next several years, there was increased interest in the data contained in the CFS due to initiatives at both the state and national levels regarding the collection, calculation, and reporting of performance information throughout the education, employment, and training system.

The Workforce Investment Act (WIA) of 1998 stimulated further interest and attention to the data contained in CFS. WIA mandated the collection, calculation and reporting of performance and accountability measures for workforce training programs operated throughout the state. ESC worked in collaboration with the Division of Workforce Development (DWD) on the development of procedures for the processing, calculation and reporting of the state’s WIA performance measures.

These initiatives led to continued expansion and refinement of the CFS data collection procedures. To help meet the reporting requirements for WIA, additional data elements were added to the CFS to aid in the calculation of performance required under WIA.

**CFS Years 2001-2015: CFS Expansion and Enhancement**

During the 2001 Legislative Session, the North Carolina General Assembly transferred the evaluative responsibility for the CFS from the Office of State Budget and Management (OSBM) to the Employment Security Commission (ESC). In July of 2011, the North Carolina General Assembly enacted legislation that
transferred the Employment Security Commission of North Carolina to the North Carolina Department of Commerce. Responsibility for the CFS was shifted to the Department of Commerce’s Labor and Economic Analysis Division (LEAD).

In 2012, the North Carolina General Assembly enacted Session Law 2012-131 to reform the state’s workforce development system. Part of the law called for the Department of Commerce to improve and strengthen the CFS and to work in collaboration with the Commission on Workforce Development to utilize CFS data to develop performance measures for North Carolina’s Workforce Development System.

As part of its efforts to improve and strengthen the CFS, the North Carolina Department of Commerce began several initiatives. These included enhancing the technology processes for system processing and storage, enhancing data integrity, updating system documentation regarding agency and programmatic information, and enhancing system outputs.

The Department of Commerce began work on a system upgrade focused on enhancing the system capacity by migrating CFS data from its current mainframe computing environment to a server base platform. The goal for the new technology infrastructure is to help provide the core mechanisms for storing, updating, securing, maintaining, processing, analyzing, and reporting effectively and efficiently from the CFS.

The North Carolina Department of Public Instruction was awarded a grant in 2012 from the U.S. Department of Education to develop a P-20W System that is the State Longitudinal Data System (SLDS) to allow participating agencies to share individual level data. This system would make it possible to follow individuals from Early Learning through the K-12 system, Higher Education and to the Workforce in order to evaluate student’s achievements and progress as well as to carry out program and institutional evaluation. While NCDPI was the lead on the SLDS grant, the project is a collaborative effort of several entities. One of the goals of the project was to establish a link between the SLDS data to the employment-related data in CFS. This was completed through a joint effort between Commerce and the Government Data Analytics Center. Currently Commerce continues to work with DPI and other partner agencies on the SLDS effort.

As part of its efforts to improve CFS, the Department of Commerce applied for and received a competitive grant with the U.S. Department of Labor’s Employment and Training Administration through their Workforce Data Quality Initiative (WDQI). The grant period was completed in June of 2017.

During the 2014 Session, the North Carolina Legislature enacted Session Law 2014-100 which required the Department of Commerce to develop a plan for the transfer of the information and capabilities of CFS to the Government Data Analytics Center (GDAC) within the Office of Information Technology Services. Work on the business and system requirements for the new system were initiated, including enhancing the technology utilized for system processing and storage, improving data integrity, updating system documentation, and enhancing system outputs. In 2015, LEAD and GDAC migrated the historical CFS data from its mainframe computing environment into the GDAC server based environment. This included the migration of over 100 gigabytes of data as well as an inventory and classification of all historical data files.
and elements. Beginning with the 2015 program year and continuing today, CFS data processing has been completed in the GDAC environment.

