

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1989**

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SENATE BILL 270

Short Title: Worker Training Trust Fund.

(Public)

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Sponsors: Senator Parnell.

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Referred to: Manufacturing and Labor.

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February 23, 1989

A BILL TO BE ENTITLED

1 AN ACT TO APPROPRIATE FUNDS FROM THE WORKER TRAINING TRUST  
2 FUND, TO AMEND THE PURPOSES FOR WHICH TRUST FUND MONEY  
3 MAY BE APPROPRIATED, AND TO APPROPRIATE FUNDS FROM THE  
4 SPECIAL EMPLOYMENT SECURITY ADMINISTRATION FUND.  
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6 The General Assembly of North Carolina enacts:

7 Section 1. There is appropriated from the Worker Training Trust Fund to the  
8 Employment Security Commission of North Carolina the sum of four million five  
9 hundred thirty-seven thousand seven hundred eight dollars (\$4,537,708) for the 1989-90  
10 fiscal year for the operation of local offices at the 1986-87 level of service.

11 Sec. 2. Notwithstanding G.S. 96-5(c), there is appropriated from the Special  
12 Employment Security Administration Fund to the Employment Security Administration  
13 of North Carolina the sum of one million dollars (\$1,000,000) for the 1989-90 fiscal  
14 year for the administration of the Veterans Employment Program, Employment Services  
15 Program, and Unemployment Insurance Program.

16 Sec. 3. There is appropriated from the Worker Training Trust Fund to the  
17 Employment Security Commission of North Carolina the sum of one million two  
18 hundred thousand dollars (\$1,200,000) for the 1989-90 fiscal year for a Worker  
19 Readjustment Program to supplement the funds received by the State under Title III of  
20 the U.S. Job Training Partnership Act to provide a statewide program of rapid response  
21 to plant closings.

22 Sec. 4. The Employment Security Commission shall report to the Joint  
23 Legislative Commission on Governmental Operations by the first of each month, prior  
24 to an expenditure of any funds appropriated by this act. Supplemental federal funds or

1 other additional funds received by the Employment Security Commission for similar  
2 purposes shall be expended prior to the expenditure of funds appropriated by this act.  
3 The report required by this section shall be included in any other report that the  
4 Employment Security Commission is required to make to the Joint Legislative  
5 Commission on Governmental Operations.

6       Sec. 5. There is appropriated from the Worker Training Trust Fund to the  
7 Department of Community Colleges of North Carolina the sum of one million dollars  
8 (\$1,000,000) for the 1989-90 fiscal year for the Focused Industrial Training Program  
9 administered by the Department of Community Colleges. These funds made available  
10 in this section shall be allocated according to 1987 Session Laws, Chapter 1100, Section  
11 36(d). The Department of Community Colleges shall submit a written evaluation of the  
12 Focused Industrial Training Program to the Joint Legislative Commission on  
13 Governmental Operations by May 1, 1990. The evaluation shall include an analysis of  
14 the effectiveness of each training center in meeting the needs of the area industries and  
15 recommended actions to improve delivery of services and training opportunities for the  
16 client population.

17       Sec. 6. G.S. 96-5(f) reads as rewritten:

18       "(f) Employment Security Commission Reserve Fund.—There is created in the  
19 State treasury a special trust fund, separate and apart from all other public moneys or  
20 funds of this State, to be known as the Employment Security Commission Reserve  
21 Fund, hereinafter 'Reserve Fund'. Except as provided herein and in G.S. 96-9(b)(3)j, all  
22 proceeds from the tax as defined in G.S. 96-9(b)(3)j and collected pursuant to G.S. 96-  
23 10 shall be paid into the Reserve Fund. The moneys in the Reserve Fund may be used  
24 by the Commission for loans to the Unemployment Insurance Fund, as security for  
25 loans from the federal Unemployment Insurance Trust Fund, and to pay any interest  
26 required on advances under Title XII of the Social Security Act as required by G.S. 96-  
27 6(f), and shall be continuously available to the Commission for expenditure in  
28 accordance with the provisions of this section. The State Treasurer shall be ex officio  
29 the treasurer and custodian and shall invest said moneys in accordance with existing law  
30 as well as rules and regulations promulgated pursuant thereto. Furthermore, the State  
31 Treasurer shall disburse the moneys in accordance with the directions of the  
32 Commission and in accordance with such regulations as the Commission may prescribe.

33       Administrative costs for the collection of the tax and interest payable to the Reserve  
34 Fund shall be borne by the Special Employment Administration Fund. Refunds of  
35 interest and tax allowable under G.S. 96-9(b)(3)j shall be made from the Reserve Fund.  
36 No taxes shall be collected or paid into this fund during a calendar year when, as of the  
37 computation date (August 1) of the preceding calendar year, the balance of the fund  
38 equals to or exceeds one percent (1%) of the taxable wages.

39       The interest earned from investment of the Reserve Fund moneys shall be deposited  
40 in a fund hereby established in the State Treasurer's Office, to be known as the 'Worker  
41 Training Trust Fund'. These moneys shall be used to:

- 42       (1) Fund programs, specifically for the benefit of unemployed workers or  
43 workers who have received notice of long-term layoff or permanent  
44 unemployment, or employed workers who may need retraining to

1                    avoid future unemployment, which will enhance the employability of  
2                    workers, including, but not limited to, adult basic education, adult high  
3                    school or equivalency programs, occupational skills training programs,  
4                    assessment, job counseling and placement programs;

5                    (2)    Continue operation of local Employment Security Commission offices  
6                    throughout the State; or

7                    (3)    Provide refunds to employers.

8                    The use of funds from the Worker Training Trust Fund, for the purposes set out in  
9                    the above paragraph, shall be pursuant to appropriations in the Current Operations  
10                    Appropriations Act. Funds deposited in the Worker Training Trust Fund prior to July 1,  
11                    1987, shall be used as provided in the Current Operations Appropriations Act for 1987-  
12                    89."

13                    Sec. 7. This act shall become effective July 1, 1989.