2003-2004

HOUSE COMMERCE

COMMITTEE MINUTES



HOUSE STANDING COMMITTEE

ON

COMMERCE 2003 SESSION

BOOK 1 OF 1

Representative Connie Wilson, Chair

Vice Chairs: Representative John Sauls Representative Jim Harrell

Committee Counsel: Karen Cochran-Brown Walker Reagan

Committee Assistant: Chris Floyd

NORTH CAROLINA GENERAL ASSEMBLY ECONOMIC GROWTH & COMMUNITY DEVELOPMENT 2003 – 2004 SESSION



Rep. Jim Harrell Vice Chair



Rep. Connie Wilson Chair



Rep. John Sauls Vice Chair



Rep. John Blust



Rep. Nelson Cole



Rep. Michael Decker



Rep. Margaret Dickson



Rep. Jerry Dockham



Rep. Bob England



Rep. Jean Farmer-Butterfield



Rep. PhillipFrye



Rep. Bruce Goforth



Rep. Howard Hunter



Rep. Earline Parmon



Rep. John Rayfield



Rep. John Rhodes



Rep. Paul Stam



Rep. Roger West



Rep .Harold Brubaker Ex-officio



Rep .Bill Culpepper Ex-officio



Rep. Pete Cunningham Ex-officio



Rep. Rick Eddins Ex-officio

HOUSE COMMITTEE COMMERCE 2003 – 2004 Session

MEMBER	ASSISTANT	PHONE	OFFICE	<u>SEAT</u>
Wilson, Connie Chair	Chris Floyd, Committee Assistant	733-5849	503	37
Harrell, Jim Vice-Chair	Ted Braun	715-1883	403	72
Sauls, John Vice-Chair	Shara Graham	715-3012	418-A	40
Blust, John	Betty Childress	733-5806	1420	101
Cole, Nelson	Suzanne Smith	733-5779	1218	45
Decker, Michael	Linda Hines	715-0850	2301	12
Dickson, Margaret	Jennifer Edwards	733-5776	1219	91
Dockham, Jerry	Regina Irwin	715-2526	1424	110
England, Bob	Lisa Brown	733-5749	2219	117
Farmer-Butterfield, Jean	Melva McNeil	733-5898	614	105
Frye, Phillip	Mary Hayes	733-5661	1019	62
Goforth, Bruce	Ann Jordan	733-5746	1220	115
Hunter, Howard	Barbara Phillips	733-2962	613	68
Parmon, Earline	Pat Christmas	733-5829	632	103
Rayfield, John	Brenda Olls	733-5868	510	85
Rhodes, John	Lucille Carter	733-5530	1017	99
Stam, Paul	Jana Stam	733-5780	610	113
West, Roger	Linda C. Johnson	733-5859	1004	50
Ex officio				
Brubaker, Harold	Cindy Coley	715-4946	1229	2
Culpepper, Bill	Dot Crocker	715-3028	404	36
Cunningham, Pete	Valerie Rustin	715-5778	541	7
Eddins, Rick	Dorie Monroe	733-5828	1002	26

ATTENDANCE

House Committee on Economic Growth & Community Development

2003-2004 SESSION

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DATES	3-5-03	3.12-03	31205	3-26-03	4-2-03	4-9.03	4-13-03	5-14-03	5-20-03	6-11-03				
Wilson, Connie CHAIR	V	/	V	1	/	V	1	Y	1	1		h		
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Sauls, John VICE CHAIR	√	/	✓	/	/	/	/	4	/					
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Decker, Michael	/	/	,			1		*	✓					
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Parmon, Earline	V	V	√		√	_		✓						
Rayfield, John	V	\checkmark	$\sqrt{}$	V	✓.	·/	<u> </u>	X	✓	~				
Rhodes, John	V	✓	√		1	. V	\checkmark	✓	~	V				
Stam, Paul	V	✓	√		\checkmark	Ex		X	V	~	 			_
West, Roger	~	✓		·			\checkmark	✓		~	 		<u> </u>	
Ex officio		_												
Brubaker, Harold											 •			
Bill Culpepper														
Pete Cunningham											 			
Rick Eddins														

ATTENDANCE

House Committee on Commerce

2003-2004 SESSION

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DATES	5-26.04	6-16-04	6-22-04	6-30-04								,		
Wilson, Connie CHAIR	/	~	1	1										
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Sauls, John VICÉ CHAÍR	~	V	V	V		.5						ļ .		
Blust, John Remarks from Corner	/	V	V											
Cole, Nelson	V	1/	V	V										
Decker, Michael	V	V	1	V									·	
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England, Bob	1	V	/	/					-					
Farmer-Butterfield, Jean	1	V	/	/			,•							
Frye, Phillip	N	V	v	~										
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Pete Cunningham		./												
Rick Eddins		V	V	/										

MINUTES

HOUSE COMMITTEE ON ECONOMIC GROWTH & COMMUNITY DEVELOPMENT

March 5, 2003

The House Committee on Economic Growth & Community Development met on Wednesday, March 5, 2003 in Room 544 of the Legislative Office Building at 2:00 P.M. The following members were present: Rep. Connie Wilson, Chair, Vice-Chair Jim Harrell, Vice-Chair John Sauls, Representatives Cole, Decker, Dickson, England, Frye, Goforth, Parmon, Rayfield, Rhodes, Stam, West and Ex officio Pete Cunningham. The Visitor Registration sheet indicates visitors present and is attached as a part of the record.

Rep. Connie Wilson, Chair, called the meeting to order at 2:10 P.M. and she introduced the Vice Chairs, Pages and Staff.

ORGANIZATIONAL REMARKS:

Rep. Wilson stated she would like for this Committee to act in the role of an economic development study commission. We will be looking at where job losses have occurred county-by-county, job growth, industry sector analysis and what economic programs are working and are not working. Staff from the Economic Development Board, the Dept. of Commerce, and the Legislature will assist us in analyzing the States economic development strategy, and the money spent on economic development. In the past the General Assembly has acted in a reactive manner from forces outside our chambers on what should occur in economic development. Hopefully, this Committee, will be able to be more reactive in determining what is working and not working.

INTRODUCTION OF SPEAKER:

David Clegg, Deputy Chairman of the Employment Security Commission was introduced by Rep. Wilson to give an overview of the Labor Market. He stated that the average weekly wage in North Carolina is \$615.88. The average weekly wage across the U.S. is \$696.42. In the electronic arena, that weekly average tops out at about \$906.00 a week. The maximum weekly Unemployment Insurance benefits one can receive is \$402.00. There were handouts prepared by Mr. Clegg distributed to all members regarding the subject (attachment # 1).

Representative Wilson thanked Mr. Clegg for his presentation and recognized the members of the committee for questions.

The chair adjourned the meeting at 2:55 P.M.

Representative Connie Wilson Chair

Chris Floyd Committee Assistant

Attachments:

(1) North Carolina Changing Economy, Economic Indicators, Outlook

(2) Other Attachments. (Agenda, Meeting Notice, Attendance record, Visitor Registration list.)

AGENDA

HOUSE COMMITTEE ON ECONOMIC GROWTH & COMMUNITY DEVELOPMENT

March 5, 2003 Room 544 LOB 2:00 p.m.

OPENING REMARKS

Representative Connie Wilson, Chair Economic Growth & Community Development Committee

AGENDA ITEMS

Overview of Labor Market – David Clegg
Deputy Chairman of ESC

Chris Floyd (Rep. C. Wilson)

ent:

Chris Floyd (Rep. C. Wilson)

Tuesday, March 04, 2003 3:12 PM

Subject: Econonic Growth & Community Development Meeting

NORTH CAROLINA HOUSE OF REPRESENTATIVES COMMITTEE MEETING NOTICE AND BILL SPONSOR NOTIFICATION 2003-2004 SESSION

You are hereby notified that the Committee on ECONOMIC GROWTH & COMMUNITY DEVELOPMENT will meet as follows:

DAY & DATE:

March 5, 2003

TIME:

2:00 PM

LOCATION:

ROOM 544 LOB

Reading Clerk - House Chamber

ductory Meeting. Overview of Labor Market – David Clegg

Deputy Chairman of ESC

Respectfully, Representative Connie Wilson Chair

I hereby certify this notice was	filed by the committee assista	ant at the following offi	fices at 3:00 on March 3,	2003.
Principal Clerk				

Chris Floyd (Committee Assistant)

VISITOR REGISTRATION SHEET

Economic Growth & Community Development

March 5, 2003

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

FIRM OR AGENCY AND ADDRESS

Extheme Die	Electricities
B. Canl Wilms	NCHBA
Marcos Arelland	Entern for Rep. Luebke
Kendall Byrum	Rep Kiser's intern
Mary Thomsen	REB IC
Stephanie Sumpion	NCAR
Rick Zechini	NCAR.
Bethy Turner	Bank of America
John McAlister	Onke Enosy
Jan 8455	ESC
Mike Hawkins	Advantage West
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VISITOR REGISTRATION SHEET

Economic Growth & Community Development March 5, 2003

Name of Committee Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Sharon Miller	acA
Lucias PullEN	COUNSEL NCMA
Willie D. Riddick	DOR
Zhu	NORA
MM Harrison	BeaufortNC
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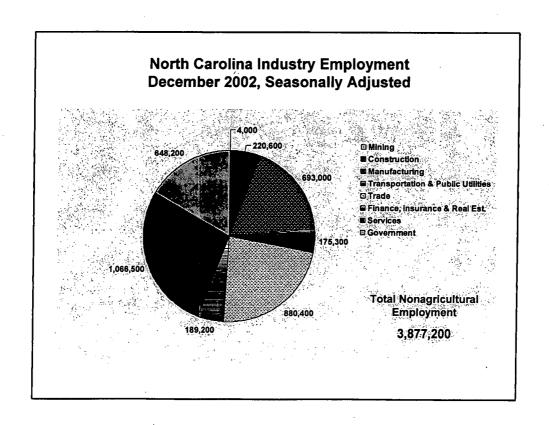


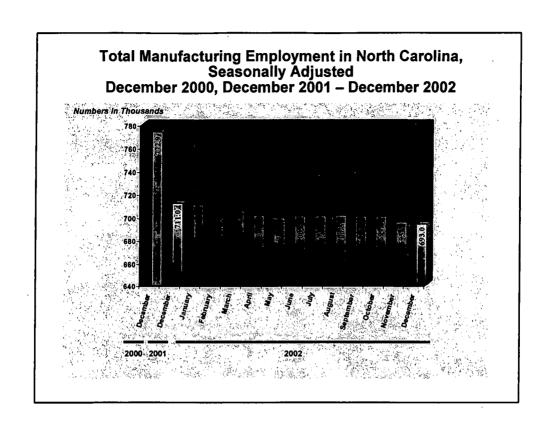


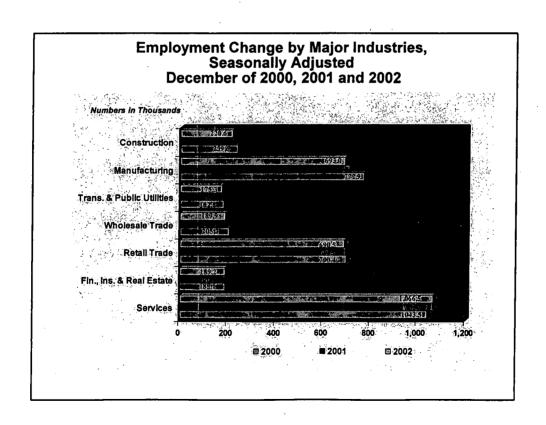
Prepared for the House Committee on Economic and Community Development March 5, 2003

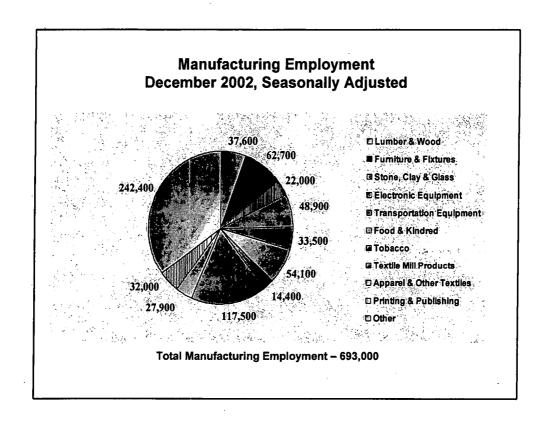


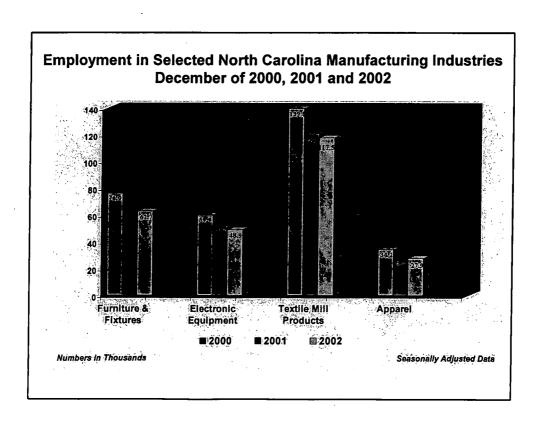
David Clegg, Deputy Chairman of Communications
Employment Security Commission of North Carolina

