

Labor and Employment

See full summary documents for additional detail

Access to Healthcare Options.

SL 2023-7 (H76)

Part I of the act does the following:

- Provides Medicaid coverage through NC Health Works to adults aged 18-64 with incomes up to 133% of the federal poverty level, beginning on the later of (i) the date the Current Operations Appropriations Act for the 2023-2024 fiscal year becomes law or (ii) the federally-approved start date.
- Provides increased Medicaid reimbursements to hospitals through the Healthcare Access and Stabilization Program (HASP) upon federal approval of a request developed and submitted by the Department of Health and Human Services (DHHS).
- Increases hospital assessments to provide funding for the NC Health Works coverage and the HASP program.

Part II of the act enacts various workforce development measures to promote employment among Medicaid enrollees.

Part III of the act removes psychiatric beds and facilities, chemical dependency treatment beds and facilities, ambulatory surgical centers in large counties, MRI machines in large counties, certain home care agency treatment for minors, and the first \$3 million worth of replacement and diagnostic center equipment from certificate of need review.

This act has various effective dates. Please see the full summary for more details

Nondiscrimination and Dignity in State Work.

SL 2023-62 (S364)

S.L. 2023-62 adds two new sections to the North Carolina Human Resources Act (the Act).

This bill was vetoed by the Governor on June 16, 2023, and that veto was overridden by the General Assembly on June 27, 2023. This act became effective December 1, 2023.

Address ESG Factors.

SL 2023-64 (H750)

S.L. 2023-64 does the following:

- Prohibits State entities from creating or using environmental, social, and governance criteria or economically targeted investments requirements when making employment decisions.
- Requires the State Treasurer to only consider pecuniary factors when (i) evaluating an investment or (ii) evaluating or exercising any right appurtenant to an investment.
- Allows the State Treasurer to reasonably conclude that not exercising a right appurtenant to an investment is in the best interest of the fund's beneficiaries.

This bill was vetoed by the Governor on June 23, 2023, and that veto was overridden by the General Assembly on June 27, 2023. This act became effective June 27, 2023.

UNC Omnibus.

SL 2023-102 (S195)

S.L. 2023-102 makes various changes to the laws concerning The University of North Carolina.

- Distinguished Professors Endowment Trust Fund (Trust Fund) – The North Carolina School of Science and Mathematics is added to the list of "special needs institutions" and thereby eligible for grants from the Trust Fund if it can raise funds through private sources and match the grants as directed by the statutes.
- Staggered Terms for North Carolina Teaching Fellows Commission (Commission) Members – The Board of Governors of The University of North Carolina (UNC BOG) must make appointments to the Teaching Fellows Commission in even-numbered years and the General Assembly must make its appointments in odd-numbered years with terms expiring June 30. These changes apply to terms beginning July 1, 2023.
- Tuition Grants for North Carolina School of Science and Mathematics (NCSSM) and the University of North Carolina School of the Arts (UNCSA) – High school graduates of NCSSM and UNCSA can postpone enrollment in a constituent institution of The University of North Carolina (UNC) for one year and still receive a tuition grant if any of the hardships already applicable to continuing eligibility have substantially disrupted or interrupted the student's pursuit of a degree, including: (i) a military service obligation; (ii) serious medical debilitation; (iii) a short term or long-term disability; (iv) other extraordinary hardship. This Part is effective May 1, 2022.
- Institutional Neutrality – The constituent institutions of UNC must remain neutral on political controversies of the day.
- Exemption of Certain Fair Labor Standards Act (FLSA) Exempt Employees of UNC from the State Human Resources Act (Act) – Employees of UNC who are pilots, and all other UNC employees who are exempt from the FLSA are exempt from the Act. The UNC BOG can establish positions that would be exempt from the Act without further review or approval by any other State agency.
- Employees of UNC who are exempt from the FLSA and have attained career status before September 1, 2023, have the option of one of the following:
- Continuing employment with career State employee status as part of the Act if the employee remains in the position the employee occupied on August 31, 2023; or

- Waiving career State employee status and continuing employment as a State employee exempt from the Act.
- Additionally, probationary State employees of UNC who are exempt from the FLSA and were hired before September 1, 2023, have the option of one of the following:
- Continuing employment for the required time period and earning career State employee status; or
- Continuing employment as a State employee exempt from the Act.
- Each affected employee must be provided with a written explanation of the impact of an election to waive or decline career State employee status. The employee's election to waive or decline career State employee status must be acknowledged through the employee's written or electronic signature within 60 days.
- Exemption of Certain Employees of North Carolina Agricultural & Technical State University (NC A&T) Designated as County Operations Support Staff from the Act – Employees of NC A&T Cooperative Extension Service who are employed in county operations are exempt from the Act in the same manner as the North Carolina State University (NCSU) Extension Service employees. The Board of Trustees of NC A&T can adopt policies to govern the employment of these employees.

Except as otherwise provided, this act became effective July 14, 2023

Firefighters Criminal History Record Checks.

SL 2023-104 (H378)

S.L. 2023-104 allows an alternative statewide criminal history record check for applicants being offered a position with a fire department to be conducted through the North Carolina Department of Public Safety, a third-party vendor, or the clerk of court, if the applicant meets certain requirements. Applicants for junior membership and current junior members in a fire department under 18 years old are exempt from the criminal history record check. The criminal history record check is only required when a position is being offered.

