

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

H.B. 426
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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH40144-NGa-13

Short Title: Workforce Diploma Program. (Public)

Sponsors: Representative Cotham.

Referred to:

A BILL TO BE ENTITLED
AN ACT TO ESTABLISH THE WORKFORCE DIPLOMA PROGRAM AND TO
APPROPRIATE FUNDS FOR THAT PURPOSE.

The General Assembly of North Carolina enacts:

PART I. WORKFORCE DIPLOMA PROGRAM

SECTION 1.(a) Program; Purpose. – The Community Colleges System Office shall establish the Workforce Diploma Program (Program) for the 2025-2026 and the 2026-2027 fiscal years. The purpose of the Program is to assist eligible students to obtain a high school diploma and develop employability and career and technical skills. The System Office shall contract with each qualifying third-party entity to separately administer a statewide version of the Program.

SECTION 1.(b) Definitions. – For purposes of this section, the following definitions shall apply:

- (1) Eligible student. – Any adult who meets the following criteria:
 - a. Is 21 years of age or older.
 - b. Is a resident of North Carolina.
 - c. Has not earned a high school diploma or its equivalent.
- (2) Employability skills certification. – A certificate earned by demonstrating professional nontechnical skills through assessment and must include the program standards of the United States Department of Labor's "Skills to Pay the Bills: Mastering Soft Skills for Workplace Success."
- (3) Half credit. – Equivalent to one course or a semester of study.
- (4) Participant. – An eligible student who is participating in the Program.
- (5) Qualifying third-party entity. – An entity that meets all of the following requirements:
 - a. Did the following in the past five years:
 1. Administered at least three statewide adult high school diploma programs outside of the State.
 2. For any program described in sub-sub-subdivision 1. of this sub-subdivision, maintained a graduation rate of at least fifty percent (50%) based on a two-year cohort beginning with the second cohort of the program.
 - b. Is accredited by an external, regional accrediting agency.
 - c. Offers a course catalog that aligns with curriculum requirements for a high school diploma in the State.



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SECTION 1.(c) Program Requirements. – The Program shall do at least the following:

- (1) Provide one or more courses that help participants obtain a high school diploma and enter or advance within a specific occupation or occupational cluster. Course completion shall be competency-based.
- (2) Assist participants in obtaining employment, including resume development and mock interviews.
- (3) Include at least the following:
 - a. Proactive communication with participants regarding their pace and progress through learning plans.
 - b. A plan for courses and credits needed for each participant that integrates graduation requirements and career goals.
 - c. Mentoring services.
 - d. Milestone tracking.
 - e. Academic skill intake assessments and transcript evaluations.
 - f. A catalog of courses necessary to meet graduation requirements.
 - g. Remediation opportunities in literacy and numeracy.
 - h. Employability skills certifications.
 - i. Preparation for workforce credentials.
 - j. Career advising services.
 - k. Access to online tutoring services at any time.

SECTION 1.(d) Allocation of Funds. – Funds shall be provided to each qualifying third-party entity on a per participant basis, up to seven thousand five hundred dollars (\$7,500) per participant, based on the completion of milestones, as follows:

- (1) Two hundred seventy-five dollars (\$275.00) for the completion of each half credit.
- (2) Two hundred seventy-five dollars (\$275.00) for the completion of an employability skills certification program equivalent to one credit.
- (3) Two hundred seventy-five dollars (\$275.00) for the attainment of an industry-recognized credential requiring up to 50 hours of training.
- (4) Five hundred fifty dollars (\$550.00) for the attainment of an industry-recognized credential requiring between 51 and 100 hours of training.
- (5) Eight hundred twenty-five dollars (\$825.00) for the attainment of an industry-recognized credential requiring more than 100 hours of training.
- (6) One thousand one hundred dollars (\$1,100) for the attainment of a high school diploma.

SECTION 1.(e) Report. – The State Board of Community Colleges, in consultation with each qualifying third-party entity, shall submit an interim report by August 15, 2026, and a final report by August 15, 2027, to the Joint Legislative Education Oversight Committee and the Fiscal Research Division on the impact of the Program, including at least the following information:

- (1) The number of participants.
- (2) The number of credits earned by participants.
- (3) The number of employability skills certifications issued to participants.
- (4) The number and type of workforce credentials earned by participants.
- (5) The number of participants who received a high school diploma.
- (6) The average funding provided per participant who received a high school diploma.
- (7) The percentage of participants who received a high school diploma.

PART II. APPROPRIATION

SECTION 2.(a) There is appropriated from the General Fund to the Community Colleges System Office the sum of five million dollars (\$5,000,000) in nonrecurring funds for the 2025-2026 fiscal year to establish and implement the Workforce Diploma Program described in Section 1 of this act. These funds shall not revert at the end of the 2025-2026 fiscal year but shall remain available until the end of the 2026-2027 fiscal year.

SECTION 2.(b) Of the funds appropriated in subsection (a) of this section, the System Office shall use up to one hundred thousand dollars (\$100,000) to hire one full-time equivalent position to administer the Program.

PART III. EFFECTIVE DATE

SECTION 3. This act becomes effective July 1, 2025.