

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023**

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HOUSE BILL 976

Short Title: Workforce Development Program. (Public)

Sponsors: Representatives Reives, Roberson, Clemmons, and K. Brown (Primary Sponsors).

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

Referred to: Appropriations, if favorable, Rules, Calendar, and Operations of the House

May 6, 2024

A BILL TO BE ENTITLED
AN ACT TO ESTABLISH THE COMMUNITY COLLEGE STATE ENDOWMENT TRUST
FUND, TO REQUIRE THE DEPARTMENT OF COMMERCE TO SHARE
EMPLOYMENT OUTCOME DATA WITH COMMUNITY COLLEGES, TO PROVIDE
FUNDING FOR THE EXPANSION OR CREATION OF NEW COOPERATIVE
INNOVATIVE HIGH SCHOOLS IN UNDERSERVED COUNTIES, AND TO
ESTABLISH A SHORT-TIME COMPENSATION PROGRAM.

The General Assembly of North Carolina enacts:

PART I. COMMUNITY COLLEGE STATE ENDOWMENT TRUST FUND

SECTION 1.(a) Chapter 115D of the General Statutes is amended by adding a new Article to read:

"Article 10.

"Community College System Trust Funds.

"§ 115D-110. Community College State Endowment Trust Fund and grant program.

(a) Workforce Development Trust Fund. – There is established a nonreverting special fund in the North Carolina Community College System entitled the Community College State Endowment Trust Fund (CCSETF) to provide grants to community colleges within the North Carolina Community College System (NCCCS). Grants from the CCSETF shall be for programs to improve student recruitment, instructor recruitment or retention, or fund new programs to respond to local workforce demands. The CCSETF shall consist of funds appropriated to, or otherwise received by, the CCSETF and any interest accrued thereon. Moneys in the CCSETF shall only be used for distribution of grants pursuant to this section.

(b) Establishment of Community College State Endowment Grant Program. – The State Board of Community Colleges shall administer a grant program for the purposes described in subsection (a) of this section. The State Board shall make the application available to all community colleges in the State by August 1, 2024, and March 15 each year thereafter. Grants may be awarded on a rolling basis, so long as grants are awarded pursuant to the distribution requirements in subsection (d) of this section.

(c) Distribution of Grants from CCSETF. – Grants shall be distributed on a competitive basis. Any community college within the NCCCS may apply for grants from the CCSETF. Criteria for selection of grant proposals shall include at least the following:

(1) The number of students that will be served by the actions included in the grant proposal.



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- (2) The number of prospective students that are expected to be enrolled as a result of the actions included in the grant proposal.
- (3) Whether or not the grant proposal has been endorsed by the college's business advisory group.
- (4) The median wage of the college or program covered by the grant proposal.
- (d) Distribution of Funds. – For each year that grants are awarded from the CCSETF, the distribution of funds from the CCSETF shall be as follows:
- (1) At least thirty percent (30%) of grant funds shall be for student recruitment initiatives.
- (2) At least thirty percent (30%) of grant funds shall be for instructor recruitment and retention.
- (3) At least thirty percent (30%) of grant funds shall be for new programs to respond to local workforce demands.
- (e) Administrative Costs. – The State Board may retain up to two and one-half percent (2.5%) of the value of funds distributed from the CCSETF each fiscal year for costs associated with administering the grant program."

SECTION 1.(b) There is appropriated from the General Fund to the Community College System Office the sum of five hundred eighty million dollars (\$580,000,000) in nonrecurring funds for the creation of the Community College State Endowment Trust Fund.

PART II. EMPLOYMENT OUTCOME DATA

SECTION 2. Article 7 of Chapter 115D of the General Statutes is amended by adding a new section to read:

"§ 115D-82. Employment outcome data.

Upon request, to the extent allowed under federal law, the Department of Commerce shall share employment outcome data with the Community College System Office."