**CFS Current Operation**

Over the past year, LEAD has continued to work with GDAC to develop the enhanced CFS within the GDAC environment. This has included expansion of data coverage from existing contributors and inclusion of data from new contributors, as well as the improvement of the technology processes utilized for system processing, storage, validation, analysis, and system outputs. GDAC and LEAD in collaboration with the contributing agencies continued work on the new data submission processes including the refinement of the new data file structures and formats. Staff from LEAD and GDAC continued to work on the development of expanded data validation measures, which includes process development for contributing agencies to upload data to the GDAC environment as well as for the system to carry out automated validity check procedures, allowing contributors to review validation results, revise data submissions, and approve data for loading to the system.

LEAD also worked closely with the contributing agencies on the new data submission processes. This included the completion of file structures for each contributing agency and implementation of data validation procedures to ensure data quality. In addition, agencies have refined and finalized their test data submissions in the new formats. In November 2017, test phase for the system enhancements has been completed and CFS enhanced system was transitioned from a test environment to a production environment. Data for the 2016-2017 CFS program year were submitted entirely within the new GDAC environment.

In addition to the work on the CFS technological and system enhancement, LEAD has partners with various stakeholders to expand data coverage and enhance system outputs.

**Expanding Data Coverage**

- As part of its efforts to improve the CFS, LEAD and GDAC continued to work with participating agencies to revise and expand data submittals, as well as to identify additional workforce development programs that were not previously reported to CFS. During the 2016-2017 CFS program year, LEAD met with various agencies to review and expand data coverage and received new data submissions from two additional entities: North Carolina Department of Health and Human Services (DHHS) Division of Mental Health, Development Disabilities and Substance Abuse Services as well as Division of Aging and Adult Services. The Division of Social Services’ Community Service Block Grant (CSBG) is also a new data contributor. LEAD and GDAC have worked closely with CSBG to include their data in the CFS; however, data from CSBG is currently not available. LEAD is continuing to work with the DHHS to resolve this issue (see Appendix).

- To expand the employment and wage coverage in CFS, North Carolina Department of Commerce executed an agreement with the U.S. Department of Labor (DOL) for exchange of out-of-state wage information through the Wage Record Interchange System (WRIS) and the Wage Record Interchange System 2 (WRIS2). While these systems provide access to out-of-state wage
information, use of the data is limited to those purposes outlined under the data sharing agreements between U.S. DOL and the participating states. To meet additional performance requirements of the Workforce Innovation and Opportunity Act (WIOA), the U.S. Department of Labor has initiated the development of a new wage record data sharing system called the State Wage Interchange System (SWIS). The U.S. Department of Labor has issued a new draft data sharing agreement for SWIS, which is currently under review by participating states. LEAD staff convened a group of representatives from several of the stakeholder agencies to review and provide feedback on the draft SWIS agreement.

- In addition to the expansion of programmatic information and wage coverage, North Carolina Department of Commerce established a data sharing agreement with the North Carolina Department of Transportation, Division of Motor Vehicles (DMV) and the North Carolina Department of Information Technology, Government Data Analytics Center (GDAC) for use of DMVs driver’s license and customer Information including individual driver/customer-level data. Information from the requested DMV data will be used to verify the identities of individuals in the CFS and to combine customer/driver information with other data sources for evaluating performance of the state’s education, employment, and training programs.

**Enhancing System Outputs**

- In July 2014, as part of its responsibility for evaluating agencies and programs, LEAD launched a powerful online information delivery tool – the North Carolina Tool for Online Workforce and Education Reporting (NCTOWER). This tool provides a mechanism for the electronic delivery and display of performance measures for educational programs for each of the University of North Carolina’s 16 campuses and for all curriculum programs at each of the 58 colleges of the North Carolina Community College System. The outcome measures reported by NCTOWER include post-graduation employment and wage statistics and enrollment in further education for up to 14 years after graduation. These measures include employment rates, average and median wages for each program, employment and wage measures by industry of employment, and rates of re-enrollment in higher-education programs. NCTOWER also displays information for each college/university, degree type, and academic subject area. In the past year, LEAD has updated NCTOWER with additional 4 years of data and will continue to provide updates as new data becomes available.