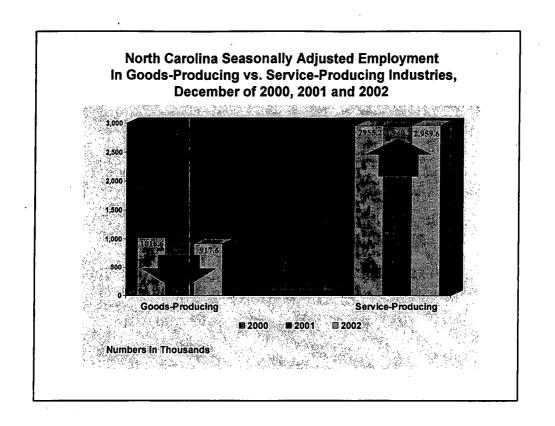


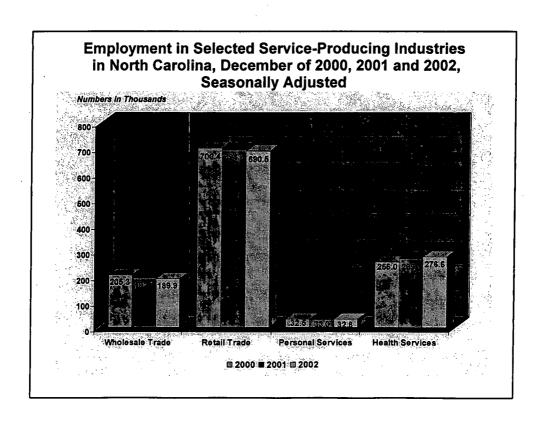


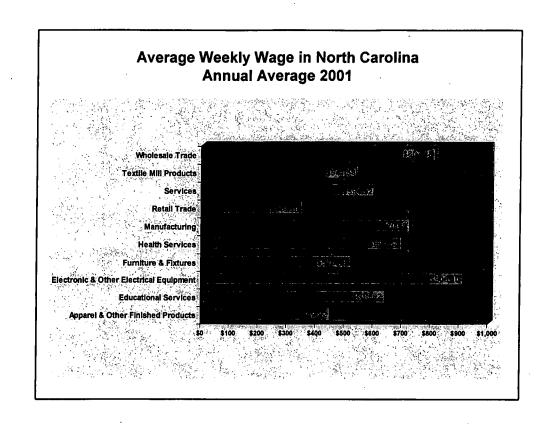


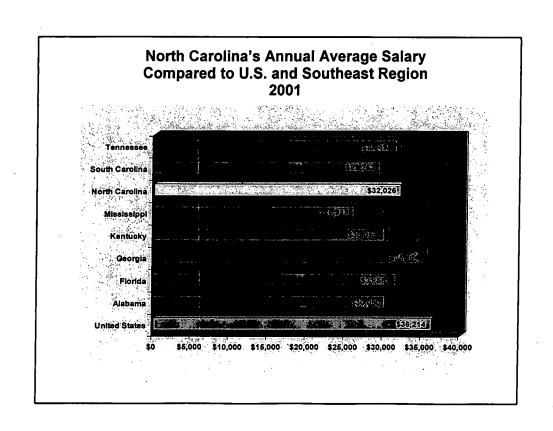


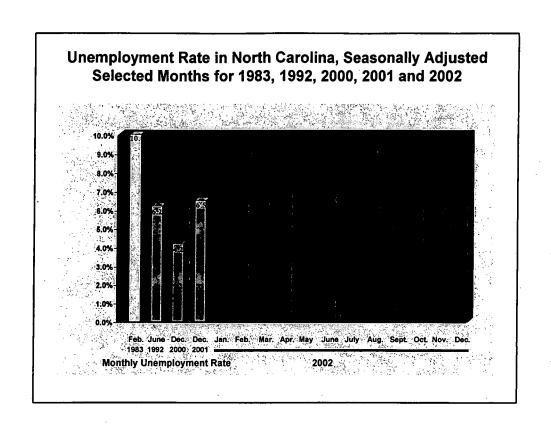


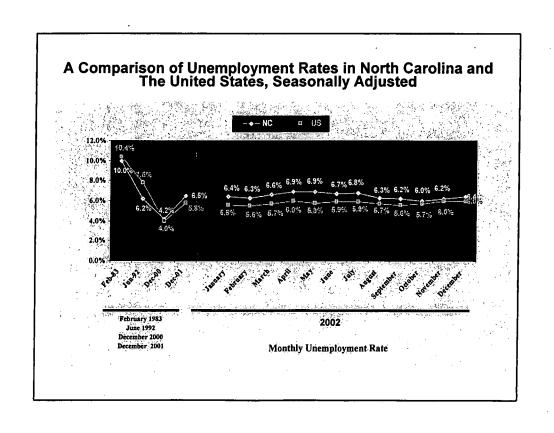


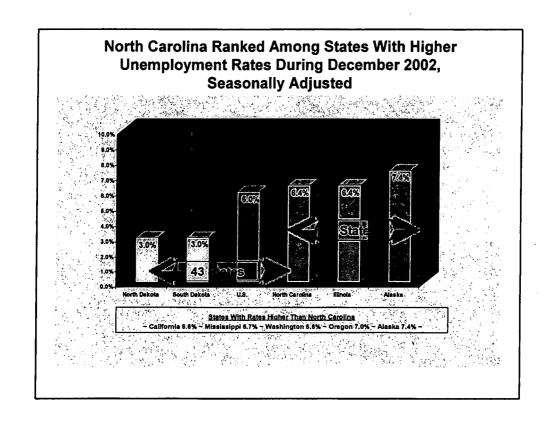


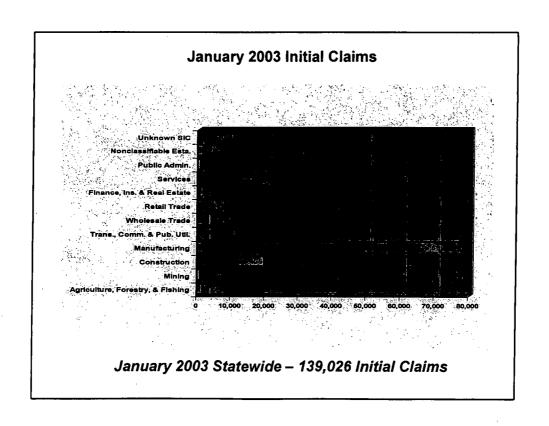


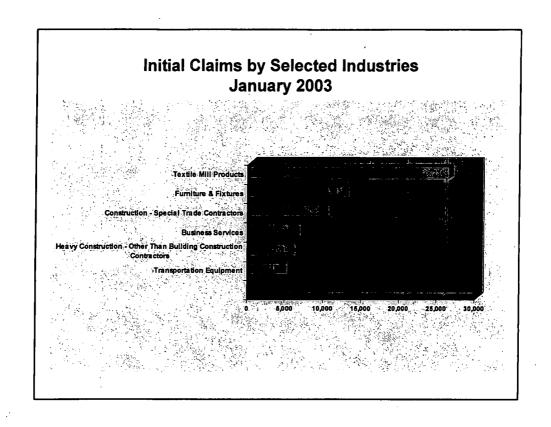


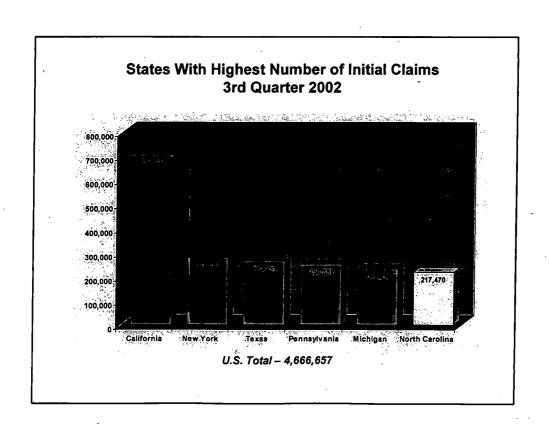


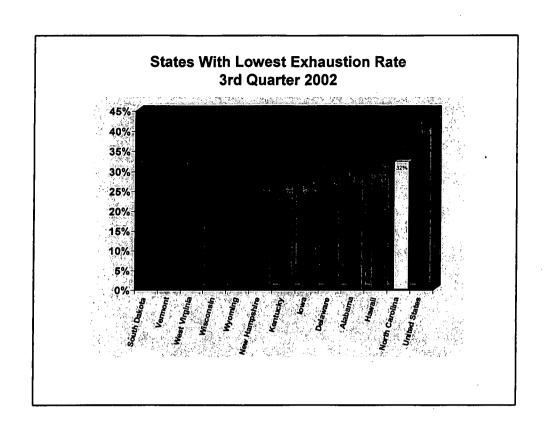


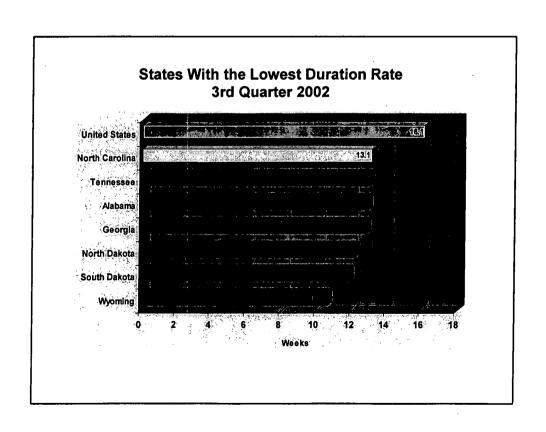


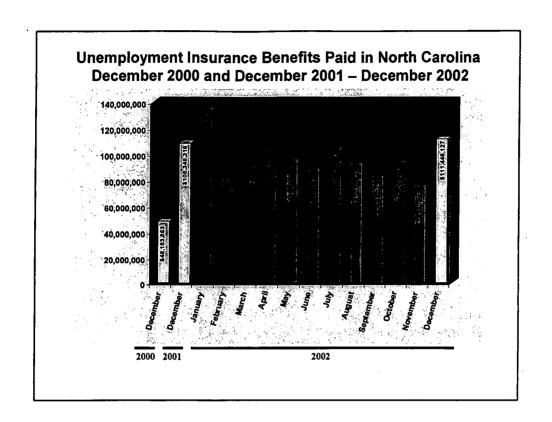










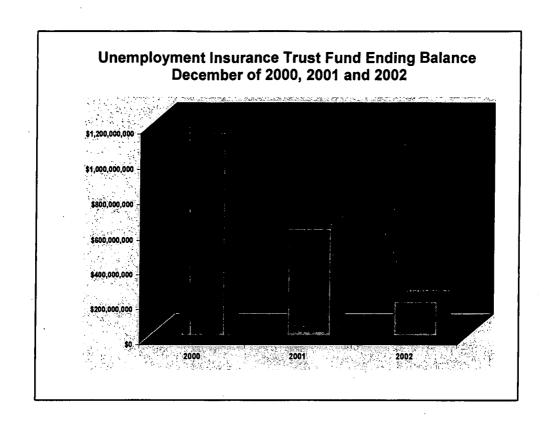


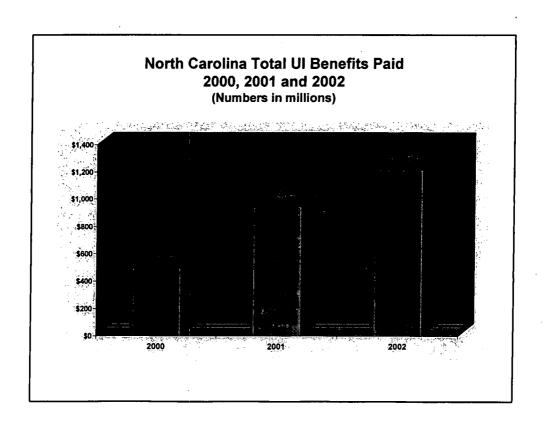
Unemployment Insurance Claims Comparison For Years 2000, 2001, 2002

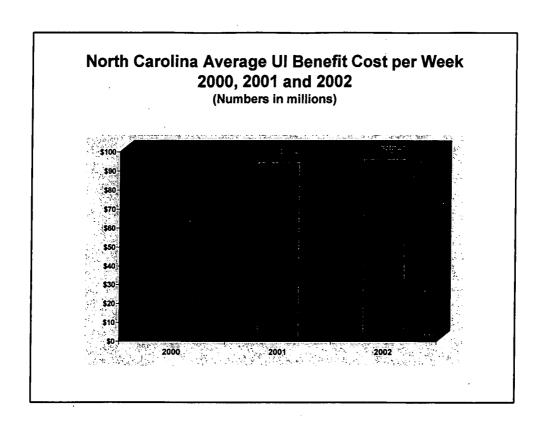
<u>2002</u> <u>2001</u> <u>2000</u>

INITIAL CLAIMS 1,032,295 1,169,536 781,556

WEEKS CLAIMED 5,649,506 4,762,100 2,826,003







ESC Services Provided To Customers						
2002 and 2001						

	2002 2001
Total Applicants Registered	889,464 845,267
Unemployment Recipients Registered Applicants Provided a Service	468,504 406,410 752,400 717,022
Job Openings Listed Applicants Entering Employment	231,919 245,673 205,662 199,701

FOR MORE INFORMATION CONTACT

David Clegg
Deputy Chairman of Communications

Telephone: (919) 733-4636

Labor Market information Division Employment Security Commission of North Carolina Post Office Box 25903. Raleigh, North Carolina, 27611-5903

Telephone: (919) 733-2936

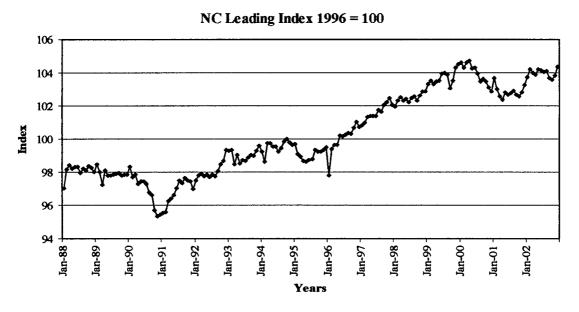
www.ncesc.com

North Carolina Economic Indicators

December Indicators as of February 28, 2003

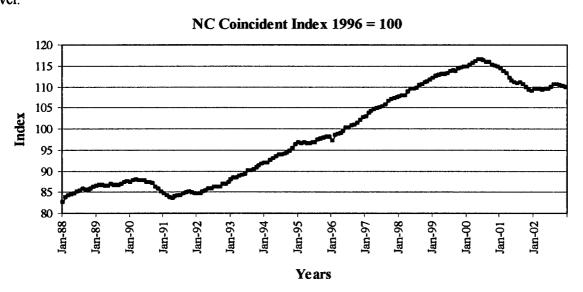
NC Leading Index

- The December Leading Index improved 0.5 percent from its November level.
- Three out of four components pushed the Leading Index up (U.S. Leading Index, residential building permits and Average Weekly Hours Worked in Manufacturing.
- The December Leading Index increased for the second month in a row, reversing a modest negative trend since May 2002.
- The Index has struggled to reach its January 2000 peak, however it is above its November 2001 level.



