

**NORTH CAROLINA GENERAL ASSEMBLY
LEGISLATIVE FISCAL NOTE**

BILL NUMBER: House Bill 330

SHORT TITLE: N.C. Workforce Development/AB

SPONSOR(S): Representatives Owens and Wainwright

FISCAL IMPACT					
	Yes ()	No (X)	No Estimate Available ()		
	<u>FY 1999-00</u>	<u>FY 2000-01</u>	<u>FY 2001-02</u>	<u>FY 2002-03</u>	<u>FY 2003-04</u>
REVENUES					
EXPENDITURES					
POSITIONS:					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Department of Commerce and local Workforce Development Boards					
EFFECTIVE DATE: July 1, 1999					

BILL SUMMARY: Deletes Part 3A of Article 10 of GS Ch. 143B, "Employment and Training Act of 1985," and adds a new Part 3B, "Workforce Development." Creates a new Commission on Workforce Development, consisting of following members: 32 appointed by the Governor (six representing public, postsecondary, and vocational education; two representing community-based organizations; six representing labor; and 18 representing business and industry); one Senator appointed by the President Pro Tempore; one member of the House appointed by the Speaker; Secretary of Health and Human Services (or designee); chair of Employment Security Commission (or designee); Superintendent of Public Instruction (or designee); President of the Community College System (or designee); Commissioner of Labor (or designee); and Secretary of Commerce (or designee). Commission must develop an overall plan for workforce training and development, report every two years to the General Assembly, and serve as the state's Workforce Investment Board under the federal Workforce Investment Act of 1998. Establishes local workforce development boards (appointed by local elected officials in compliance with the federal act) to develop policy, act as the governing body for local workforce development, and serve as the Workforce Investment Board for the designated substate area under the federal act. Establishes in the Division of Employment and Training of the Department of Commerce an Employment and Training Grant Program, through which funds will be made available to the local workforce development boards for use by local agencies to provide training, education, placement, and supportive services. Prescribes standards for disposition of those funds.

Continues the Commission on Workforce Preparedness as the state's Commission on Workforce Development until Jan. 1, 2001 or until appointments are made to the new Commission on Workforce Development, whichever is first.

Daily Bulletin, Institute of Government, UNC-Chapel Hill, Vol. 1999, No. 22, March 4, 1999.

ASSUMPTIONS AND METHODOLOGY: Part 3B, "Workforce Development," of Article 10 of Chapter 143 of the General Statutes has four principle components, none of which should have a fiscal impact on the state General Fund or cause an increase in costs to the state department or local boards affected. The four principal components are:

1. **Commission on Workforce Development.** The act codifies the Commission of Workforce Development which already exists by Executive Order as the Commission for Workforce Preparedness. The powers and duties of the renamed Commission remain the same. Funding for the staff of the Commission is already included in the continuation budget.
2. **Local Workforce Development Boards.** Like the Commission, local workforce development boards exist currently by Executive Order. This act codifies the powers and duties of those boards. Funding for these boards is provided for in the Workforce Investment Act.
3. **Federal Program Administration.** This component of the act directs the Commission to develop and submit a Five-Year Strategic Plan to the US Secretary of Labor in accordance with the federal Workforce Investment Act (formerly the Job Training Partnership Act). Since its creation in 1993, the Commission has prepared a similar document in compliance with the Job Training Partnership Act and thus no additional funds are necessary to fulfill this requirement.
4. **Employment and Training Grant Program.** The Employment and Training Grant Program already exists in Part A of Article 10 of Chapter 143B of the General Statutes. This component recodifies the language establishing the program, including the language which allows the Department of Commerce to retain all the Program's unexpended funds at the end of the fiscal year for use in the Grant Program. This act makes two changes to the program: 1) it increases the percentage of funds allocated for State and local administrative costs from 5 percent to up to 10 percent, and 2) it permits program funds to be used for incumbent workers with family incomes at or below 200% of the federal poverty guidelines established by the federal Department of Health and Human Services.

TECHNICAL CONSIDERATIONS: None

FISCAL RESEARCH DIVISION 733-4910

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