- Labor and Economic Analysis Division staff collaborated with the Division of Workforce Solutions and the NCWorks Commission in the development of a set of performance measures for North Carolina’s Workforce Development System. The collaboration included the analyses on the state’s Workforce Development programs by LEAD staff using CFS data. The NCWorks Commission has issued four annual reports focusing on the performance of North Carolina’s workforce development system and programs. The fifth annual performance report was delayed due to the joint effort between GDAC, LEAD, and contributing agencies to refine agencies’ historical data quality and to integrate data files from the new submission process into the CFS system.
• In 2017, Labor and Economic Analysis Division staff published a report entitled “Unemployment and the Great Recession in North Carolina” which examines unemployed workers and unemployment insurance (UI) recipients in North Carolina during the Great Recession of 2007-2009 and its aftermath. CFS data was utilized to learn more about these individuals, including their employment and wage outcomes. The goal of this report is to help workforce planners and policymakers understand the impact of the last recession as well as inform discussion regarding workforce development strategies for future recessionary periods, so strategies can be developed for alleviating unemployment in times of next recession.

• LEAD developed a research product that reports the labor supply and demand in North Carolina and assesses whether the state’s higher education system is aligned with the needs of the labor market. Data from the CFS was utilized to provide information regarding North Carolina’s educational pipeline.

As LEAD has progressed with the effort on CFS enhancement and the wealth of information through the CFS would benefit for a larger research and analytics team, the Labor and Economic Analysis Division established a new Data Analytics and Research Team in August 2017. The team is responsible for maintaining the system and leverages LEAD’s technical expertise and CFS big data to generate research products and provide technical support to contributing agencies.

CFS enhancement has increased the contributors’ workload, leading to a delay on the completion of the new submission processes and delivery of data from each contributing agency. However, LEAD and GDAC continue to collaborate with contributing agencies for the enhancement, including GDAC portal improvement, data file verification checks, identify/entity resolution, and automated upload of wage and claim data from Division of Employment Security to the CFS data warehouse. These efforts will help bring the system to its full operational capacity and ensure sufficient flexibility to accommodate future needs.

**How is the Common Follow-up System Operated?**

The participating agencies supply data files based on their standard operational period, which can be either a calendar quarter, federal fiscal year, state fiscal year, academic term or a school year. Enhancements to the CFS implemented in 2015-2017 enabled the system to encompass and align various reporting schedules. Data files from participating agencies were created from existing administrative records and contain demographic data, program enrollment information, and completion information for individuals participating in education, employment and training programs operated by each of the entities.

The records from each entity were matched to data from:

- all participating entities;
- Unemployment Insurance wage records; and
- Unemployment Insurance claim files.
**HOW ARE CFS DATA PROCESSED?**

Each year CFS staff issue a request for data to each of the participating entities. The entities submit data files containing information on agency identification (e.g., UNC, DPI); institution identifications and name (e.g., the name of the Community College attended); Social Security Number or participant identifier; participant demographics (e.g., name, gender, race, date of birth); and detailed information specific to the agencies.

After the files have been submitted, the data are put through a series of edit checks to ensure compatibility and accuracy. After edit checking process is completed, the data are loaded to data warehouse in the CFS system.

The confidential nature of information contained in the CFS mandates the use of strict safeguards in the collection, storage and use of the data. CFS data are stored within the GDAC environment. Access to these systems requires individual user data access profiles, as well as individual user ID’s and passwords. At the time of system enrollment and with every data release, participants are informed of the confidential nature of the data and the legal restrictions on its use. Following the completion of the data loading process, CFS staff analyzes the data, and the resulting findings are utilized in the development and production of reports and other research products. The findings reported in these research products are subject to data suppression procedures that prevent the disclosure of personally-identifying information.