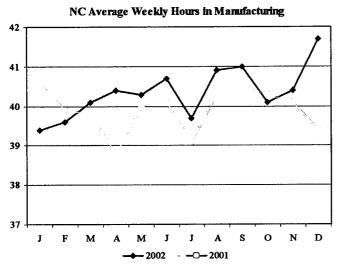
NC Coincident Index

- The December Coincident Index declined 0.3 percent from its November level.
- All three components pushed the Coincident Index down (total nonagricultural employment, the seasonally adjusted unemployment rate and the index of industrial production).
- The Coincident Index has declined for three months in a row, reversing its previous upward trend.
- The Coincident Index remains well below its peak June 2000 level, however it is slightly above its November 2001 level.

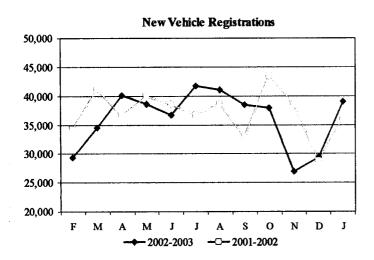


Leading Indicators

Leading Indicators: From February 2002 to January 2003, the leading indicators for the most part improved. (Note: New business incorporations and new vehicle registrations increased, although leading indicators, are not included in the leading index. Initial unemployment claims, average weekly hours in manufacturing and residential building permits are included.)

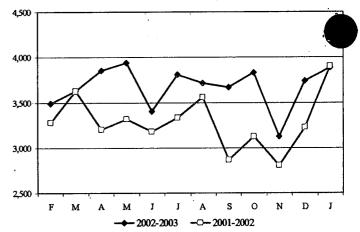


Average hours worked in manufacturing in North Carolina leads economic activity. Firms tend to cut hours worked before laying off workers in business conditions that are expected to deteriorate.

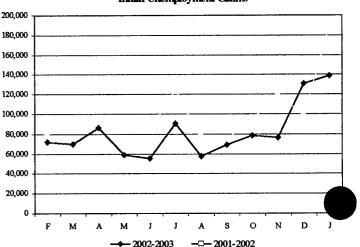


North Carolina's new vehicle registrations serve as a proxy because it is linked to vehicle sales. This is a reflection of consumer confidence and can influence the direction of stock and bond markets. A more rapid pace of car registrations and sales implies a faster growth in consumption which could induce the Federal Reserve to tighten monetary policy by raising interest rates.

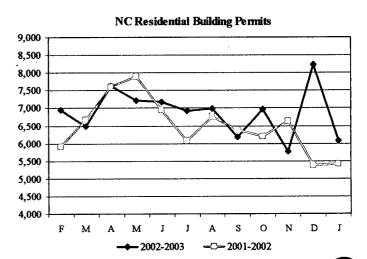
New Business Incorporations



Initial Unemployment Claims



North Carolina initial claims for unemployment insurance leads economic activity. Increased claims may result in subsequent higher unemployment rates.

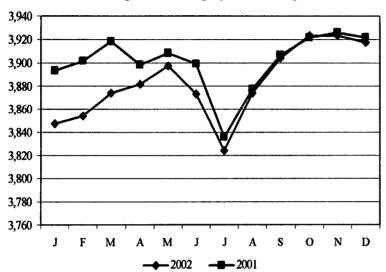


North Carolina residential building permits lead economic activity because increased construction employment, increased orders in durable goods, etc. follow an increase in building permits.

Coincident Indicators

coincident Indicators: During the last six months, the coincident indicators have improved with respect to e corresponding months of the previous year, especially the total nonagricultural employment, seasonally adjusted unemployment rate and insured unemployment rate. Tax-based coincident indicators have shown modest improvement compared to the previous year, especially sales and use-tax revenue. (Note: The insured unemployment rate and the tax revenue based indicators mentioned above are not included in the North Carolina coincident index. The seasonally adjusted unemployment rate, total nonagricultural employment, and the index of industrial production are included in the coincident index.)

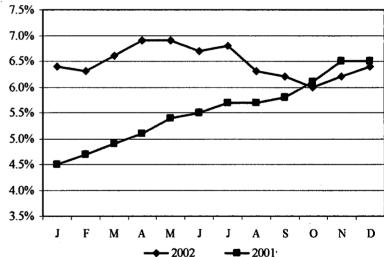
Total Nonagriculture Employment, Unadjusted



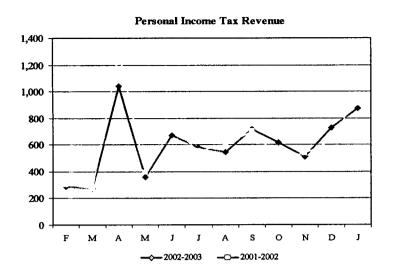
North Carolina's total nonagricultural employment provides a monthly gauge of labor market conditions based on a survey of about 13,000 nonagricultural establishments.

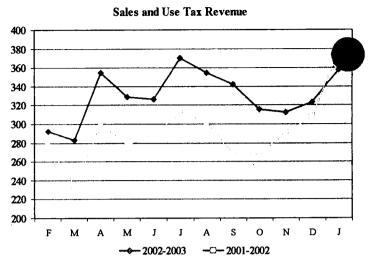
The monthly unemployment rate reflects current labor conditions as increasing rates usually reflect a weakening economy.

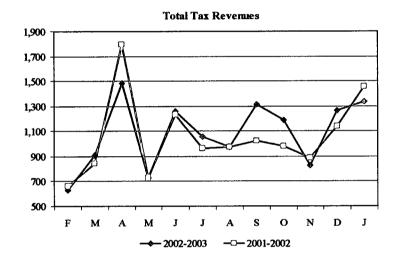
Seasonally Adjusted Unemployment Rate



The insured unemployment rate is similar to the unemployment rate. Increasing rates usually reflect a weakening economy while declining rates suggest a growing economy.







After accounting for any changes in tax rates, an increasing amount of total tax revenues suggests a growing economy while a decline in total revenues suggests a weakening economy.

Analysis

The uncertainties created by a potential war with Iraq have taken a toll on consumer confidence, dropping it to its lowest level in nearly a decade. Sales will be increasingly scrutinized to see if the drop in confidence manifests itself into a deteriorating retail sales picture. Consumer confidence, which accounts for only 2% of The Conference Board's Leading Index, has recently declined. The stock market, another component in the index, has also declined. Overall, the January 2003 US Leading Index fell a modest 0.1 percent. This suggests that a resolution to the situation with Iraq and the resultant decrease in oil prices will have a beneficial effect on consumer confidence, the stock market and the economy as a whole.

UNEMPLOYMENT RATE TRENDS NORTH CAROLINA'S COUNTIES

	2000	2001	2002		2000	2001	2002
		December			December	December	December
North Carolina	3.9	6.2	6.1				· · · · · · · · · · · · · · · · · · ·
Alamance	3.2	6.4	6.8	Johnston	2.3	4.0	5.0
Alexander	2.6	7.9	7.3	Jones	5.8	5.6	5.8
Alleghany	9.7	6.3	10.7	Lee	4.2	7.0	7.7
Anson	8.3	12.0	10.3	Lenoir	5.6	9.0	6.5
Ashe	5.8	9.7	7.4	Lincoln	4.3	7.3	6.8
Avery	3.4	4.7	4.0	Macon	4.4	4.4	4.0
Beaufort	9.4	10.7	9.3	Madison	3.7	5.3	4.1
Bertie	9.5	8.0	6.7	Martin	10.0	7.3	7.2
Bladen	6.0	8.2	6.5	McDowell	4.8	8.1	7.9
Brunswick	5.5	6.7	7.2	Mecklenburg	2.4	5.0	5.4
Buncombe	2.6	3.7	3.6	Mitchell	4.7	9.1	9.1
Burke	4.3	7.7	7.2	Montgomery	4.8	6.8	8.9
Cabarrus	3.4	5.6	4.8	Moore	4.2	5.2	6.5
Caldwell	2.5	7.6	7.3	Nash	5.2	7.8	7.7
Camden	3.7	3.7	2.8	New Hanover	3.6	6.5	5.8
Carteret	6.3	6.1	6.3	Northampton	6.4	7.9	7.3
Caswell	3.0	6.1	6.8	Onslow	3.8	5.1	5.7
Catawba	2.8	8.7	8.4	Orange	1.3		2.8
Chatham	2.1	3.6	4.5	Pamlico	4.7	5.4	4.1
Cherokee	7.6	5.9	6.8	Pasquotank	4.4		4.5
Chowan	3.8	5.5	5.0	Pender	5.0		8.6
Clay	4.0	4.3	3.9	Perquimans	4.3		4.2
Cleveland	7.1	12.9	10.3	Person	5.0		8.8
Columbus	10.0	9.3	8.3	Pitt	4.5		5.6
Craven	4.6	5.6	4.9	Polk	3.5		3.1
Cumberland	4.1	6.0	5.7	Randolph	3.2		5.6
Currituck	4.5	4.1	3.9	Richmond	7.8		
Dare	11.1	12.2	9.7	Robeson	9.0		
Davidson	3.4	6.6	5.5	Rockingham	5.5		
Davie	4.9	4.7	5.5	Rowan	7.9		
Duplin	5.2	6.8	7.3	Rutherford	6.0		
Durham	2.2		5.2	Sampson	4.0		
Edgecombe	7.6			Scotland	8.2		
Forsyth	2.5			Stanly	5.9		
Franklin	3.0			Stokes	3.5		
Gaston	5.7			Surry	5.0		
Gates	3.5			Swain	18.2		
Graham	9.1			Transylvania	3.9		
Granville	4.7			Tyrrell	13.6		
Greene	4.5			Union	2.5 8.1		
Guilford	3.0			Vance	1.6		
Halifax	7.2			Wake			
Harnett	4.7			Warren	8.4 7.4		
Haywood	5.0			Washington	1.6		
Henderson	2.1			-	4.0		
Hertford	7.9				3.4		
Hoke	7.4			Wilkes	5.£		
Hyde	11.				3.0 4.1		
Iredell	3.1				4. 4.9		
Jackson	4.	5 4.3	3 4.6	Yancey	4.3	, 10.1	. 0.0

UNEMPLOYMENT RATE TRENDS NORTH CAROLINA'S ECONOMIC DEVELOPMENT REGIONS

	2000 December	2001 December	2002 December
North Carolina	3.9	6.2	6.1
Advantage West Partnership	3.9	6.0	5.9
Charlotte Regional Partnership	3.8	6.5	6.2
Eastern Regional Partnership	5.0	6.7	6.4
Northeastern Regional Partnership	7.6	8.1	7.1
Piedmont Triad Partnership	3.3	5.8	6.0
Research Triangle Partnership	2.5	4.8	5.3
Southeastern Regional Partnership	5.6	7.8	7.2

•INSIGHT

North Carolina's Labor and Economic Outlook

Michael F. Easley, Governor Employment Security Commission of North Carolina

Harry E. Payne, Jr., Chairman

Volume 2, Number 4

September 2002

NC Quick Stats:	July 2002
Labor Force	3,985,900
Employment	3,713,800
Unemployment	272,100

Unemployment Rate 6.8%

Note: Data are preliminary and are seasonally adjusted.

Economic Indicators in North Carolina

Economic indicators used to predict future economic activity are referred to as leading indicators, while coincident indicators are used to help determine changes in the economy that are concurrent with such indicators. All graphs reflect the most recent monthly statewide data.