PART III. COOPERATIVE INNOVATIVE HIGH SCHOOL FUNDING EXPANSION

SECTION 3.(a) Part 9 of Article 16 of Chapter 115C of the General Statutes is amended by adding a new section to read:

"§ 115C-238.54A. Cooperative innovative high schools – funding based on county development tier designation.

(a) Development Tier One Areas. – The Department shall allocate the following amounts from the cooperative innovative high school supplemental allotment to a local school administrative unit located in a development tier one area as defined in G.S. 143B-437.08 with a cooperative innovative high school that was approved by the State Board of Education pursuant to G.S. 115C-238.51A(c):

- (1) The sum of seven hundred forty thousand dollars (\$740,000) in recurring funds for the first cooperative innovative high school approved by the State Board.
- (2) The sum of three hundred seventy thousand dollars (\$370,000) in recurring funds for each subsequent cooperative innovative high school approved by the State Board.
- (3) For a virtual cooperative innovative high school, the Department shall allocate the sum of two hundred thousand dollars (\$200,000) in recurring funds from the cooperative innovative high school supplemental allotment to the local school administrative unit for each fiscal year.
- (4) For the Northeast Regional School of Biotechnology and Agriscience, the Department shall allocate the sum of three hundred ten thousand dollars (\$310,000) in recurring funds from the regional school supplemental allotment for the school for each fiscal year.

(b) Development Tier Two Areas. – The Department shall allocate the following amounts from the cooperative innovative high school supplemental allotment to a local school administrative unit located in a development tier two area as defined in G.S. 143B-437.08 with a cooperative innovative high school that was approved by the State Board of Education pursuant to G.S. 115C-238.51A(c):

- (1) The sum of five hundred ninety thousand dollars (\$590,000) in recurring funds for the first cooperative innovative high school approved by the State Board.
- (2) The sum of two hundred ninety-five thousand dollars (\$295,000) in recurring funds for each subsequent cooperative innovative high school approved by the State Board.
- (3) For a virtual cooperative innovative high school, the Department shall allocate the sum of two hundred thousand dollars (\$200,000) in recurring funds from the cooperative innovative high school supplemental allotment to the local school administrative unit for each fiscal year.

(c) Development Tier Three Areas. – The Department shall allocate the following amounts from the cooperative innovative high school supplemental allotment to a local school administrative unit located in a development tier three area as defined in G.S. 143B-437.08 with a cooperative innovative high school that was approved by the State Board of Education pursuant to G.S. 115C-238.51A(c):

- (1) The sum of five hundred fifty thousand dollars (\$550,000) in recurring funds for the first cooperative innovative high school approved by the State Board.
- (2) The sum of two hundred seventy-five thousand dollars (\$275,000) in recurring funds for each subsequent cooperative innovative high school approved by the State Board.
- (3) For a virtual cooperative innovative high school, the Department shall allocate the sum of two hundred thousand dollars (\$200,000) in recurring funds from the cooperative innovative high school supplemental allotment to the local school administrative unit for each fiscal year.

(d) Applicability of Funds Allocated Pursuant to this Section. – The allotment of funds to local school administrative units pursuant to the provisions of this section shall include a cooperative innovative high school approved by the State Board of Education pursuant to G.S. 115C-238.51A(c) since July 1, 2015, that is operated by a local school administrative unit but that has not received the cooperative innovative high school allotment in a prior fiscal year. Funds shall not be allocated to local school administrative units for cooperative innovative high schools approved by the State Board pursuant to G.S. 115C-238.51A(b)."

SECTION 3.(b) There is appropriated from the General Fund to the Department of Public Instruction the sum of forty million dollars (\$40,000,000) in recurring funds for the expansion of existing cooperative innovative high schools or the establishment of new cooperative innovative high schools in underserved counties.

PART IV. SHORT-TIME COMPENSATION PROGRAM

SECTION 4.(a) Chapter 96 of the General Statutes is amended by adding a new Article to read:

"Article 6.