**IS THE CFS COST-EFFECTIVE?**

The CFS is an efficient and cost-effective method for collecting follow-up information for education, employment and training program participants. The extensive use of administrative records and automated matching systems allows the costs to be held below that of any system that would rely upon phone or mail surveys to collect similar data.

The cost-effectiveness of the CFS can also be evaluated in terms of the benefit that the data provide to the participating entities. The system generates employment and wage data without the use of telephone or mail surveys. Benefits include time saved not having to produce mail and analyze responses from program participants, making the return on investment invaluable.

Several of the participating agencies have utilized the information available through CFS to help meet several state and federal performance, policy and evaluation initiatives. The North Carolina Community College System has utilized the information to help in meeting federal performance requirements for the U.S. Department of Education including the National Reporting System for Adult Education programs and the Perkins IV core indicators. In addition, the Community College System utilized data from CFS in the development of performance measures system for North Carolina’s 58 Community Colleges. This includes the development of an employment measure that will be utilized as part of the NCCCS’ performance system to assess post-completion employment outcomes.
The University of North Carolina continued to utilize information from CFS to support internal analyses, assist in strategic planning and to provide relevant information to the UNC Board of Governors (UNC BOG). The information is being utilized by the UNC BOG in its program review process. The UNC web-based electronic dashboard contains a variety of enrollment and graduation statistics including a link to the employment and wage outcomes available through the NC TOWER web portal.

Information from the CFS system continued to assist agency partners in meeting state and federal performance and evaluation initiatives. These efforts have included the use of CFS data in assessing the provision of services to participants as well as the evaluation of employment and wage outcomes. CFS data is often utilized to support economic development activities in the state and assist stakeholders to make informed decisions for business recruitment and expansion.

**WHAT ARE THE STRENGTHS AND LIMITATIONS OF CFS DATA?**

The scope of the CFS is extensive in terms of the number of entities and individuals processed as well as the breadth of program and service coverage. Review of follow-up systems in other states reveals that North Carolina’s CFS offers the most comprehensive coverage of education and workforce programs and time series of participants. Many states and governmental entities with similar missions and mandates view the CFS as a model for delivering follow-up information. Many of these entities have sought the advice of agency staff on implementing similar systems in their jurisdictions. The CFS is an efficient and cost-effective tool for long-term follow-up. This is due to the reliance on automated matching of administrative records. However, since much of the data utilized in the CFS were originally gathered for different purposes, the resultant output possesses both inherent strengths and limitations. Several of the most significant areas are described below:

Wage information includes information on individuals:
- working in jobs covered under North Carolina Unemployment Insurance Laws;

Available employment-related data includes:
- the employment status of the individual;
- the size of the employing firm; and
- the North American Industry Classification System (NAICS) code of the firm.

Wage information reflects total quarterly earnings; hourly or weekly wages are not available.

Wage information is not available for individuals who:
- work outside of North Carolina, or
- are employed in North Carolina, but not covered by unemployment insurance (e.g., the self-employed, church and religious organization employees, summer camp employees, and other non-covered workers).

Employment-related information which cannot be determined includes:
- the entry-on-duty date of employment for the individual;
• the employment type (i.e., permanent, temporary, part- or full-time);
• whether the person worked at all during the quarter;
• the number of hours worked for the quarter; and
• the person’s occupation.

PARTICIPATION SUMMARY ACROSS THE YEARS

Since its inception, the system has experienced tremendous growth. CFS staff and the contributing agencies have made concerted efforts to incorporate information regarding additional programs and the individuals they serve, as well as to solicit the participation of other divisions or agencies. The analyses that are included in the following sections reflect data supplied by the participating entities for services that were provided through June 2017.

The CFS has expanded dramatically since its inception in the early 1990’s. Figure 1 shows the total number of individuals included in the system between the 1990-1991 and 2016-2017 CFS program years, as well as the number of individuals served each year by publicly funded education and workforce training programs tracked in CFS. The system currently contains information on over 9.4 million unique individuals.