INSIDE



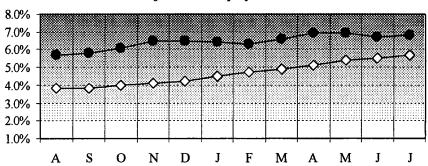
and 2002 16

Distribution of North Carolina Companies Receiving TAA... 17

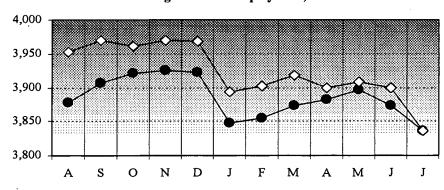
LMI Happenings..... 19

Industry and Geographic

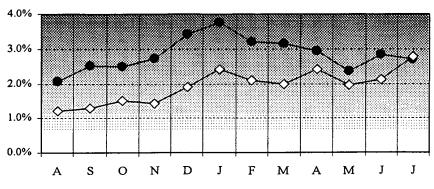
Adjusted Unemployment Rates*



Total Nonagricultural Employment, in Thousands*



Insured Unemployment Rates*

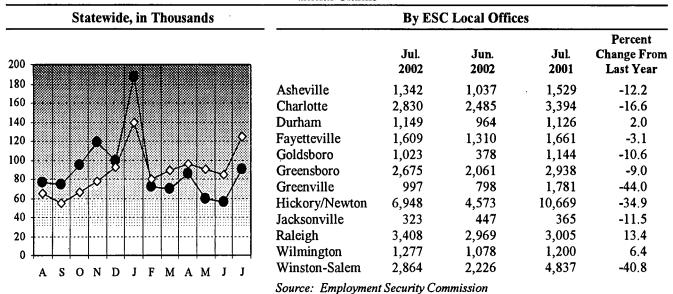


*Source: ESC, Labor Market Information Division

(Continued on Page 2)

-← 2001-2002 **-←** 2000-2001

Initial Claims



Average Weekly Hours Worked in Manufacturing

In Selecte	d Metrop	olitan Statist	Statewide			
	Jul. 2002	Jun. 2002	Jul. 2001	Percent Change From Last Year	42	
Asheville	37.8	39.4	38.9	-2.8	41	
Charlotte/Gastonia Greensboro/	39.3	40.0	38.1	3.1	40	
Winston-Salem/					39	
High Point	39.5	41.3	37.5	5.3		
Raleigh/Durham/ Chapel Hill	42.3	42.7	39.9	6.0	38	
Source: Employment	Security Co	mmission			A S O N D J F M A M J J	

Sales and Use Tax Revenues, in Millions

ĝ	Statewide	In Selected Cities						
\$400			Jun. 2002	May 2002	Jun. 2001	Percent Change From Last Year		
1 0		Asheville	213.2	208.6	211.9	0.6		
6 200		Charlotte	1,066.0	953.3	1,024.5	4.1		
\$ 300	13 19843 18419 40	Durham	324.6	347.1	252.1	28.6		
		Fayetteville	205.4	201.6	197.1	4.2		
		Greensboro	519.0	486.5	521.1	-0.4		
\$200		Greenville	122.7	120.5	141.9	-13.5		
5200		Hickory	129.0	119.1	133.2	-3.2		
		Raleigh	632.8	535.5	617.7	2.4		
		Wilmington	219.4	204.0	240.4	-8.7		
\$ 100		Winston-Salem	372.1	364.2	359.6	3.5		

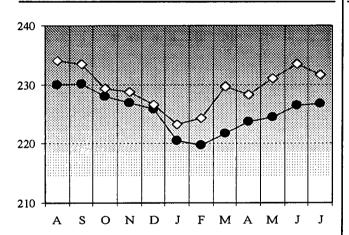
Source: N.C. Department of Revenue, Tax Research Division

New Vehicle Registrations

50,000 45,000 40,000 35,000 25,000 20,000 A S O N D J F M A M J J

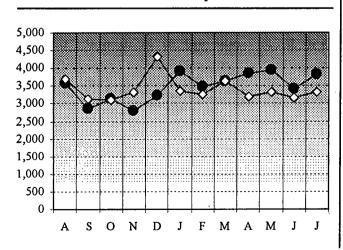
Source: NC Automobile Dealers Association

Unadjusted Construction Employment, in Thousands



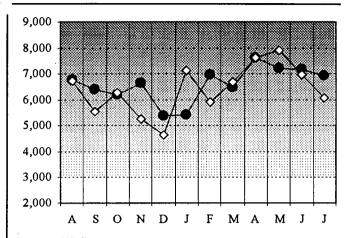
Source: ESC, Labor Market Information Division

New Business Incorporations



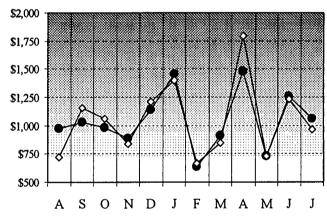
Source: NC Secretary of State, Corporations Division

Housing Units Authorized by Building Permits



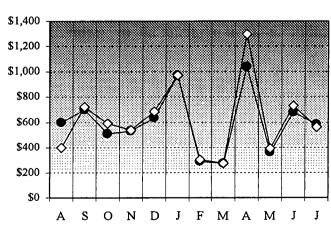
Source: US Census Bureau

Total Tax Revenues, in Millions



Source: NC Department of Revenue

Personal Income Tax Revenues, in Millions



Source: NC Department of Revenue

North Carolina's Changing Employment Pattern during 1975–2000 and Outlook through 2008

By Sajid Hussain, Statistician I—LMI Division Arif Mahmood, Labor Market Analyst—LMI Division Manzoor Choudry, Labor Market Analyst—LMI Division

Introduction

Following the recession of the early 90s, North Carolina's economy witnessed a remarkable expansion for almost nine consecutive years, probably the longest period of uninterrupted economic growth in five decades. The Gross State Product (GSP), during this period, increased by 5.5 percent annually due to expansion in most sectors of the state economy, increasing to \$230.4 billion in 2000, a 49 percent increase over \$154.5 billion in 1990. This impressive economic growth was also accompanied by an enormous expansion in employment opportunities during the period. Employment increased to a little over 4.2 million in 2000 (almost 2.0 million more people on the job compared to employment in 1975).

The downturn, which began in late 2000, led to an increase of more than three percentage points in the unemployment rate from 1999 to July 2002.

North Carolina's economic growth

was substantial during the 90s.

However, beginning the second half of 2000 and continuing through the first quarter of 2002, the state economy was mired in an economic downturn, with recessionary trends pushing the unemployment rate to a level higher than it had been in the past seventeen years. Economic performance suffered a further set-back by the September 11th terrorist attack on the World Trade Center and the Pentagon. This adversely affected the economy, particularly travel, tourism and retail, as well as influencing the other sectors of the state economy. As a result, the Economic Activity Index, a composite measure of the economy, declined to 156.8, or a decrease of 1.9 percent during 2001², preceded by a similar decline in the previous year. The economic down-turn led to widespread layoffs in numerous North Carolina industries, pushing the unemployment rate from a 25-year low of 3.2 percent in 1999 to 6.8 percent by July 2002.

In the beginning of the year, Federal Reserve Chairman Greenspan gave a cautious note about the nation's economic recovery, holding back on further lowering of the prime-rate: "Although there are ample reasons to be cautious about the economic outlook, the recuperative powers of the U.S. economy ... have been remarkable...."

Economists are cautiously optimistic that the U.S. economy is recovering.

Consumers' spending, particularly on big-ticket items such as automobiles, and housing has, to date, been encouraging. Businesses are clearing their excess stocks of unsold goods, a pre-requisite to full-scale production, and investments in high-tech equipment is also picking up. Productivity keeps inflation tame, so that even smaller gains in pay can yield increased buying power. Declines in the stock market are usually associated with tightening monetary conditions. This time around, though, the Federal Reserve is exceptionally accommodating and a similar policy is likely to remain for the months to come. That's partly why, despite recent stock market woes, economists and financial forecasters believe that the recovery remains on solid ground and will revive in the coming year⁴.

Emerging from the downturn of 2001, the U.S. economy now appears to be limping towards recovery, though still overwhelmed with problems such as growing budget deficit, falling stock market, troubled corporate America, growing trade deficits and unemployment hovering around 6.0 percent. During the first half of 2002, the real GDP recorded a growth around 4.0 percent, an impressive comeback despite all these adverse factors⁵. Continued consumer spending, though slowed down during recent months, together with a steady growth in housing, auto sales, and turnaround in industrial production, particularly non-defense goods production, contributed to this growth. However, some economists are worried that growing budget deficits, uncertain stock market situations and bulging foreign trade gap could adversely affect capital investments and economic recovery, as well as growth in the short-run. This may deter both domestic and foreign investments. Domestic consumers are holding back spending in favor of savings, a sort of cushion against job loss and stock market declines. Foreign investors and multitudes of domestic traders, losing trust in corporate America because of accounting scandals and the highly unstable stock market situation, are reluctant to invest, as noted by the Federal Reserve in a recent policy statement.

On August 14, the Federal Reserve again held back any further decrease in the interest rate for the time being, noting that the slowdown in total spending that began "this spring has been prolonged ... by weakness in financial markets and heightened uncertainty related to problems in corporate reporting and governance". They appear to believe that falling stock prices and rising corporate-bond yields along with corporate-governance scandals could be holding back recovery, by making consumers more reluctant to spend and businesses to invest in buildings and equipment. It was also suggested that a rate cut should be unnecessary at this point, as the current low interest rate and robust growth in workers' output per hour "should foster an improving business climate over time". Several Federal Reserve officials are of the view that chances of a "double-dip", a return to recession, are extremely low.

However, the strength of the economy remains in continuing consumer spending, improvements in capital spending, increases in production of manufacturing including high-tech industries, monetary and fiscal policies geared towards encouraging investments because of low interest rates, tax cuts, and increases in wages. The U.S economy is poised to grow and generate employment once the measures are in place to provide stability to the stock market and reforms are implemented for the corporate sector, vital elements to rebuild consumer confidence.

Employment Growth in Major Industry Groups

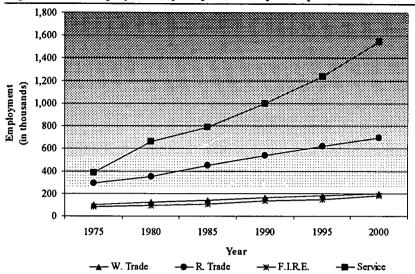
North Carolina created enormous employment opportunities during the last quarter of the 20th century. Employment nearly doubled to a little over 4.2 million in 2000 compared to 2.17 million in 1975 (see figure 1). Expansion in employment was more brisk during 1985-1998, as about 1.28 million jobs were added during this period. This sharp growth in employment was primarily due to an enormous expansion in economic activity, particularly in Services, Wholesale and Retail Trade, Finance, Insurance & Real Estate, (FIRE), as well as in Construction.

4,500 4,000 3,500 (in thousands) 3,000 2,500 2,000 1,500 1,000 500 1995 1975 1980 1985 1990 2000

Figure 1: North Carolina Total Employment for 1975-2000

Significant growth in employment during this period was also evident in Transportation, Communication and Utilities (TCU) and Government jobs. Employment growth in the Manufacturing sector remained sluggish, while it actually declined in the Mining and Agriculture sectors. Overall employment in the State is projected to increase to about 4.86 million by the year 2008, with the Services sector as the biggest contributor; its share

Figure 2: NC Employment by Major Industry Groups 1975-2000



is expected to swell from 17.8 percent in 1975 to approximately 40 percent of total employment in 2008.

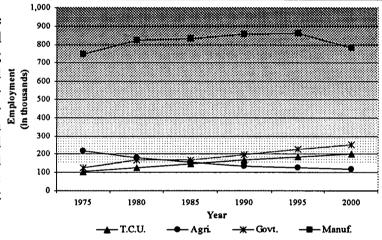
Employment in the Services industry more than quadrupled to 1.55 million in 2000, or a 303.6 percent increase from 1975. Employment in Retail Trade, FIRE and Construction doubled to 693,000, 182,000 and 232,000 respectively in 2000.

Government employment also increased during 1975-2000, as government needed more manpower to extend its administrative and fiscal control and to provide education, security, and other

services for the growing population. More government jobs were generated in order to handle emerging new challenges created by the expanding economic activity. Employment in this sector experienced an average annual growth of 2.78 percent for the 25-year period. Government jobs are expected to continue to grow, but at a declining annual growth rate of 2.3 percent. Employment in TCU industries had increased by 92.2 by the year 2000, or 98,000 more people on the job as compared to 1975.

people in 1975, but had 45 percent fewer people working in 2000. Nonetheless, there were significant increases in agricultural production during this period. Continuing genetic improvements in crops and animal production, increasing automation in largescale mechanized farming, together with ongoing improvements in production management practices led increased to productivity (per man-hour output) reduced employment. Employment in this sector is projected to further decline to about 96,100 by the year 2008.

