

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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SENATE BILL 592

Short Title: Workforce Training for Economic Recovery. (Public)

Sponsors: Senators Hartsell; Bingham, Clodfelter, Dorsett, Malone, and Stevens.

Referred to: Education/Higher Education.

March 16, 2009

1 A BILL TO BE ENTITLED
2 AN ACT TO ENABLE COMMUNITY COLLEGES TO USE MODERN EQUIPMENT IN
3 TRAINING WORKERS FOR NORTH CAROLINA JOBS.

4 Whereas, the availability of an educated and well-trained workforce is a key factor
5 in job location and expansion; and

6 Whereas, the State relies on community colleges to provide critical workforce
7 training; and

8 Whereas, community colleges are hampered in their ability to provide workforce
9 training due to the lack of funding for equipment essential for technical training and training in
10 allied health fields; and

11 Whereas, without adequate equipment needed to train workers, community colleges
12 cannot fulfill their workforce training mission; and

13 Whereas, the method of funding equipment at community colleges differs from that
14 used for The University of North Carolina and, as a result, does not provide additional funds for
15 equipment when enrollment increases; and

16 Whereas, adequate equipment for training workers is even more important in an
17 economic downturn because when unemployment increases, community college enrollment
18 also increases; Now, therefore,

19 The General Assembly of North Carolina enacts:

20 **SECTION 1.** G.S. 143C-9-3 reads as rewritten:

21 **"§ 143C-9-3. Settlement Reserve Fund.**

22 (a) The "Settlement Reserve Fund" is established as a restricted reserve in the General
23 Fund. Except as otherwise provided in this section, funds shall be expended from the
24 Settlement Reserve Fund only by specific appropriation by the General Assembly.

25 Pursuant to Section 2(b) of S.L. 1999-2, the fifty percent (50%) of the annual installment
26 payment to the North Carolina L.E.A.F. (Long-Term Economic Advancement Foundation),
27 Inc., is transferred to the Settlement Reserve Fund.

28 (b) A Health Trust Account is established in the Settlement Reserve Fund. The portion
29 of each Master Settlement Agreement payment identified in Section 6(3) of S.L. 1999-2 shall
30 be credited to the Health Trust Account. The State Controller shall transfer all funds in the
31 Health Trust Account to the Health and Wellness Trust Fund created in Article 6C of Chapter
32 147 of the General Statutes.

33 (c) A Tobacco Trust Account is established in the Settlement Reserve Fund. The
34 portion of each Master Settlement Agreement payment identified in Section 6(2) of S.L. 1999-2
35 shall be credited to the Tobacco Trust Account. The State Controller shall transfer all funds in
36 the Tobacco Trust Account to the Tobacco Trust Fund created in Article 75 of Chapter 143 of
37 the General Statutes.



1 (c1) A Community Colleges Trust Account is established in the Settlement Reserve
2 Fund. The portion of each Master Settlement Agreement payment identified in Section 6(1) of
3 S.L. 1999-2 and transferred under subsection (a) of this section to the Settlement Reserve Fund
4 shall be credited to the Community Colleges Trust Account. The State Controller shall transfer
5 all funds in the Community Colleges Trust Account to the Community Colleges Instructional
6 Equipment Trust Fund created in G.S. 115D-43.

7 (d) Unless prohibited by federal law, federal funds provided to the State by block grant
8 or otherwise as part of federal legislation implementing a settlement between United States
9 tobacco companies and the states shall be credited to the Settlement Reserve Fund. Unless
10 otherwise encumbered or distributed under a settlement agreement or final order or judgment of
11 the court, funds paid to the State or a State agency pursuant to a tobacco litigation settlement
12 agreement, or a final order or judgment of a court in litigation between tobacco companies and
13 the states, shall be credited to the Settlement Reserve Fund."

14 **SECTION 2.** The Attorney General shall take all necessary actions to notify the
15 court in the action entitled State of North Carolina v. Philip Morris Incorporated, et al., 98 CVS
16 14377, in the General Court of Justice, Superior Court Division, Wake County, North Carolina,
17 and the administrators of the State Specific Account established under the Master Settlement
18 Agreement, of the action by the General Assembly in Section 1 of this act redirecting payments
19 to the Settlement Reserve Account.

20 **SECTION 3.** Article 3 of Chapter 115D of the General Statutes is amended by
21 adding a new section to read:

22 **"§ 115D-43. Community Colleges Instructional Equipment Trust Fund.**

23 (a) Fund Created. – The Community Colleges Instructional Equipment Trust Fund is
24 established in the Community Colleges System Office as a special revenue fund. Revenue is
25 credited to the Fund under G.S. 143C-9-3. Interest and other investment earnings accrue to the
26 Fund, and the amount in the Fund does not revert at the end of a fiscal year. Revenue in the
27 Fund may be used only to provide instructional equipment for a community college.

28 (b) Use of Fund. – The State Board is responsible for administering the Community
29 Colleges Instructional Equipment Trust Fund. The amount in the Fund is annually appropriated
30 to the Community Colleges System Office for allocation by the State Board for instructional
31 equipment at the community colleges in accordance with the instructional equipment needs of
32 the community colleges as determined by the State Board."

33 **SECTION 4.** G.S. 115D-43, as enacted by Section 3 of this act, is amended by
34 adding a new subsection to read:

35 "(c) Principal Preserved. – Until the balance in the Community Colleges Instructional
36 Equipment Trust Fund as of July 1 of a fiscal year exceeds five hundred million dollars
37 (\$500,000,000), the State Board may allocate from the Fund for a fiscal year no more than
38 two-thirds of the amount credited to the Fund in the preceding fiscal year. If the balance in the
39 Fund as of July 1 of a fiscal year exceeds this threshold, the State Board may allocate from the
40 Fund the amount that exceeds the threshold."

41 **SECTION 5.** Section 4 of this act becomes effective June 30, 2011. The remainder
42 of this act is effective when it becomes law.