Figure 1. Growth and Scope of the Common Follow-up System Since Inception, 1991 to 2017

The total number of unique individuals within the Common Follow-up System was obtained by performing a total unique count of the SSNs contained in the system across all participating agencies by CFS year. Analyses of data by CFS year indicate that the number of individuals who received services
through one or more of the participating entities ranged from the high of 2.3 million in CFS Year 2010-2011 to 1.5 million in the most recent 2016-2017 CFS Year.

During the 2016-2017 CFS Year, the following entities provided program data to the system:

- The North Carolina Department of Public Safety
  - Division of Adult Correction (DAC);
- The North Carolina Department of Public Instruction (DPI);
- The North Carolina Department of Commerce’s
  - Division of Workforce Solutions (DWS);
- The North Carolina Department of Health and Human Services
  - Division of Services for the Blind (DSB);
  - Division of Social Services (DSS);
  - Division of Vocational Rehabilitation Services (DVRS);
  - Division of Mental Health, Developmental Disability, and Substance Abuse (DMH);
  - Division of Aging and Adult Services (DAAS);
- The North Carolina Community College System (NCCCS); and
- The University of North Carolina (UNC)

While 87.2% of the unique individuals covered in the 2016-2017 data submissions were served by only one agency during that period, 11.7% received services at two agencies, and 1.1% were served by three or more agencies.

Analyses of agency’s historical data in CFS provide an understanding of the scope of the system, as well as an overview of service provision by contributing agencies over time. Table 1 presents all agencies for which data exists within CFS, as well as the total number of individuals for which data are available on a given agency, by CFS year. The number of individuals within each agency row was obtained by performing a unique count of individuals with Social Security Numbers (SSNs) submitted by each agency in that year. The totals by row indicate the number of unique individuals submitted by an agency over the ten-year period, taking into account that individuals served by a given agency may receive services in multiple years. The totals by column indicate the number of unique individuals submitted in a given year, taking into account that individuals may be served by more than one agency.
TABLE 1. Individuals Served by Agency and by CFS Program Year

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<td>Division of Mental Health, Developmental Disability, and Substance Abuse</td>
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<td>Division of Adult Correction Services</td>
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<td>Division of Services for the Blind</td>
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<td>Division of Vocational Rehabilitation Services</td>
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<td>North Carolina Community College System</td>
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<td>759,673</td>
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<td>Individuals served per CFS</td>
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<td>2,435,804</td>
<td>2,518,749</td>
<td>2,354,128</td>
<td>2,305,623</td>
<td>2,277,861</td>
<td>1,728,191</td>
<td>1,584,655</td>
<td>1,538,982</td>
<td>1,515,523</td>
<td>5,893,502</td>
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</table>

Source: Common Follow-up System, Labor & Economic Analysis Division, NC Department of Commerce, May 2018
Notes: (1) Number of participants by agency may differ from the previous report due to agencies’ re-submission of enhanced data from prior submissions and additional data validation procedure; (2) Division of Aging and Adult Services provided data to the CFS system; however, Social Security numbers were not available for data aggregation. Currently LEAD is working with GDAC to resolve this issue.

Over the ten-year period spanning July 1, 2007 through June 30, 2017 almost 5.9 million individuals received services through the contributing agencies. This includes 3 million individuals who received a variety of workforce services through the Division of Workforce Solutions and over 3.1 million who participated in education and training programs through the North Carolina Community College System. While DWS and NCCCS delivered services to large numbers of individuals, North Carolina’s public school system provides the building blocks upon which other education, employment and training services rely. During the same period, more than 980,000 individuals were enrolled in public high school programs. UNC is the state’s publicly supported university system and provided educational programs to nearly 800,000 individuals.

Several agencies provide services to very specific sub-populations. The Division of Social Services provided employment and supportive services to more than 990,000 Work First and Food Stamp Employment Program participants over the ten-year time period, while Department of Public Safety provided services to over 606,000 offenders in prison, on probation or parole. The Division of Vocational Rehabilitation Services provided rehabilitation services to almost 190,000 individuals with physical and mental disabilities, and DSB provided vocational rehabilitation services to more than 10,000 blind, visually-impaired and multi-handicapped individuals.