The agriculture sector employed 216,900 Figure 3: NC Employment by Major Groups 1975-2000



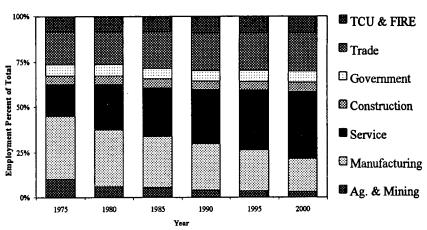
Changing Pattern of Employment in Major Industry Groups

In 1975, the Manufacturing sector was the State's largest industry sector, employing a little more than one-third of the total employment, followed by Services, Trade and Agriculture. This job situation greatly changed by the end of the century because of the expansion of the Services sector, even though substantial increases occurred in some manufacturing industries (hi-tech and computer related industries). The increasing automation and application of robot technology in the production process also contributed to reduced employment. As a result, employment growth in manufacturing during the period remained dismally slow, a total growth of merely 4.6 percent during 1975-2000. The share of manufacturing jobs thus dropped to about 18.5 percent of total employment in 2000. Actual employment in the manufacturing sector marginally increased to 783,000 by 2000, compared to 748,800 in 1975 (see figure 4). Manufacturing's share of employment is expected to further decline to about 17 percent by 2008. In contrast, employment in the Services sector reflects a phenomenal growth, creating almost 1.2 million jobs during the 25-year period. Employment in the Services sector grew to 36.7 percent of total employment compared to its share of only 18 percent in 1975, primarily because of the strong demand for labor in computer related industries, food

services, packaging and handling industries, engineering services, accounting services, health care and numerous other services industries. Employment in this sector is expected to further expand to about 40 percent of total employment (4.86 million) by 2008.

Employment in Trade (Wholesale and Retail) reflects a significant annual average growth of 3.37 percent during 1975-2000. However, its share of total employment increased only marginally from 18 percent in 1975 to 21 percent in 2000. The Trade—

services, packaging and handling Figure 4: NC Percent Distribution of Employment by Major Industry industries, engineering services, Groups 1975-2000

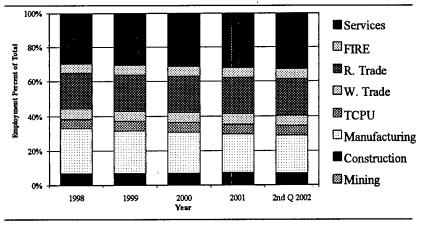


sector's employment is projected to increase to a little over a million people on the job by the year 2008, though its share of total employment is expected to remain unchanged at about 21 percent. Employment in retail trade constituted a little over three-fourths of total employment in the trade sector, and 16.4 percent of total employment in North Carolina. Increasing at an annualized growth rate of 1.9 percent, employment in this industry is projected to reach about 798,000 in 2008. The share of Wholesale trade is also projected to stay around 4.7 percent of total employment during 1998-2008.

From 1975-2000 employment in FIRE increased at 3.4 percent annually. Its share to the total employment increased slightly from 3.7 in 1975 to 4.3 percent in 2000. The share of employment in TCU, growing at 2.6 percent annually during 1975-2000, declined marginally from 4.9 percent of total employment in 1975 to 4.8 percent in 2000, while its actual employment increased from 105,900 to 203,600 for the respective years. Employment in TCU as a percent of total is projected to further decline to about 4.0 percent by the year 2008.

While employment in Construction almost doubled during 1975-2000, its share of total employment increased only marginally, from 4.8 percent in 1975 to 5.5 percent in 2000.

Figure 4a: NC—CES Percent Distribution of Employment by Major Industry Groups 1998-2nd Quarter 2002



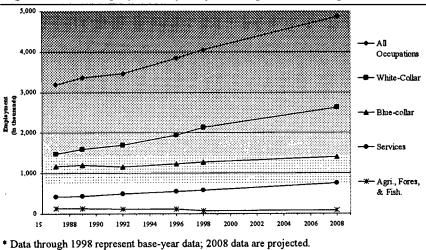
The most recent employment estimates developed by the Current Employment Statistics (CES) program on major industrial groups for 1998 through the 2nd quarter of 2002 present comparable employment distribution trends as reflected in the 1975-2000 historical data series. In terms of employment, Services continues to be the fastest growing sector of the economy followed by Trade, mainly Retail Trade. Employment in TCU, FIRE, Mining and Construction also reflects very similar patterns in employment growth as shown in the historical data.

Changing Pattern of Occupational Employment

A continuous series of historical data on occupational employment going back to 1975 is not available. Therefore, the information and analysis in this section of the article is limited to employment data for selected years going back only as far as 1987. Although available occupational employment data covers only the past

11 years, it can enable valuable observations and analysis regarding trends and changes in the pattern of occupational employment over this period that is useful for policy makers, both in government as well as in the private sector.

Figure 5*: NC Employment by Major Occupational Groups 1987-2008



Among the four major occupational groups, white-collar (managerial, administrative, professional, technical and sales) occupations constitute the largest share of total employment, followed by the bluecollar (production, construction, operator and material handling) and services (fire department, police, health workers, cooks and cleaners, etc.) occupations. A little over half (52.3 percent) of the total employment of 4.0 million were working in white-collar jobs in 1998 (see figure 5). Increasing at an annual average growth rate of about 3.3

percent, the share of employment in white-collar occupations increased significantly during the 11-year period, from 46 percent of the total employment in 1987 to 2.1 million in 1998. Employment in white-collar occupations is projected to increase to approximately 2.63 million by the year 2008, further raising its share to about 54 percent of total employment.

Professional, Clerical and Sales

Professional, Paraprofessional and Technical occupations, Clerical and Administrative Support occupations and Sales related occupations provided most employment (86.0 percent) within the white-collar occupational group. In aggregate, these three occupational groups employed around 1.83 million people in 1998. However, the share of Professional, Paraprofessional and Technical occupations by itself increased from 32.4 percent of total white-collar employment in 1987 to 36.2 percent in 1998 (see figure 6). The share of employment of this professional group is projected to further increase to about 39.3 percent by 2008, with actual employment in this occupational group projected to increase to a little over a million jobs by 2008. On the other hand, the

Employment Percentage Distribution for 1987 and 2008 56.0

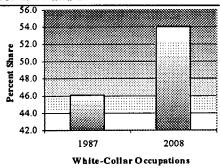
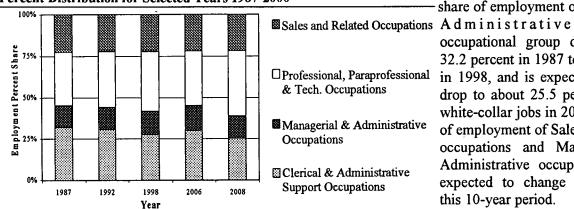


Figure 6: NC Employment Within White-Collar Occupational Groups, **Percent Distribution for Selected Years 1987-2000**

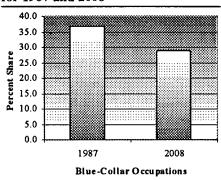


share of employment of Clerical and Support occupational group dropped from 32.2 percent in 1987 to 27.9 percent in 1998, and is expected to further drop to about 25.5 percent of total white-collar jobs in 2008. The share of employment of Sales and Related occupations and Managerial and Administrative occupations is not expected to change much during this 10-year period.

Blue Collar Occupations⁷

Contrary to the sharp growth and expansion in jobs of white-collar Employment Percentage Distribution occupations, the share of employment in blue-collar occupations to total employment decreased from 36.9 percent in 1987 to 31.5 percent in 1998, despite a slight increase in actual employment during this period. The share of employment in blue-collar occupations declined because the employment in these occupations during 1987-1998 was increasing only at a marginal rate of 0.73 percent annually, whereas Services and white-collar occupations were growing at a much faster pace. Employment in blue-collar occupations is projected to increase to 1:4 million by 2008, further pulling down its share of total employment to about 28.8 percent. The primary reasons for the declining trend of employment in blue-collar jobs during this period were an increase in resulting from technological advancements productivity

for 1987 and 2008

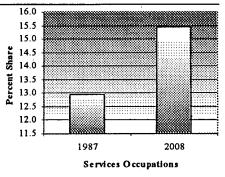


automation of production processes in manufacturing industries. Furthermore, the high production cost of some industrial products at home is making it difficult for U.S products to compete with foreign goods. The corporate sector, therefore, is either moving these industries overseas or is importing cheaper products from Mexico, China and other Asian countries. Unable to compete with foreign products, some industries are closing down. Attracted by higher wages in some occupations and expanding employment opportunities in Services, more people with high school diplomas and college educations are opting for employment in these occupations rather than looking for blue-collar jobs, thus further contributing to declining employment.

Services Occupations

Employment in Services occupations reflected a sharp annual growth of Employment Percentage Distribution 3.0 percent during 1987-1998 with its share of employment increasing to 14.3 percent of the total in 1998. Employment in the Services occupations is projected to continue to grow during 1998-2008, but at a slower pace with annual increases of about 2.76 percent. With this growth rate, the share of Services occupations is expected to increase to approximately 15.5 percent of total employment in 2008. It appears that the growth rate for some of these occupations, mainly hi-tech and computer related jobs, has peaked; the industries heavily invested in these occupations are adjusting to meet the new challenges and ever emerging demand for new products. This could be the reason why employment in these occupations is expected to grow at a slightly declining rate during 1998-2008.

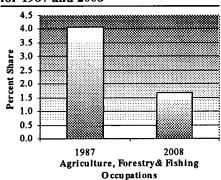
for 1987 and 2008



Agriculture, Forestry and Fishing

Employment in Agriculture, Forestry, Fishing and Related occupations showed a persistent declining trend during 1987-1998, with employment for these occupations decreasing at an annual average rate of 4.5 percent. As a consequence, the share of employment for agricultural occupations dropped significantly from 4.0 percent of total employment in 1987 to 1.9 percent in 1998, and this trend is expected to continue through 2008, dropping to a new low of about 1.7 percent of total employment. The downward trend has occurred because of the improvements in agricultural production technologies and resulting increases in productivity, thus reducing the number of people needed to do the same job. Also, because of the relatively lower wages in agriculture compared to earnings from some of the manufacturing, transport, construction and services jobs, some farmers and farm workers are lured away to more attractive jobs.

Employment Percentage Distribution for 1987 and 2008



Rapidly Changing Occupations

In such a changing job market situation, employment in some occupations is growing at a much faster pace, while in others it is rapidly declining (see table 1). Employment in Home Health Aide Workers and Child Care Workers increased many-fold (5-11 times) during 1987-1998. It appears that the aging population in North Carolina required more health aide workers to care for the elderly; while more child-care workers were needed for the growing child-care industry. Increasing female participation in the labor force is making it difficult for working women to look after their children themselves as they struggle to earn their day-to-day living. Employment of Systems Analysts increased 2-1/2 times during 1987-1998. Employment of Hand Packers and Packagers more than doubled during this period because of the expansion of the packaging industry, both for agricultural and industrial products. As the Service Industry grew, employment for Food Service and Lodging Managers also increased 2-1/2 times, while employment for Cooks for restaurants doubled in 1998.

Table 1: Employment in Selected Increasing Occupations

Occupations	1987-1998 Percent Increase	1998-2008 Percent Increase
1000		
Home Health Aide Workers	1,038.3	49.0
Child Care Worker	441.6	51.0
Systems Analyst	148.4	87.0
Hand Packers and Packagers	103.9	23.4
Food Service and Lodging Managers	142.7	33.9
Cooks for Restaurants	108.2	29.9
Registered Nurses	84.9	38.6
Nursing Aides & Orderlies	80.5	42.0
Teachers Pre-school & Kindergarten	110.3	37.1
Cashiers	74.2	24.4
Marketing Sales Supervisors	70.8	20.6
Maids & Housekeeping Cleaners	66.0	30.9

There are some occupations which are declining rapidly, because either the businesses in which such occupations existed are closing, or the need for such occupations is disappearing altogether. Employment in some textile related occupations is fast declining, as manufacturers of U.S. textile products are facing great difficulty competing with cheaper imported products from developing countries. This situation is created because of the relatively higher cost of labor (labor and benefits) at home. As a result, employment of Textile Draw-Out Machine Operators, Textile Machine Setters/Operators and Textile Machine Operators/Tenders decreased by 26-54 percent during 1987-1998. Employment of Sewing Machine Operators Garment/Non-Garment is also quickly disappearing because of the cheaper imports from overseas. In some cases, U.S suppliers of these products are either out-sourcing or are contracting to manufacture these garments in countries where the cost of labor is cheap and workers do not receive many benefits.

Table 2: Employment in Selected Declining Occupations

Occupations	1987-1998 Percent Decrease	1998-2008 Percent Decrease
Textile Draw-out Mach Operators/Tenders	54.4	29.3
Textile Machine Setters/Operators	36.6	17.0
Textile Machine Operators/Tenders	26.5	26.1
Sewing Mach. Operators Garments	58.4	21.9
Woodworking Machine Setters Excluding Sawing	20.5	20.9
Woodworking Machine Operator/Tenders Ex. Saw	11.9	21.6
Computer Operators Ex. Peripheral Equipment	22.2	24.6

As more furniture manufacturing moves outside the United States, jobs of Woodworking Machine Setters/ Operators and Tenders are also disappearing. Demand for employment in Computer Operators/ Ex. Peripheral occupations decreased by 22.2 percent during 1987-1998. Employment is also declining for some agricultural occupations, as 51,800 fewer people were working in Agricultural, Fisheries and Forestry jobs in 1998 versus in 1987.

Conclusion

North Carolina witnessed remarkable economic growth for most of 1975-2000, with the exception of two medium level recessions during 1981-1982 and 1990-1991, and until the recent slow-down of economic activity in early 2001 and 2002. Other than that, a steady economic growth led to an enormous expansion in employment in the state, nearly doubling to about 4.2 million in 2000 compared to 2.16 million in 1975. Aggregate employment is projected to further expand to about 4.86 million by 2008. During this period the unemployment rate in North Carolina dropped from a peak of 9.0 percent in 1982 to 3.2 percent in 1999, the lowest level in 25 years. Following cyclical business patterns, the latest unemployment rate hovers around 6.0 percent.

