

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: Senate 1013

SHORT TITLE: Workforce Preparedness

SPONSOR(S): Senator David W. Hoyle

FISCAL IMPACT: **Expenditures:** **Increase (x)** **Decrease ()**
 Revenues: **Increase ()** **Decrease ()**
 No Impact ()
 No Estimate Available ()

FUND AFFECTED: **General Fund (x)** **Highway Fund ()** **Local Govt. ()**
 Other Funds (x)

BILL SUMMARY:

TO ENACT THE WORKFORCE PREPAREDNESS ACT, AND TO MAKE CONFORMING CHANGES TO THE GENERAL STATUTES." Enacts Workforce Preparedness Act as new GS Ch. 143, Art. 64. Establishes program to develop comprehensive state policy for vocational education, adult basic education, employment, and job training programs. Establishes goals and guidelines for the program. Creates in the Office of the Governor a Commission on Workforce Preparedness, as permitted by Title VII of the Job Training Reform Amendments of 1992. Provides that Governor's Coordination and Special Services Plan shall comply with federal Job Training Partnership Act. Establishes Employment and Training Grant Program within Department of Commerce, Division of Employment and Training to upgrade basic skills of adults and the existing workforce. Up to 20% of the funds available may be used for administrative costs. Establishes formula for distribution of grant funds to local agencies. Requires quarterly reports to Speaker and President pro tem. on the grant program. Provides that unexpended grant funds do not revert at the end of fiscal year. Repeals GS Ch. 143B. Art. 10, Part 3A (Employment and Training Act of 1985) and replaces "Job Training Coordinating Council" with "Commission on Workforce Preparedness" throughout the General Statutes.

EFFECTIVE DATE: Upon ratification

PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED:

- (1) Office of the Governor
- (2) Department of Commerce
- (3) Department of Community Colleges
- (4) Department of Human Resources
- (5) Department of Public Instruction
- (6) Department of Labor

FISCAL IMPACT

1993-94	1994-95	1995-96	1996-97
1997-98			

	<u>FY</u>	<u>FY</u>	<u>FY</u>	<u>FY</u>
	<u>FY</u>			
EXPENDITURES	\$750,000	\$750,000	\$750,000	\$750,000
		\$750,000		
REVENUES	750,000	750,000	750,000	750,000
	750,000			
- Federal Funds	400,000	400,000	400,000	400,000
		400,000		
- Worker Training Trust Fund	150,000	150,000	150,000	150,000
		150,000		
- <u>General Fund</u>	200,000	200,000	200,000	200,000
		200,000		
POSITIONS:	9	9	9	9

ASSUMPTIONS AND METHODOLOGY:

1. Cost estimate - expenditures and revenues are based on the following assumptions:
 - a. A portion of the federal (receipts) funds and positions allocated to the various agencies involved in job training for administration of job training programs will be shifted to the Workforce Preparedness Commission according to the Director of the Workforce Preparedness Commission. (Current estimate is \$400,000 total). These funds and positions are currently allocated to various N. C. job training councils and committees which are being consolidated into one Commission as allowed by federal law and required in SB 1013.
 - b. General Fund estimate is based on approval of 1993-95 expansion request by Office of the Governor for the Workforce Preparedness Commission. If not approved by the General Assembly, the program would operate at lower funding level or would have to identify other receipts.
 - c. A portion of the receipts (\$150,000) are based on request by Office of the Governor for \$150,000 from Worker Training Trust Fund for operation of the Commission. If not approved by the General Assembly, the program would operate at lower funding level or would have to identify other receipts.
2. Fiscal impact projection does not include potential lost revenue to General Fund by continuing in SB 1013 the current statutory language concerning the Employment and Training Grant Program. This language directs that excess funds will not revert to General Fund. The Grant Program is funded by the Worker Training Trust Fund and while SB 1013, in Section GS 143-597(e) only continues current language, potential lost revenue could be up to \$419,881 per year based on amount of unexpended funds from Worker Training Trust Funds in 1991-92.

3. Expenditures of \$750,000 are to be allocated as follows: \$500,000 for salary and benefits for nine positions and \$250,000 for support funds such as travel expenses, supplies, printing and postage, equipment and contractual services.

SOURCES OF DATA:

- (1) Office of the Governor, Director of Workforce Preparedness Commission
- (2) Department of Commerce, Division of Employment and Training
- (3) Review of N. C. General Statutes and Federal JTPA law.

TECHNICAL CONSIDERATIONS: None

FISCAL RESEARCH DIVISION

733-4910

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DATE: May 10, 1993



Signed Copy Located in the NCGA Principal Clerk's Offices