It is important to keep in mind that some entities are authorized to provide services to large segments of the population (e.g., DWS and NCCCS), while others are authorized to provide services to very specific sub-populations based on stringent eligibility criteria including occupational goal, income, disability type, severity of disability, and educational requirements (e.g., DSS, DVR, DSB and UNC).
INTERRELATIONSHIPS AMONG AGENCIES IN THE PROVISION OF SERVICES

A significant feature of the CFS is its longitudinal structure, which fosters the examination of the interrelationships among entities in the overall provision of services and an understanding of the paths individuals follow while utilizing these services. Several initiatives at both the State and National level have called for the coordination, collaboration and integration of services to individuals across education, employment and training programs. These initiatives include the NCWorks Career Center System, Workforce Investment Act (WIA), Workforce Innovation and Opportunity Act (WIOA), as well as endeavors by the education, employment and training agencies themselves.

To provide an understanding of the interrelationships among entities in the provision of services, data were analyzed both within and across the last ten program years (July 1, 2007 through June 30, 2017). These analyses utilized data from the participating agencies which vary in terms of their organizational structure. That is, some agencies comprise several divisions within a given agency, others have a single division within a given agency, and others encompass the combined work of staff across multiple agencies and programs. The data provided by each of these agencies includes information regarding one to several programs and/or services.

Analyses focused on determining the unique number of individuals who received services through each agency, the unique number of individuals who received services across agencies, the number of agencies from which individuals received services, and the number of individuals found in common among the agencies. This analysis is presented in Figures 2.
Figure 2. Total Unique Individuals Served by Each Agency and Number of Individuals Also Served by One or More of Other Agencies, CFS Program Years: 2007 – 2008 through 2016 – 2017

Source: Common Follow-up System, Labor & Economic Analysis Division, NC Department of Commerce, May 2018
RELATIONSHIP OF INDIVIDUALS SERVED TO THE NORTH CAROLINA ECONOMY

In addition to providing information regarding the number of participants served by each agency, CFS may also be utilized to provide an understanding of the relationship between participants of the state’s education, employment and training programs and the overall economy.

Over the ten-year period from July 1, 2007 to June 30, 2017, almost 5.9 million unique individuals participated in educational, employment and training programs through the participating agencies. During the 2016-2017 program year, there were over 5.0 million unique individuals with wages reported to the Division of Employment Security. These individuals earned $204 billion in total wages. Analyses of the information supplied by the participating agencies to the CFS demonstrate that of the 5.0 million wage earners, 2.9 million (or 58.9%) participated in education, employment and training programs through one of participating agencies during the same period. These individuals earned $92 Billion in total wages or 44.9% of all wages paid in the 2016-2017 program year.

Figure 3. Ratio of Participants of North Carolina’s Education, Employment and Training Programs (July 1, 2007 – June 30, 2017) to All Wage Earners and Wages Paid During the 2016-2017 Program Year

Further analyses by industry sector demonstrate that more than 50% of individuals employed in the state’s major industry sectors (except Nature Resources and Mining) participated in programs and services provided by one of the participating agencies in the last ten years. In addition, more than 6 out of every 10 individuals employed in the following major industry sectors have been participants of these agencies in the last ten years: Manufacturing; Retail Trade; Professional & Business Services; Health Care; Leisure & Hospitality, Public Administration, and Other Services.
Analyses of the wages paid in each industry revealed that half or more of the wages paid in 4 out of 13 major industry sectors were paid to individuals who had participated in programs and services through one of the participating agencies in the last ten years. These results clearly indicate the connection between education, employment, and training programs and the state’s economy as well as the continued need for coordination among education, workforce development and economic development efforts.