There have been some significant changes in employment patterns during this 25-year period. Employment in the Services industry, which provided 19 percent of the jobs in 1975, more than quadrupled to 1.55 million in 2000, or a little over 35 percent of total employment. Its share to total employment is further expected to increase to approximately 40 percent of the total by 2008. A significant growth in employment was also witnessed in Trade, FIRE, Construction, Government and TCU. In contrast, the share of employment in Manufacturing dropped sharply from 34.0 in 1975 to only 18.5 percent in 2000. Increasing automation both in manufacturing and agriculture, in contrast to the expanding Services sector, contributed to this decrease in the share of total employment in manufacturing. Employment in Agriculture reflected a declining trend, reducing its share of total employment from 10 percent in 1975 to 2.8 percent in 2000, as more attractive wages lured many workers to other sectors of the economy.

Noticeable changes in employment patterns in various occupational groups also occurred during 1987-1998. The share of total employment of white-collar occupations significantly increased from 46.1 percent in 1987 to 52.3 percent in 1998, while the employment of blue-collar occupations reflected a decline from 36.9 percent of total employment in 1987 to 30.6 percent in 1998. Employment in Agricultural occupations also dropped from 4.0 percent of total employment in 1987 to 1.9 percent in 1998.

In this changing employment situation, some occupations are growing faster than others. Employment for Home Health Aides, Child Care Workers, System Analysts, Hand Packers, Cooks, Nurses and Teachers, etc. is growing at an increased pace, while the demand for Textile Machine Operators/Tenders, Sewing Machine Operators, Woodworking Machine Setters/Operators and Agricultural Workers is steadily disappearing. This changing pattern of employment is expected to continue through 2008, though at declining rates.

Both short-term and long-term adjustments should encourage economic growth.

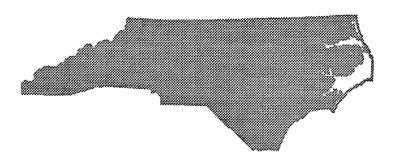
Education and training programs need to be aimed at occupations experiencing a shortage of skilled workers.

In view of the changing job situation, the economy is likely to undergo some adjustments. In the short-run, slow but steady economic recovery resulting from monetary, fiscal and budgetary policies of the Federal government (low prime rate and tax cut etc.) will encourage consumer spending and investments, and should create jobs and alleviate the current unemployment situation. In the long-run, a strong investment climate should stimulate economic and employment growth on a long-term basis, resulting in increased productivity and personal incomes, and contributing to the overall improvement and growth in most sectors of the state economy. However, some policy changes will be needed, both in private and public sectors, to create more job opportunities for the growing population and to absorb laid-off workers.

Likewise some changes will also be required in current educational and training programs to provide appropriate training and education for laid-off workers and others in the labor force to prepare them for the changing job market. Education and training programs need to be geared to provide greater opportunities for training of occupations which are expected to grow at a fast pace in the future. Severe shortages are currently felt for trained teachers, nurses, nursing aides, security related jobs and many other occupations. The demand for computer related jobs is also likely to re-emerge once the economy is back on a growth track.

The United States and North Carolina economies, in time, will adjust and expand to provide healthy employment growth and continued prosperity. However, the challenge is for those in positions of responsibility to assure the workforce that training is available to attain the job skills necessary to be productive in the changing job market situation of the future.

- ¹ RIS Release (25 years Outlook).
- ² Dr. Michael L. Walden, North Carolina State University.
- ³ The News & Observer, February 28, 2002.
- ⁴ Economist, July 2002.
- ⁵ Business Outlook, Business Week, July 15, and July 15, 2002.
- ⁶ The Wall Street Journal, August 14, 2002.
- ⁷ Includes precision production, craft, and repair occupations; machine operators and inspectors; transportation and moving occupations; handlers, equipment cleaners, helpers, and laborers; and service occupations.



Trade Adjustment Assistance in North Carolina

By Robert Bowles, Economist II—LMI Division

Congress has recently approved "trade promotion authority" to the President. This power, formerly known as "fast track" authority, allows the President to negotiate trade agreements that cannot be amended by Congress. The administration hopes to complete a Western Hemisphere pact by 2005, which would effectively extend NAFTA to the rest of Latin America. The bill includes a large expansion of aid to workers who are expected to be adversely affected by new trade agreements.

NAFTA may be extended to the rest of Latin America.

The debate over free trade in the United States has often pitted the winners from free trade against the losers. Those who benefit include:

- exporters
- businesses that use imported goods as inputs
- consumers, who pay lower prices for many products

The losers from trade include:

- companies and their employees who are forced out of business from foreign competition
- workers at plants that move overseas to take advantage of lower labor costs

Job losses in North Carolina's manufacturing industry have been North Carolina's manufacturing substantial in recent years. In June 2002, manufacturing employment industries have been adversely comprised 18% of total nonagricultural employment in the state; just affected by NAFTA. seven years earlier, manufacturing employed 25% of the state's nonagricultural workers. The traditional manufacturing base in textiles and apparel has been particularly hard-hit, but other industries such as furniture, transportation equipment, electrical and electronic equipment and industrial machinery have also experienced job losses. Many of the high-paying service jobs being created in North Carolina's economy today to replace those jobs require some formal educational training.

Most economists agree that the total value of the gains from free trade is much greater than the losses. However, the losses from trade are often more visible because they are concentrated on small groups of workers, while the benefits are distributed among a large number of individuals.

Ideally, some of the gains from trade can be used to compensate the losers, so that everyone is made better off. The federal government has created programs to provide job retraining and income support to those who have been adversely affected by such trade activities. programs, known as Trade Adjustment Assistance (TAA), are the subject of this article.

Trade Adjustment Assistance was created to offset the negative effects of free trade on workers and employers.

In this article, several issues related to federal TAA programs are reviewed, such as:

- types of programs offered
- amounts of funding provided to North Carolina's workers in recent years
- comparisons of program participation across states, and
- analysis of the types of companies that have received adjustment assistance in North Carolina in recent months.

Background of Trade Adjustment Programs

TAA, NAFTA-TAA and WIA provide federal funds for retraining of laid-off workers.

The Federal Trade Act of 1974 initiated TAA to help workers who were laid off or had their hours or wages reduced because their employer was adversely affected by increased imports. Further aid was provided under NAFTA: NAFTA-TAA (Transitional Adjustment Assistance) was extended to workers who had been affected specifically by increased import competition from, or production shifts to, Mexico or Canada. The benefits provided under TAA and NAFTA-TAA are similar.

For other workers who have been laid off and need retraining, federal funds are provided through the Workforce Investment Act (WIA). For example, workers who have been "indirectly" affected by NAFTA may receive WIA funds.

Types of Benefits Offered

There are three main types of benefits under TAA. The most important of these are direct unemployment compensation, called Trade Readjustment Allowances (TRA), that can be received for up to 52 weeks while eligible workers are attending approved training programs. Such programs include occupational development, basic skills and "English as a second language" classes.

Trade adjustment programs offer a variety of benefits to eligible workers.

TRA benefits are equal to the weekly benefits allowed in the state's unemployment insurance (UI) program. Currently, in North Carolina the weekly benefit is one-half of the individual's highest quarterly earnings in either the first four of the last five quarters or the last four quarters divided by 13, up to \$408 per week. A worker becomes eligible for TRA after s/he has exhausted UI benefits, which generally last for 26 weeks.

Eligible workers may also receive the cost of up to two years of a training program, including tuition, books and fees. Job search and relocation expenses are also available.

All these services are provided through North Carolina's Employment Security Commission offices. However, no state unemployment insurance funds are used to pay TAA or NAFTA-TAA benefits.

Apart from the above programs, the federal government also provides financial assistance to manufacturers affected by import competition. Under this program, the federal government pays half the cost of consulting projects that improve a manufacturer's competitiveness, such as new production techniques, marketing and information system investments. Companies in North Carolina can receive these services from the Southeastern Trade Adjustment Assistance Center, which is operated by Georgia Tech.

Interstate Comparisons of TAA and NAFTA-TAA Coverage

According to the Department of Labor (DOL), the industries with the most workers covered by certifications for TAA between October 1, 1996 and September 30, 2001 have been apparel, electrical and electronic equipment, transportation equipment, industrial machinery and computer equipment and textiles.

Assistance is also available to manufacturers through these federal programs.

Table 1 shows the ten states with the greatest number of workers covered by TAA between October 1, 1996 and September 30, 2001. North Carolina had the highest number of workers (48,405), followed by Texas, Pennsylvania, Tennessee and Alabama. The number of workers covered represents employer estimates of the number of workers who would be eligible to receive assistance, not the number who actually seek assistance.

Table 1: States with the Greatest Estimated Number of Workers Covered by Trade Adjustment Assistance, October 1, 1996 – September 30, 2001

State	Number of Certifications	Estimated Number of Workers Covered*
North Carolina	311	48,405
Texas	477	47,743
Pennsylvania	478	40,165
Tennessee	270	31,561
Alabama	190	29,316
California	196	28,053
Georgia	201	25,826
New York	328	25,398
Ohio	144	20,902
Virginia	147	18,541

Source: U.S. Department of Labor *Based on employer estimates.

Table 2 reveals a similar breakdown of the workers eligible for NAFTA trade assistance. Again, North Carolina tops this list. It should be noted that often a company will receive certification under both programs, so some workers may be counted in both of these tables. It is also noteworthy that Texas has more establishments certified for TAA and NAFTA-TAA. However, these companies employed fewer workers in total than those affected in North Carolina.

Table 2: States with the Greatest Estimated Number of Workers Covered by NAFTA Transitional Adjustment Assistance, October 1, 1996 – September 30, 2001

State	Number of Certifications	Estimated Number of Workers Covered*
North Carolina	219	32,046
Texas	240	25,980
Pennsylvania	193	22,229
California	137	18,365
Georgia	98	13,791
Tennessee	111	13,750
New York	114	12,842
Michigan	89	11,656
Indiana	64	11,299
Virginia	65	10,128

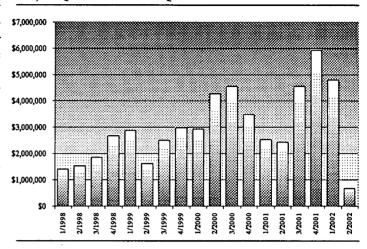
Source: U.S. Department of Labor

^{*}Based on employer estimates.

TAA Expenditures in North Carolina between 1998 and 2002

Figure 1 shows the amount of Basic Trade Readjustment Allowances paid out quarterly in North Carolina between 1998 and the second quarter of 2002. Basic TRA covers the first 26-week period of recipiency. These data include payouts under both TAA and NAFTA-TAA. (During this period, the training requirement may be waived under certain conditions, such as the availability of training programs.) The total amount paid out between 1998 and the second quarter of 2002 was \$53,542,119. As shown in the graph, there has been an upward trend in these expenditures. However, the economic downturn may explain the higher levels of spending in 2001 and 2002.

Figure 1: Quarterly Amounts Paid Out in Basic TRA in NC, 1st Quarter 1998-2nd Quarter 2002



The lower expenditures in the second quarter of 2002 are due to individuals becoming eligible to receive Temporary Extended Unemployment Compensation (TEUC). This program, which began in late March 2002, extended benefits for up to 13 weeks to individuals who had exhausted their regular unemployment benefits. Under federal guidelines, individuals receiving TRAs must exhaust all regular benefits and extended benefit payments.

On average, 1,280 workers were determined to be entitled to receive TRAs each quarter during this time period. The first quarter of 2002 had the highest number (2,850).

Figure 2 shows the payouts for additional weeks of Trade Readjustment Allowances. This covers the second 26-week period. Recipients must be enrolled in TAA-approved training during this period. Total expenditures between 1998 and the first quarter of 2001 were \$25,679,380. As with Basic TRA, there was a large increase in additional weeks of TRA spending in 2001. The decline in expenditures between the first quarter of 2002 and the second quarter of that year is due to the extension of benefits under TEUC, as explained above.

The expenditures on training provided to workers in North Carolina by TAA and NAFTA-TAA are shown in Figure 3. Expenditures between the first quarter of 1998 and the second quarter of 2002 totaled over \$14.5 million. There is clearly an upward trend in these expenditures over the last several quarters. The fourth quarter of 2001 and the first and second quarters of 2002 had atypically high levels of spending. There was approximately a 67% increase in the number of beneficiaries of this program over the previous three quarters.

Figure 2: Quarterly Amounts Paid Out in Additional Weeks of TRA, 1st Quarter 1998-2nd Quarter 2002

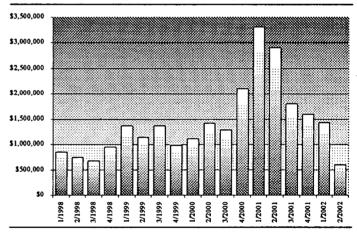
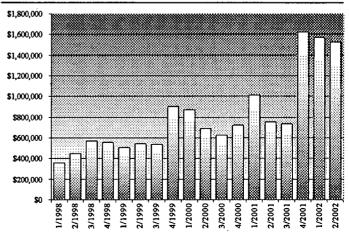


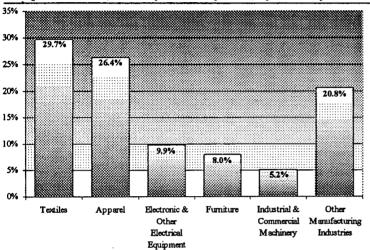
Figure 3: Quarterly Amounts of Training-Related Costs, 1st Quarter 1998-2nd Quarter 2002



Industry and Geographic Distribution of North Carolina Companies Receiving TAA

The analysis in this section identifies some common characteristics of the companies that had been certified to receive TAA in North Carolina between the beginning of 2001 and May 2002. Basic data on the companies that submit TAA and NAFTA-TAA petitions are supplied by DOL's Employment and Training Administration (ETA). These data can be accessed on the Internet at the department's website: wdsc.doleta.gov. Unfortunately, the number of workers who were affected at each company was not included in the data, so the companies could not be weighted by their relative sizes.