Preemption of Certain Local Government Actions – 2023 Appropriations Act.

SL 2023-134 (H259), Sec. 5.9

Section 5.9 of S.L. 2023-134 provides that the North Carolina Wage and Hour Act supersedes and preempts any ordinance, regulation, or policy of a unit of local government or other political subdivision of the State that imposes requirements upon employers pertaining to compensation, including wage levels, hours of labor, payment of wages, benefits, leave, or well-being of minors in the workforce. This does not apply to: a local government regulating, compensating, or controlling its own employees, certain economic development incentives, a requirement of federal community development block grants, and programs established under the statute dealing with community development programs and activities.

This section also restricts counties and cities from adopting ordinances and rules to: (i) restrict, tax, charge a fee, prohibit, or otherwise regulate the use, disposition, or sale of an auxiliary

container (e.g. bags, containers, bottles, merchandise containers, etc.), and (ii) regulate the use of shopping carts, including the imposition of a fee or fine on a business for failure to take possession of a shopping cart that was removed from the premises of the business. This section allows counties and cities to operate recycling programs, composting programs, and solid waste disposal programs and to regulate the use of auxiliary containers on property owned or maintained by the county or city. This section became effective July 1, 2023.

Employee Classification and Compensation Exemptions for Utilities Commission and Public Staff – 2023 Appropriations Act.

SL 2023-134 (H259), Sec. 11.16

Section 11.16 of S.L. 2023-134 exempts the employees of the Utilities Commission and the Commission's Public Staff from various classification and compensation rules established by the State Human Resources Commission pertaining to hours and days of work, vacation and sick leave, promotion and transfer, and incentive pay programs, among others.

This section became effective July 1, 2023.

Magistrate-Clerk Staffing Program – 2023 Appropriations Act.

SL 2023-134 (H259), Sec. 16.2

Section 16.2 of S.L. 2023-134 allows the clerk of superior court in a county, with written or emailed consent of the chief district court judge, to hire one deputy or assistant clerk in lieu of one of the magistrate positions allocated to that county. The clerk of superior court's office must provide some of the services traditionally provided by the magistrates' office during some or all of the regular courthouse hours. The Administrative Office of the Courts (AOC) must report by March 1 of each year to the chairs of the House of Representatives Appropriations Committee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety on the following topics: 1) all deputy or assistant clerk positions previously filled pursuant to this subsection if the position remains filled pursuant to this subsection; and 2) new deputy or assistant clerk positions filled pursuant to this subsection.

This section became effective July 1, 2023.

Use of Temporary Solutions Program by Cabinet and Council of State Agencies For Hiring Temporary Employees – 2023 Appropriations Act.

SL 2023-134 (H259), Sec. 29A.2

Section 29A.2 of S.L. 2023-134 prohibits temporary employees of cabinet agencies and Council of State agencies from being employed for more than 11 consecutive months. To be reinstated after working 11 consecutive months, the temporary employee must be separated for at least 31 consecutive calendar days. This section requires the Office of State Human Resources (OSHR) to prohibit an agency or division, based on individual budget code, from hiring new temporary

employees if the agency or division (i) owes an invoice to OSHR that is over 90 days overdue and (ii) has a total overdue invoice amount exceeding \$200,000 for any number of days unless an exception applies. This section became effective July 1, 2023, and applies to temporary employees hired on or after that date.

Exempt Minor League Baseball Players Employed under a Collective Bargaining Agreement from State Minimum Wage, Overtime, and Record Keeping Requirements – Regulatory Reform Act of 2023.

SL 2023-137 (H600), Sec. 28

Section 28 of S.L. 2023-137 exempts minor league baseball players employed under a collective bargaining agreement from State minimum wage, overtime, and record keeping requirements.

This bill was vetoed by the Governor on October 2, 2023, and that veto was overridden by the General Assembly on October 10, 2023. This section became effective on January 1, 2024.

Prohibit Discrimination or Retaliation in Employment for Absences of Members of the Civil Air Patrol Performing Authorized Duties – Regulatory Reform Act of 2023.

SL 2023-137 (H600), Sec. 46

Section 46 of S.L. 2023-137 prevents employers from discriminating against any employee that is a member of the North Carolina Wing-Civil Air Patrol based on that membership or any absence from work required to perform duties with the Civil Air Patrol if certain conditions apply.

This bill was vetoed by the Governor on October 2, 2023, and that veto was overridden by the General Assembly on October 10, 2023. This section became effective on December 1, 2023, and applies to absences occurring on or after that date.

Clarify that Inflatable Devices are not Amusement Devices – Regulatory Reform Act of 2023.

SL 2023-137 (H600), Sec. 48

Section 48 of S.L. 2023-137 clarifies that inflatable devices, including air supported devices made of flexible fabric, inflated by one or more blowers, that relies upon air pressure to maintain its shape, are not considered amusement devices subject to Department of Labor regulation. This section also makes technical and conforming changes to the Amusement Device Safety Act.

This bill was vetoed by the Governor on October 2, 2023, and that veto was overridden by the General Assembly on October 10, 2023. This section became effective on October 10, 2023.