"Short-Time Compensation.

"§ 96-45. Short-time compensation.

(a) Definitions. – The following definitions apply in this section:

- (1) Affected unit. – A specified plant, department, shift, or other definable unit of two or more employees designated by the employer to participate in a short-time compensation plan.

- (2) Employer-sponsored training. – A training component sponsored by an employer to improve the skills of the employer's workers.
- (3) Normal weekly hours of work. – The number of hours in a week that an individual would regularly work for the short-time compensation employer, not to exceed 40 hours, excluding overtime.
- (4) Short-time compensation benefits. – Benefits payable to individuals in an affected unit under an approved short-time compensation plan.
- (5) Short-time compensation employer. – An employer with a short-time compensation plan in effect.
- (6) Short-time compensation plan or plan. – An employer's written plan for reducing unemployment under which an affected unit shares the work remaining after its normal weekly hours of work are reduced.
- (b) Approval of Plans. – An employer wishing to participate in the short-time compensation program must submit a signed, written, short-time compensation plan to the Division. The Division shall approve the plan if all of the following criteria are met:
- (1) The plan applies to and identifies each specific affected unit.
- (2) The individuals in the affected unit are identified by name and social security number.
- (3) The normal weekly hours of work for individuals in the affected unit are reduced by at least ten percent (10%) and by not more than forty percent (40%).
- (4) The plan includes a certified statement by the employer that the aggregate reduction in work hours is in lieu of layoffs that would affect at least ten percent (10%) of the employees in the affected unit and that would have resulted in an equivalent reduction in work hours.
- (5) The plan applies to at least ten percent (10%) of the employees in the affected unit.
- (6) The plan is approved in writing by the collective bargaining agent for each collective bargaining agreement covering any individual in the affected unit.
- (7) The plan does not serve as a subsidy to seasonal employers during the off-season or as a subsidy to employers who traditionally use part-time employees.
- (8) The plan certifies that, if the employer provides fringe benefits to any employee whose workweek is reduced under the program, the fringe benefits will continue to be provided to the employee participating in the short-time compensation program under the same terms and conditions as though the workweek of such employee had not been reduced or to the same extent as other employees not participating in the short-time compensation program. As used in this subdivision, the term "fringe benefits" includes, but is not limited to, health insurance, retirement benefits under defined benefit pension plans as defined in the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1002(35), contributions under a defined contribution plan as defined in section 414(i) of the Internal Revenue Code, paid vacation and holidays, and sick leave.
- (9) The plan describes the manner in which the requirements of this subsection will be implemented, including a plan for giving notice, if feasible, to an employee whose workweek is to be reduced, together with an estimate of the number of layoffs that would have occurred absent the ability to participate in short-time compensation.
- (10) The terms of the employer's written plan and implementation are consistent with employer obligations under applicable federal laws and laws of this State.

(11) The employer has filed all quarterly reports and other reports required under this Chapter and has paid all obligation assessments, contributions, reimbursements in lieu of contributions, interest, and penalties due through the date of the employer's application.

The Division shall approve or disapprove a short-time compensation plan in writing within 15 days after its receipt. If the plan is denied, the Division shall notify the employer of the reasons for disapproval. A plan takes effect on the date of its approval by the Division and expires at the end of the twelfth full calendar month after its effective date.

(c) Revocation of Approval. – The Division shall periodically monitor the employer's plan compliance and operations. Plan approval may be revoked based on good cause, including the failure to comply with assurances provided in the plan such as that the aggregate reduction in hours is in lieu of layoffs.

(d) Eligibility Requirements for Short-Time Compensation Benefits. – Except as provided in this subsection, an individual is eligible to receive short-time compensation benefits for any week only if the individual complies with this Chapter and the Division finds that (i) the individual is employed as a member of an affected unit in an approved plan that was approved before the week and is in effect for the week, (ii) the individual is able to work and is available for additional hours of work or for full-time work with the short-time employer, and (iii) the normal weekly hours of work of the individual are reduced by at least ten percent (10%) but not by more than forty percent (40%), with a corresponding reduction in wages.

