

**NORTH CAROLINA GENERAL ASSEMBLY**

**LEGISLATIVE FISCAL NOTE**

**BILL NUMBER:** Senate Bill 811

**SHORT TITLE:** ESC Conforming Changes

**SPONSOR(S):** Senators Wilbur P. Gulley and John H. Kerr, III

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

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

**BILL SUMMARY:** TO MAKE CHANGES TO THE EMPLOYMENT SECURITY LAW TO CONFORM TO FEDERAL LAW." AMENDS GS 96-8(6)g to provide that employment does not include agricultural labor performed before January 1, 1995 (now, 1993) by alien admitted to US to perform agricultural labor. Amends GS 96-12(e)C, regarding eligibility requirements for extended benefits, to provide that under Federal-State Extended Unemployment Act and Unemployment Compensation Amendments of 1992, for any week of unemployment after March 6, 1993 and before January 1, 1995, individual is exhausted and has satisfied requirements under GS Ch. 96 for receipt of regular benefits that are applicable to persons claiming extended benefits. Amends GS 96-13(b)(1) to delete limitations on benefits for services in educational institution. Amends GS 96-14(9) to delete provision that unemployment compensation benefits are reduced by payments received under Social Security Act.

**EFFECTIVE DATE:** Upon ratification

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

Departments of Public Education, Community College, UNC Board of Governors.

**FISCAL IMPACT**

	<u>FY 93-94</u>	<u>FY 94-95</u>	<u>FY 95-96</u>	<u>FY 96-97</u>
	<u>FY 97-98</u>			
<b>EXPENDITURES</b>				
<b>TOTAL EXPENDITURES</b>				
<b>STATE FUNDS</b>				
30%	0	\$13,670,886		
50%	0	\$31,037,966		
<b>FEDERAL FUNDS</b>				
30%	0	\$958,130		
50%	0	\$1,861,415		
<b>LOCAL FUNDS</b>				
30%	0	\$6,698,218		
50%	0	\$18,504,236		

**OTHER FUNDS  
RECEIPTS/FEEES**

**POSITIONS:**

**ASSUMPTIONS AND METHODOLOGY:**

- o Bill was reviewed by Employment Security Commission legal staff to identify the classes of employees within the education system that would be covered by the bill. [Attached memorandum, Ms. Ann Q. Duncan, Chairman, Employment Security Commission of North Carolina.]
- o Review of Employment Security Commission opinion by the Departments of Public Instruction, Community Colleges, and Board of Governors to identify specific numbers and salaries of individuals covered by the proposed changes.
- o Based on the opinion, personnel were identified in public education, but estimates of the personnel that might be covered were not available from the Department of Community Colleges or the Board of Governors of the University.
- o Costs in this fiscal note reflects only public education.
- o Section 4 - Social Security recipients eligible for Unemployment Compensation - Federal law PL 96-364 (1980) provides states with the option of implementing changes in employment law concerning Social Security benefits recipients who apply for unemployment. The fiscal impact of SB 811 in this area cannot be determined. The practical effect of Section 4 of SB 811 would be that Social Security recipients who work and then are laid off could now apply for and receive unemployment benefits if they have worked the required number of quarters. While increased expenditures of federal funds are likely, there is no experience on which to base cost figures. However, the Employment Security Commission currently receives only a small number of annual inquiries by Social Security recipients concerning unemployment benefits.

**Public Education**

- o It is unclear as to whether teacher assistants should be considered non-professionals. However, Table I reflects the number of eligibles, including teacher assistants, by source of funding and the current average salary.
- o Employee estimates assume current number of employees, and do not include increases within these classifications that will result from future growth in average daily membership. Estimates are also based on current average salary and do not reflect the value of future increases by the General Assembly.
- o For purposes of the cost projection, we assume that the State funds would pay the cost of State funded positions, locally funded positions would be a local cost, and federal programs would be charged for those positions paid from federal funds.

- o The Employment Security Commission was unable to provide the Fiscal Research Division with estimates of the number of eligibles who would actually file under the provisions of the bill because of a lack of experience data.
- o The Employment Security Commission provided cost estimates based on a 100% participation rate and the Fiscal Research Division analyzed these costs based on two assumptions concerning filing rates - 30% and 50% of potential claimants.

**SOURCES OF DATA:**

Employment Security Commission, Department of Public Instruction, Department of Community Colleges, Board of Governors - University of North Carolina.

**TECHNICAL CONSIDERATIONS:**

- o The cost to the State within any given fiscal year is heavily dependent upon the effective date of this bill.

**FISCAL RESEARCH DIVISION**

733-4910

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**APPROVED BY:** Tom L. Covington **TOMC**

**DATE:** May 6, 1993

Official

**Fiscal Research Division  
Publication**



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