

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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HOUSE BILL 574

Short Title: Workforce Development Pilot Project. (Public)

Sponsors: Representatives Hunecutt, K. Hall, Chesser, and Rhyne (Primary Sponsors).

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Commerce and Economic Development, if favorable, Rules, Calendar, and
Operations of the House

April 1, 2025

A BILL TO BE ENTITLED
AN ACT TO ESTABLISH A WORKFORCE DEVELOPMENT PILOT PROJECT.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Purpose. – The purpose of this act is to provide a framework for funds to the Office of State Budget and Management to be allocated to the North Carolina Workforce Development Coalition (NCWDC), a nonprofit organization for the purpose of providing grants to employers to encourage employer-sponsored training with a focus on increasing job creation, reducing employee turnover, improving employee wages, and upgrading the skills of workers in their occupation. NCWDC will identify and prioritize industries and skillsets (i) for which training and curricula are lacking at community colleges due to insufficient demand despite an ongoing societal or community need or (ii) for which significant portions of training occur on-the-job without formalized study programs at institutions of higher education.

SECTION 1.(b) Definitions. – The following definitions apply in this act:

- (1) Eligible employer. – A North Carolina-based business, including nonprofit organizations, that (i) has at least 20 but not more than 1,500 employees employed in the State and (ii) meets all of the following requirements:
 - a. Has been operating for a continuous period of at least 365 days.
 - b. Is registered and in good standing with the North Carolina Unemployment Insurance program.
 - c. Is registered and in good standing with the North Carolina Workers' Compensation program.
 - d. Is registered and in good standing with the North Carolina Secretary of State's office, if required by law.
- (2) Eligible training programs. – A training program (i) offered through an eligible employer, association, or educational institution and (ii) for which the eligible employer demonstrates the training directly relates to the trainee's occupation or work responsibilities and will result in one or more of the following:
 - a. Create new jobs.
 - b. Reduce employee turnover.
 - c. Enhance employee effectiveness.
 - d. Improve employee wages.
 - e. Upgrade employee skillsets.



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(3) Employee. – An individual (i) employed by an eligible employer, (ii) working in this State for at least 30 hours per week, and (iii) for whom the eligible employer has applied to participate in an eligible training program. The term includes interns and apprentices, paid or unpaid, who work for an eligible employer at least 30 hours per week.

(4) Trainee. – An employee participating in an eligible training program.

(5) Training costs. – Costs of an eligible training program for tuition; registration; class fees; participant fees; class materials directly related to the training; instructor fees, including in-house trainers; assessments, testing, and fees for license or certification exams that are administered as part of the training program. The term does not include expenses incurred for trainee wages, onboarding costs for new employees, fringe benefits, lodging and meals, capital construction, membership fees, license fees, subscription fees, employer administrative fees, purchased, rented, or leased equipment, including computer hardware or software, and expenses related to preparing training grant applications.

SECTION 1.(c) Grants. – An eligible employer may apply for a grant equal to the lesser of (i) fifty percent (50%) of the eligible training costs or (ii) two thousand dollars (\$2,000) per trainee, regardless of the number of business entities the trainee works for. The maximum grant an eligible employer may receive in a calendar year is forty thousand dollars (\$40,000) minus any other State or federal grants for the same training received in that calendar year.

SECTION 1.(d) Application; Reimbursement. – An application for a grant must be submitted to NCWDC at least 45 days prior to the start of training. NCWDC shall distribute funds to eligible employers who apply and qualify based on a first-come, first-served basis until funds are exhausted. Grant funds shall be paid to an eligible employer only after the eligible employer has submitted a request for reimbursement meeting the following requirements:

- (1) The request for reimbursement is submitted to NCWDC no later than 60 days following completion of training.
- (2) The request for reimbursement provides all information required by NCWDC to substantiate the training costs on which the application for grant was based.
- (3) Each trainee to which the request applies has (i) completed the training and (ii) remained an employee of the eligible employer for the 45-day period following the date of completion of the training, unless activated for military service or deceased.

SECTION 1.(e) Reporting. – Each eligible employer shall maintain, and make available to NCWDC, appropriate employee records of eligibility criteria for employment and training as required by NCWDC to verify compliance with the requirements of this section and substantiate the amount of reimbursement based on the grant awarded. Beginning July 1, 2026, and annually thereafter, NCWDC shall report to the Joint Legislative Economic Development and Global Engagement Oversight Committee on the number and amount of grants awarded, the recipients of the grants, the number of trainees participating as a result of the grants awarded, the types of training offered as a result of the grants, and any information reported as to trainees retained in employment as a result of the training.

SECTION 1.(f) Administration. – NCWDC may use up to five percent (5%) of the funds available for the program for administrative expenses and marketing of the program, including developing a website and collateral materials to inform employers of the program, email and social media campaigns, and direct outreach.

SECTION 2. This act is effective when it becomes law.