The Division may not deny short-time compensation benefits to an individual who is otherwise eligible for these benefits for any week by reason of the application of any provision of this Chapter relating to availability for work, active search for work, or refusal to apply for or accept work from other than the short-time compensation employer of that individual. The Division may not deny short-time compensation benefits to an individual who is otherwise eligible for these benefits for any week because such individual is participating in an employer-sponsored training or a training under the Workforce Innovation and Opportunity Act to improve job skills when the training is approved by the Department.

Notwithstanding any other provision of law, an individual is deemed unemployed in any week for which compensation is payable to the individual, as an employee in an affected unit, for less than the individual's normal weekly hours of work in accordance with an approved short-time compensation plan in effect for the week.

(e) Weekly Benefit Amount. – The weekly short-time compensation benefit amount payable to an individual is equal to the product of the individual's weekly benefit amount and the ratio of the number of normal weekly hours of work for which the employer would not compensate the individual to the individual's normal weekly hours of work. The benefit amount, if not a multiple of one dollar (\$1.00), is rounded downward to the next lower multiple of one dollar (\$1.00).

(f) Total Benefit Amount. – An individual may not be paid benefits under this section in an amount that is more than the individual's maximum entitlement, and an individual may not be paid short-time compensation benefits in excess of that maximum.

(g) Effect of Benefit. – The short-time compensation benefits paid to an individual shall be deducted from the total benefit amount established for that individual. An individual who receives all of the short-time compensation or combined reemployment assistance or unemployment compensation and short-time compensation available in a benefit year is considered an exhaustee for purposes of the extended benefits program and, if otherwise eligible under those provisions, is eligible to receive extended benefits. An otherwise eligible individual may not be disqualified from benefits for leaving employment instead of accepting a reduction in hours under an approved plan.

1 (h) Allocation of Charges. – Except when the result is inconsistent with the other
2 provisions of this Chapter, short-time compensation benefits shall be charged to the employment
3 record of employers.

4 (i) Seasonal, temporary, or intermittent employees are not eligible for participation in the
5 program. The following definitions apply in this subsection:

6 (1) Seasonal employment. – Employment with an employer who experiences at
7 least a twenty percent (20%) difference between its highest level of
8 employment during a particular season and its lowest level of employment
9 during the off-season in each of the previous three years as reported to the
10 State agency, and/or employees are hired to work on a temporary basis by
11 employers that need extra help during a particular season.

12 (2) Temporary employment. – Employment where an employee is expected to
13 remain in a position for only a limited period of time and/or is hired by a
14 temporary agency to fill a gap in an employer's workforce.

15 (3) Intermittent employment. – Employment that is not continuous but may
16 consist of periodic intervals of weekly work and intervals of no weekly work."

17 **SECTION 4.(b)** The Short-Time Compensation Program (Program) established in
18 G.S. 96-45, as enacted by this act, shall be suspended if North Carolina's Unemployment
19 Insurance Trust Fund balance falls below two billion dollars (\$2,000,000,000), as reported in the
20 State Unemployment Insurance Trust Fund Solvency Report (Solvency Report) issued each
21 March by the U.S. Department of Labor, Office of Unemployment Insurance, Division of Fiscal
22 and Actuarial Services. Suspension of the Program will cease when the Solvency Report indicates
23 that the State's UI Trust Fund balance has been replenished to the amount of at least two billion
24 dollars (\$2,000,000,000).

25 **SECTION 4.(c)** This section is effective when it becomes law.
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27 **PART V. EFFECTIVE DATE**

28 **SECTION 5.** Sections 1 and 3 of this act become effective July 1, 2024. The
29 remainder of this act is effective when it becomes law and applies to requests for employment
30 outcome data received on or after that date.