**OPERATION SUMMARY**

The Common Follow-up System (CFS) is an effective mechanism for providing information regarding the agencies, programs, and participants that comprise North Carolina’s education, employment and training system. The CFS is a valuable resource for understanding the educational and employment outcomes of individuals who participate in services as well as an understanding of the paths individuals follow while utilizing these services.

The scope of the CFS is extensive in terms of the number of entities and individuals processed as well as the breadth of program and service coverage. Analyses of data from the CFS indicate that over the ten-year period from July 1, 2007 through June 30, 2017 almost 5.9 million individuals received services through the participating agencies. During the same period, the North Carolina Community College System and the Division of Workforce Solutions each provided services to over 3 million individuals. These numbers indicate that each year approximately 1 out of every 5 North Carolinians was enrolled in either
education and training programs through the North Carolina Community College System or received employment and training services through the Division of Workforce Solutions.

Further interpretation of the data presented in this report indicates that there is substantial collaboration among agencies in the overall provision of education, employment and training services. Over the ten-year period, about 1.4 million North Carolinians received both education and training services through the North Carolina Community College System and employment and training services through the Division of Workforce Solutions. In addition, these two agencies provided services to large percentages of individuals from each of the other participating agencies.

While these two agencies form the cornerstone of North Carolina’s education, employment and training system, each of the participating entities plays a fundamental role in the overall mission of developing and promoting highly skilled workforce, improving the quality of life for North Carolinians, and preparing the state and its communities to compete in the global economy.

There is a significant relationship between the individuals receiving services through the state’s education and workforce partners and the North Carolina economy. More than half of all wage earners in the state in the 2016-2017 program year received services through the participating agencies during the previous ten program years. In addition, these individuals earned 45% of all wages during the same program year. These findings help demonstrate the integral relationship that exists between the services provided by the state’s education and workforce partners and the state’s economy and the continued need for coordination among education, workforce development and economic development efforts.
The Community Services Block Grant (CSBG) administered through the Office of Economic Opportunity under the Division of Social Services, provides assistance through a network of community action agencies (CAAs) and other neighborhood-based organizations, for the reduction of poverty, the revitalization of low-income communities, and the empowerment of low-income families and individuals in rural and urban areas to become fully self-sufficient (particularly families who are attempting to transition off a State program carried out under part A of title IV of the Social Security Act) by (1) providing services and activities in areas of the community where poverty is a particularly acute problem; (2) providing activities designed to assist low-income participants, including the elderly poor, (3) providing on an emergency basis for the provision of such supplies and services, nutritious food, and related services, as may be necessary to counteract conditions of starvation and malnutrition among the poor; and (4) coordinating and establishing linkages between governmental and other social services programs to assure the effective delivery of such services to low-income individuals.

With the support of CSBG funding, CAAs work to achieve the following goals for low-income individuals:

- Increased self-sufficiency
- Improved living conditions
- Ownership of and pride in their communities
- Strong family and support systems

As noted above, the primary purpose of this program is to alleviate the causes and conditions of poverty in communities.

The Department of Health and Human Services (DHHS) recognizes employment, education and training as key to lessening poverty and increasing economic sufficiency. However, the local community action agencies have the
flexibility to focus how they address the requirements of the funding while also meeting the identified needs of families within the community. Although efforts are underway to ensure that workforce development and employment outcomes are consistent objectives for this program across the CAAs, currently there is insufficient data collected in a standardized way to provide to the State’s Common Follow Up System.

The Department remains committed to working with the community action agencies to identify appropriate and measurable workforce development/work outcomes as a result of this program as well as a reliable method to collect the data.

We look forward to continuing to work with you and your staff on this important system and providing accurate and meaningful data necessary to track and improve the State’s workforce development.

Thank you for your ongoing assistance. Please let me know if additional information is needed.

Cc: Michael Becketts, Assistant Secretary for Human Services
    Wayne Black, Director, Division of Social Services
    Melvin Williams, Director, Office of Economic Opportunity