

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: HB 278 (Senate Finance Committee Substitute)

SHORT TITLE: Work First Separation Noncharged/AB

SPONSOR(S): Representative David Redwine

FISCAL IMPACT

Yes () No (x) No Estimate Available ()

FY 1999-00 FY 2000-01 FY 2001-02 FY 2002-03 FY 2003-04

REVENUES

PRINCIPAL DEPARTMENT(S) &

PROGRAM(S) AFFECTED: Employment Security Commission

EFFECTIVE DATE: The bill is effective August 1, 1999 and applies to unemployment insurance claims filed on or after that date.

BILL SUMMARY:

The bill amends the Employment Security laws to provide that participants in North Carolina's Work First Program that are separated from work for a bona fide reason within the first 100 days of employment, will not be charged to an employer's experience rating.

BACKGROUND:

The North Carolina Department of Health and Human Services reports that 3,000 Work First participants have found jobs through the Employment Security Commission. These participants were involved in the First Step Employment Assistance Program where they were screened for job readiness and referred to Community Colleges for additional training.

ASSUMPTIONS AND METHODOLOGY:

The Employment Security Commission (ESC) states that this bill will have no fiscal impact on the Unemployment Insurance Trust Fund. In an analysis of Work First participants from February 1998 to the present, ESC found the Trust Fund impact to be statistically insignificant. Approximately 90% of the job separations for this group occur within the first 30 days of employment. Employees that surpass the 100 day threshold usually remain in their jobs.

FISCAL RESEARCH DIVISION 733-4910

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DATE: Wednesday, June 30, 1999



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