Figure 4: Distribution of TAA and NAFTA-TAA Certified Companies in NC, January 2001-July 2002, by Industry



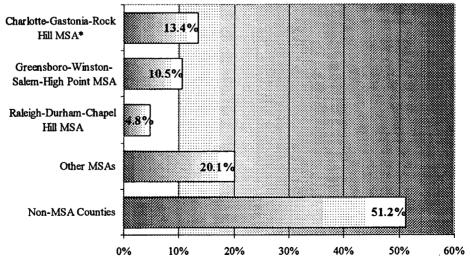
According to the ETA data, 109 companies in North Carolina were certified to receive TAA in 2001, while 75 companies were certified in the first seven months of 2002. There were 85 NAFTA-TAA certifications during this time period. However, 57 of these were also certified under TAA. Of the remaining, 18 were certified in 2001 and 10 were certified in the first seven months of 2002.

All of the companies certified in North Carolina in 2001 and 2002 were classified as manufacturing operations. As Figure 4 shows, the textiles and apparel industries had the largest number of companies certified; together, they accounted for over half the firms. Among the industries in the "Other" category are

instruments; chemicals & allied products; lumber & wood products, except furniture; rubber & plastics; leather products; and primary metals.

Figure 5 shows the geographic distribution of companies receiving TAA certification in 2001 and 2002. The three largest metropolitan statistical areas (MSA) in North Carolina accounted for approximately 29% of the worksites. Among the smaller MSAs, Hickory-Morganton had the largest number (9% of all certifications). Significantly, over half the worksites were in non-metropolitan area counties. Workers in these less economically-diversified rural counties may have fewer career and training opportunities.

Figure 5: Distribution of TAA and NAFTA-TAA Certified Companies in NC, January 2001-July 2002, by Metro Area



TAA Program Performance Measures

Table 3 outlines the goals set and outcomes achieved for North Carolina's TAA participants for the 2001 program year (October 1, 2000 through September 30, 2001). Seventy-one percent of the participants were reemployed one quarter after they exited the program. This was just shy of the goal. The participants exceeded the goal for the percentage employed after three quarters.

Table 3: Trade Act Performance Goals for North Carolina

	PY 2001 Goal	Actual Results
Employed One Quarter after Exit	73%	71%
Employed Three Quarters after Exit	80%	90%
Wages Replaced in Third Quarter after Exit	82%	. 88%

North Carolina participants in the TAA programs also surpassed the goal of replacing 82% of their "trade-affected" wage. The trade-affected wage is the wage earned by an individual at the company that was certified to receive trade assistance. Participants earned, on average, 88% of this wage in the third quarter after exiting the program.

Conclusion

Over 200 worksites in North Carolina have been certified by either TAA or NAFTA-TAA since the beginning of 2001. This allows the employees of these companies to receive program benefits, including income support during participation in training programs and subsidies for training costs, relocation expenses, and job search costs.

Total expenditures on these programs in North Carolina have exceeded \$93.5 million between 1998 and the second quarter of 2002. Over 21,000 workers in the state were determined entitled to receive Trade Reemployment Allowances during this period.

Over 55 percent of the worksites receiving certification since the beginning of 2001 were in either the textiles or apparel industry. Over half the worksites were located in rural counties in the state.

The "trade promotion authority" legislation recently passed by Congress includes extensions of the TAA programs, as well as subsidized health insurance to trade-affected workers. In addition, workers over the age of 50 who are displaced by trade and accept lower-paying jobs may be offered wage subsidies.

As the United States moves forward with trade deals with many countries, including the creation of a Free Trade Area of the Americas that will extend NAFTA to many other Latin American countries by 2005, the TAA and related programs will help offset some of the losses of displaced workers.

However, responsibility lies with local workforce development boards and other governmental organizations to ensure the training necessary to the displaced worker is provided so that each will be able to find productive employment in the future.

LMI Happenings: News from the LMI Division of ESC

Industry Employment and Wages Data

Starting late September 2002, the Industry Employment and Wages section of the LMI link on the ESC website will be upgraded. The LMI user will no longer be limited to viewing static pages of county and statewide industry data. This new application will allow the user to select specific elements to actually query the database for the desired data. Some of the new features include: selecting data by Economic Development Region and Workforce Development Board, a link to national data, the ability to select by any employment range and any or all NAICS codes, and the capability to download the entire requested dataset. Initially any data after fourth quarter 2000 will be available to query. Eventually the LMI user will be able to select data from a historical file going back to 1990 in the same way the most recent figures are selected. This dynamic website will allow the user of LMI data to easily access and manipulate industry data.

LMI Investigating Analysis of Covered Employment and Wages Data Utilizing Geographic Information Systems

Over the past few years, interest in and use of Geographical Information Systems (GIS) for analysis of all types of data has grown exponentially. In the simplest terms, a GIS is a system which links information about an object or entity, such as an employer, with its geographical location. These systems offer the ability to expand analyses to another level, by incorporating spatial considerations, as well as providing new ways to visualize data (via maps) and enabling of analysis at (almost) any geographical level.

The Labor Market Information Division is participating in a pilot project, sponsored by the Bureau of Labor Statistics, to explore integration of geographical references with the data collected as part of the Covered Employment and Wages (CEW) program. The purpose of this project is to explore development of a GIS based on the most comprehensive source of data regarding employment and wages. As part of this project, the Division will develop tools and methods to geocode the CEW data, which includes identification the physical locations (e.g. addresses) of employers and translation of these addresses into geographical references. The final phase of the project will be to explore methods of exploiting the GIS to enhance and improve labor market analysis, potentially including the development of mapping tools and sub-county area labor market analysis products.

Labor Market Information Division

The mission of the Labor Market Information Division is to enhance and provide economic data on the state of North Carolina and all local areas. With a staff of 70+ economists, statisticians, analysts and assistants, the LMI Division provides data on.

Labor Force
Labor Supply
Industry Data
Occupational Data
Common Follow-Up System
ES/UI Reporting
Outreach and Training
Special Reporting
Internet

There are several web-based products and multiple sources for labor market information that can be accessed from the Employment Security Commission's website www.ncesc.com. For more information about these products and services or for training or a demonstration on the LMI Division's Webbased products, please contact the LMI Division by e-mail at esc.lmi.inquiries@ncmail.net or by phone at (919)733-2936.

ESC On-Line: www.ncesc.com

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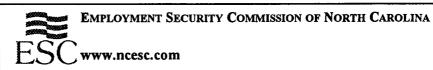
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September 2002



MINUTES

HOUSE COMMITTEE ON ECONOMIC GROWTH & COMMUNITY DEVELOPMENT

March 12, 2003

The House Committee on Economic Growth & Community Development met on Wednesday, March 12, 2003 in Room 1228 of the Legislative Building at 1:00 P.M. The following members were present: Rep. Connie Wilson, Chair, Vice-Chair John Sauls, Representatives Decker, Dickson, Dockham, Farmer-Butterfield, Goforth, Parmon, Rayfield, Rhodes, Stam, and West. The Visitor Registration sheet indicates visitors present and is attached as a part of the record.

Having a quorum, the meeting was called to order at 1:02 P.M. by Rep. Connie Wilson, Chair. She recognized the pages, Megan Stone and Katie Peppin, who were assigned to the meeting. She stated that today's meeting would be a continuation from last week's overview of the labor market.

Rep Wilson recognized Tom Whitaker, Deputy Chairman of the Employment Security Commission and Lockhart Taylor Assistant to the Deputy Chairman of the Employment Security Commission. Mr. Whitaker gave comparisons for selective months, indicating a dramatic increase in unemployment in North Carolina. North Carolina had a wonderful record beating economy for 10 years, and this came to a halt in 2000. This week we paid \$12,000,000 to 48,000 individuals in NC. Paying out over \$100,000,000 a month, times 12 is1.2 billion dollars. We are number seven (7) in the nation with high unemployment rates.

There were handouts prepared by Mr. Taylor, regarding the subject, distributed to members who did not receive one at the previous meeting. See attachment # 1 from March 5, 2003 meeting minutes.

Representative Wilson thanked Mr. Taylor and Mr. Whitaker for his presentation and recognized the members of the committee for questions and comments.

There being no further business, Rep. Wilson adjourned the meeting at 1:45 P.M.

Representative Connie Wilson

Chair

Chris Floyd

Committee Assistant

Attachments:

Agenda Meeting Notice Attendance Record Visitor Registration List

NORTH CAROLINA HOUSE OF REPRESENTATIVES COMMITTEE MEETING NOTICE AND BILL SPONSOR NOTIFICATION 2003-2004 SESSION

You are hereby notified that the Committee on ECONOMIC GROWTH & COMMUNITY DEVELOPMENT will meet as follows:

• • • • • • • • • • • • • • • • • • • •	
DAY & DATE:	March 12, 2003
TIME:	1:00 PM
LOCATION:	ROOM 1228 LB
Continuation – O	verview of Labor Market – Lockhart Taylor Asst. to the Deputy Chairman of ESC
	Respectfully, Representative Connie Wilson Chair
I hereby certify this 1:00 on March 11	s notice was filed by the committee assistant at the following offices a , 2003.
	al Clerk g Clerk - House Chamber
Chris Floyd (Comr	mittee Assistant)

AGENDA

HOUSE COMMITTEE ON ECONOMIC GROWTH & COMMUNITY DEVELOPMENT

March 12, 2003 Room 1228 LB 1:00 p.m.

CALL TO ORDER

Representative Connie Wilson, Chair

OPENING REMARKS

Representative Connie Wilson Chair

AGENDA ITEMS

Continuation - Overview of Labor Market - Lockhart Taylor
Assistant to the Deputy Chairman of ESC

FUTURE MEETINGS

Representative Connie Wilson, Chair

ADJOURNMENT

VISITOR REGISTRATION SHEET

Economic Growth & Community Development

March 12, 2003

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
DAUD BARNET	Poyner - Spaniel Cel
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Charlotte Graham	NCGA
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VISITOR REGISTRATION SHEET

Economic Growth & Community Development

March 12, 2003

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

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Rep Bll Woughtrity	
Rep Corolys Justice	
Rep Bill Milee	
Sharon Miller	CUCA
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Marthu Blan	NC Dai.CS
May Thomsen	REBIC
Cendefleande	NCAR-RCA
Julie Alle	NC Statematch
Reste Belas on	NCCB2

MINUTES

HOUSE COMMITTEE ON ECONOMIC GROWTH & COMMUNITY DEVELOPMENT

March 19, 2003

The House Committee on Economic Growth & Community Development met on Wednesday, March 19, 2003 in Room 1228 of the Legislative Building at 1:00 P.M. The following members were present: Rep. Connie Wilson, Chair, Vice-Chair John Sauls, Vice-Chair Jim Harrell, Representatives Dickson, England, Farmer-Butterfield, Frye, Goforth, Hunter, Parmon, Rayfield, Rhodes, and Stam. The Visitor Registration sheet indicates visitors present and is attached as a part of the record. Dusty Rhodes and Bill Freeman, Sergeant-at-Arms were present.

Rep. Connie Wilson, Chair, called the meeting to order at 1:05 P.M. She recognized the pages, Eric McCombs and Jessica Cosgriss, who were assigned to the meeting. She stated that her goal is to make a difference, as legislators, instead of waiting for administration to do what needs to be done. Our staff is going to look at the process, making sure that we are now doing what is in our statutes or if we need to modify them.

Rep Wilson recognized Karen Cochran Brown, Staff Attorney. Mrs. Cochran Brown presented some historical information from ten years ago, an overview of GPAC recommendations on the strategic planning process for economic development. GPAC's definition of economic development is "those activities conducted for the express purpose of increasing and maintaining the economic vitality in North Carolina. The activities include industrial and business recruitment, business retention, facilitate business creation, small business assistance, job training and work force preparedness" (Attachment #1).

Rep. Wilson recognized Walker Reagan, Staff Attorney. Mr. Reagan reviewed the General Assembly's response to GPAC by the strengthening of the ED board and requiring the Strategic Plan. The law said the Economic Development Board should prepare a four-year comprehensive strategic economic development plan and this plan was to be updated annually so you have a continuing role in the four-year plan. There were handouts prepared by out staff attorneys distributed to all members present (Attachment #2).

James Fain, Secretary of Department of Commerce, introduced by Rep. Wilson reviewed how Board has actually implemented or operates under the statutes. The Board organized in to seven committees to undertake research, evaluation and creation of the components for the new plan. It built the plan around some basic concepts for implementing the plan. First of all it needs to improve North Carolinas competitiveness, that it would promote regionalism but with a clear central leadership focus, that it would

cultivate collaborative relationships. The seven committees organized their plans around four cornerstones. Global competitive workforce, building strong communities prepared for economic development success, investing in science and technology university outreach and maintaining and strengthening North Carolina business climate and its services to companies that create jobs in or State.

