

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: House Bill 1712 (First Edition)

SHORT TITLE: Worker Training Changes

SPONSOR(S): Representatives Berry and Howard

FISCAL IMPACT

Yes () No (X) No Estimate Available ()

PRINCIPAL DEPARTMENT(S) &

PROGRAM(S) AFFECTED: Department of Commerce: Division of Employment and Training,
Employment Security Commission

EFFECTIVE DATE: July 1, 1998

BILL SUMMARY: H 1712. WORKER TRAINING CHANGES. CENTRALIZING WITHIN THE EMPLOYMENT SECURITY COMMISSION THE EMPLOYMENT TRAINING FUNCTIONS OF THE DEPARTMENT OF COMMERCE AND ESTABLISHING THE NORTH CAROLINA WORKERS' PREPAREDNESS COUNCIL. Transfers the Div'n of Employment and Training, the State Job Training Coordinating Council, and the Labor Force Development Council from the Dep't of Commerce to the Employment Security Comm'n. Adds new GS 143B-438.7 to establish within the Dep't of Community Colleges the NC Workers' Preparedness Council. Council must (1) provide workforce preparedness planning for the state; (2) recommend preparedness policy to Sec'y of Commerce, Employment Security Comm'n, General Assembly, and Governor (recommendations may include use of tax abatements and role of institutions of higher education); (3) recommend appropriations; (4) develop annual strategic plan; and (5) serve, in place of Comm'n on Workforce Preparedness (abolished by bill), as human resource investment council under federal Job Training Reform Amendments of 1992. Council will consist of 36 members: four members of the House appointed by Speaker; four members of the Senate appointed by President Pro Tem.; President of the Senate or his or her designee; Labor Comm'r or designee; Insurance Comm'r or designee; UNC President or designee; NC Community College System president or designee; Sec'y of Commerce; chair of Employment Security Comm'n; and twenty-one additional members appointed by the Governor. Council will be staffed by representatives of Employment Security Comm'n, Dep't of Administration, Dep't of Agriculture and Consumer Services, Dep't of Commerce, Dep't of Labor, and Dep't of Transportation. Effective July 1, 1998. ¹

¹ Institute of Government, *Daily Bulletin*, June 1, 1998

ASSUMPTIONS AND METHODOLOGY:

It is estimated that HB 1712 will not generate additional fiscal impact to the State of North Carolina given the assumptions stated below:

- 1) The fiscal estimate is based on the assumption that the proposed transfer will not create a loss of federal workforce related training funds due to a legal conflict with federal rule or law.
- 2) It is assumed that the “State Job Training Coordinating Council (SJTCC)” will remain a dormant entity and delegate its responsibilities under federal law to the state’s federally authorized “human resource investment council.” The state’s current human resource investment council is the “Commission on Workforce Preparedness”; HB 1712 proposes to abolish this existing commission and establish the “North Carolina Workers’ Preparedness Council” as the state’s new human resource investment council.
- 3) Per Diem and general operating expenses for the “North Carolina Workers Preparedness Council” established in Section 6 of the bill, will be reimbursed, as they are for the current human resource investment council (i.e., Commission on Workforce Preparedness), out of presently budgeted general funds, federal funds and other receipts.

TECHNICAL CONSIDERATIONS:

- 1) “Labor Force Development Council”, transferred in Section 1 of the bill, was repealed in Chapter 380 of the 1981 Session Laws, therefore fiscal impact, if any, was not estimated.

FISCAL RESEARCH DIVISION

733-4910

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DATE: June 15, 1998



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