Goal 1 is to development an outstanding education system and highly qualified work force.

Goal 2 is to establish an aggressive and coordinated state of agenda of investment in research support for technology development and transfer and effective use of university outreach.

Goal 3 is to insure a competitive environment for the recruitment and retention of business capital investments and job reaction.

Goal 4 is to create strong metropolitan growth centers that generate regional business development, shares prosperity and a high quality of life in partnership with surrounding areas.

Goal 5 is to develop striving rural areas and maintain a high quality of life.

Goal 6 is to develop a comp

Goal 7 is to develop strong tourism in sports industries to preserve, protect and promote our states cultural, natural and heritage assets.

Representative Wilson thanked Mr. Reagan, Mrs. Cochran-Brown and Sec. Fain for their presentation and recognized the members of the committee for questions and comments.

There being no further business, Rep. Wilson adjourned the meeting at 1:55 P.M.

Representative Connie Wilson

Chair

Chris Floyd

Committee Assistant

Attachment 1
Attachment 2
Agenda
Meeting Notice
Attendance Record
Visitor Registration List

AGENDA

HOUSE COMMITTEE ON ECONOMIC GROWTH & COMMUNITY DEVELOPMENT

March 19, 2003 Room 1228 LB 1:00 p.m.

CALL TO ORDER

Representative Connie Wilson Chair

OPENING REMARKS

Representative Connie Wilson Chair

AGENDA ITEMS

Review of Statutory Requirements for Economic Development
Karen Cochrane-Brown, Staff
Walker Reagan, Staff
Don Hobart, N.C. Dept. of Commerce

ADJOURNMENT

NORTH CAROLINA HOUSE OF REPRESENTATIVES **COMMITTEE MEETING NOTICE AND BILL SPONSOR NOTIFICATION** 2003-2004 SESSION

•	EVELOPMENT will meet as follows:
DAY & DATE:	March 19, 2003
TIME:	1:00 PM
LOCATION:	ROOM 1228 LB
Review of Statuto	ry Requirements for Economic Development Karen Cochrane-Brown, Staff Walker Reagan, Staff
	Respectfully, Representative Connie Wilson Chair
I hereby certify this 2:30 on March 13,	s notice was filed by the committee assistant at the following offices at , 2003.
Principa Reading	al Clerk g Clerk - House Chamber

Chris Floyd (Committee Assistant)

Haren Cockren Brown attachment #1

HISTORICAL OVERVIEW OF GPAC RECOMMENDATIONS ON THE STRATEGIC PLANNING PROCESS FOR ECONOMIC DEVELOPMENT

Introduction

- 1. In 1991, the General Assembly mandated a performance audit of all State operations. (Chap. 689, sec. 347 of the 1991 Session Laws)
 - ➤ To oversee the audit, the General Assembly created the Government Performance Audit Committee (GPAC). It was co chaired by the Speaker of the House and the Pres. Pro Tempore of the Senate and included 27 members from private and public sector.
 - ➤ The Legislative Services Commission was directed to contract for a comprehensive performance audit of the Executive branch of State government. The management consulting firm KPMG Peat Marwick was hired to conduct the audit and issued a number of issue papers and reports including the final report of February 1993.

Economic Development Issues

- 1. The analysis of economic development began with the Strategic Planning Process. GPAC defined economic development as those activities conducted for the express purpose of increasing and maintaining the economic vitality of North Carolina, including:
 - > Industrial / business recruitment
 - > Business retention
 - > Facilitating business creation
 - > Small business assistance
 - > Job training and workforce preparedness
 - > Investment in infrastructure

Finding # 1. North Carolina has an inadequate plan for statewide economic development.

1. The economic development board was charged with advising the Secretary of Commerce on the formulation of a program for economic development.

2. In 1985, the board. published a "Blueprint for Economic Development", which was updated in 1989. It contained a series of strategies and initiatives but did not provide useful policy and planning tools.

Finding # 2. NC's key economic development players did not believe NC had an adequate plan for statewide economic development.

Focus group of 29 participants from business, public and nonprofits agreed that there was no intergrated strategic plan, that any existing plans are not well understood, that any existing plan did not address the needs.

Finding # 3. Some economic development organizations in North Carolina have developed plans, but these plans do not represent an integrated approach.

1. Rural Economic Development Center a state funded nonprofit published a strategic plan, as did the Governor's Commission on Workforce Preparedness, but there was no integrated, comprehensive and well articulated statewide plan.

Recommendation #1. The General Assembly should revise the general statutes to require specifically that a statewide plan for ED be developed and updated on a regular basis.

Results

- 1. Provides the many agencies involved in ED with a focused direction for programs and priorities.
- 2. Provides GA with guidelines for where most effectively to focus appropriations.

Recommendation # 2. The State should establish an ED Council to replace the current ED Board.

<u>Results</u>

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1. Provides the agencies and the GA with performance indicators against which to monitor agencies performance, and reappropriate funds accordingly.

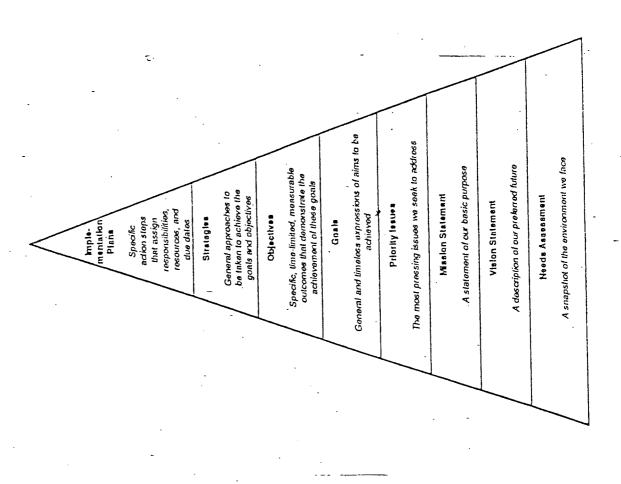
Recommendation #3. Establish a small planning unit in the DOC to support the Department's ongoing role in planning.

Results

- 1. Provides assurance that various agencies involved in economic development are not conducting similar programs or serving at cross-purposes with one another.
- 2. Provides greater focus to economic development and should significantly enhance State revenues through increases to the tax base.

GPAC also conducted an independent analysis of state appropriations to economic development, based on data provided by the State Budget Office, They found that the State spent about \$80 million a year on appropriations for economic development (excluding Agricultural Extension Service of the UNC System) in FY 1992.

Strategic Plan Components



1991-93 APPROPRIATIONS ACT [pertinent part] House Bill 83, ratified as Chapter 689 of the 1991 Session Laws

STATE GOVERNMENT PERFORMANCE AUDIT

Sec. 347. (a) The Legislative Services Commission shall contract for a performance audit of the executive branch of State government and a performance audit of the staff of the legislative branch of State government. The Legislative Services Commission shall report the results of these audits to the 1993 General Assembly on or before February 1, 1993.

The performance audit in the executive branch shall include an examination of the efficiency and effectiveness of major management policies, practices, and functions across all executive branch agencies, including the following areas:

- (1) Planning, budgeting, and program evaluation policies and practices.
- (2) Personnel systems operations and management.
- (3) State purchasing operations and management. policies and practices.
 - (2) Personnel systems operations and management.
 - (3) State purchasing operations and management.
 - (4) Information processing and telecommunications systems policy, organization, and management.
 - (5) Organizational and staffing patterns, especially in terms of the ratio of managers and supervisors to nonmanagement personnel.

Performance audits in executive branch agencies may examine entire departments, agencies, or institutions, or similar programs in several departments.

(b) There is appropriated from the General Fund to the General Assembly the sum of three million dollars (\$3,000,000) for the 1991-92 fiscal year to contract for the performance audits required by this section. These funds shall not revert at the end of the 1991-92 fiscal year but shall remain available for expenditure in the 1992-93 fiscal year for the performance audits required by this section. The funds appropriated from the General Fund in this subsection are from the proceeds of the North Carolina Corporation Income Tax.

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PRIOR TO JULY 1993

Board Makeup:

26 members

- 23 appointed by Governor
- Secretary of Commerce ex officio
- President of the Senate, or designee ex officio
- Speaker of the House, or designee ex officio

Duties

To advise the Secretary of Commerce on:

- (1) The formulation of a program for the economic development of the State of North Carolina.
- (2) The formulation of a budget and the hiring of the head of each division of the Department of Commerce concerned with the expansion of the travel and tourism industry.

PRINCIPLES BEHIND 1993 ECONOMIC DEVELOPMENT STRATEGY CHANGES

- The General Assembly wanted to identify a single economic development policy development and planning source, independent of any particular agency with no funding conflict of interest or turf concerns for long range economic development planning and implementation.
- The General Assembly wanted the Board to advise:
 - o The Governor
 - o The General Assembly
 - o Secretary of Commerce
- Duties:
 - o Coordinate State economic development efforts
 - o Recommend allocation of fiscal resources (appropriations) for all economic development efforts.
 - o Develop and evaluate long-range economic development plans annually.
- Expectations of the Board:
 - o Identify where NC stands.
 - o Identify what the economic development needs are.
 - o Identify where NC wants to economically in the future.
 - o Establish goals to be achieved to get to that end.
 - o Establish a strategy to meet the goals.
 - o Implement the plan by identifying who does what and how much money should each of the programs and players get.
 - o Evaluate the effectiveness of each step and adjust the plan accordingly.

ECONOMIC DEVELOPMENT BOARD AND COMPREHENSIVE STRATEGIC ECONOMIC DEVELOPMENT PLAN

ECONOMIC DEVELOPMENT BOARD

G.S. 143B-434

Duties:

- (1) To provide economic and community development **planning** for the State.
- (2) To recommend **economic development policy** to the Secretary of Commerce, the General Assembly, and the Governor.
- (3) To recommend annually to the Governor biennial and annual appropriations for economic development programs.
- (4) To develop and update annually a comprehensive strategic economic development plan, as provided in G.S. 143B-434.1.

Board Makeup

Expandich to

- 37 members serving 4-year staggered terms.
- 23 members appointed by the Governor Including 1 representative of a nonprofit economic development corporation and 2 county economic development representatives.
- 4 members of the House of Representatives appointed by the Speaker.
 - 4 members of the Senate appointed by the President Pro Tempore

Lieutenant Governor

Secretary of Commerce - to serve as Board secretary

Secretary of State

President of UNC (or designee)

President of the Community College System (or designee)

Secretary of Revenue (nonvoting)

Advice and Staff to Board

Supplied by Department of Commerce, Department of Agriculture, Employment Security Commission, Department of Labor and Department of Transportation.

COMPREHENSIVE STRATEGIC ECONOMIC DEVELOPMENT PLANG.S. 143B-434.01

Duty:

The Economic Development Board shall prepare a 4-year Comprehensive Strategic Economic Development Plan. The Plan is to be updated annually to insure a continuous 4-year rolling plan

Plan Purpose

- (1) Set priority economic development objectives.
- (2) Effect utilization of available and limited resources.
- (3) Establish a commitment to achieve priority objectives and to sustain the process.

Plan Development Process

- (1) Develop and maintain an economic environment scan (i.e. what does the economic environment of NC look like?)
- (2) Prepare an economic development needs assessment.
- (3) Adopt vision and mission statements
 - (a) Vision statement the preferred future for North Carolina and what North Carolina would be like if all economic development efforts were successful.
 - (b) Mission statement outline of the basic purpose of each of North Carolina's economic development programs.
- (4) Formula Goals and Objectives
 - (a) Goals long-range, four years or more. Address both needs of economically distressed regions and counties and opportunities for nondistressed regions and counties. The goals should be realistic but should also encourage every region and county to develop to its maximum potential.
 - (b) Objectives one year or less in scope. If achieved, should lead to the realization of the goals formulated by the Board.
- (5) Formulation of economic development strategy to achieve the goals and to direct the resources towards goals and objectives.
- (6) Implementation Plan assign responsibilities to agencies and parties to meet the objectives i.e. who does what?
- (7) Annual evaluation measuring results as a comparison of actual results with stated goals and objectives and significant and meaningful statistics to allow policymakers to adjust strategy and tactics as necessary to achieve the formulated goals.

RELEVANT GENERAL STATUTES

Part 2. Economic Development.

§ 143B-434. Economic Development Board - creation, duties, membership.

- (a) Creation and Duties. There is created within the Department of Commerce an Economic Development Board. The Board shall have the following duties:
 - (1) To provide economic and community development planning for the State.
 - (2) To recommend economic development policy to the Secretary of Commerce, the General Assembly, and the Governor. The recommendations may cover the following issues as well as any other economic development policy issues:
 - a. Use of tax abatements and other incentives to motivate economic development.
 - b. Definition of which specific activities and programs should be considered economic development activities and programs for the purpose of receiving State appropriations.
 - c. The role of institutions of higher education in economic development.
 - d. The use of State funds to leverage private nonprofit economic development initiatives.
 - e. The linkage of workforce preparedness activities and initiatives, and economic development planning.
 - (3) To recommend annually to the Governor biennial and annual appropriations for economic development programs.
 - (4) To develop and update annually a comprehensive strategic economic development plan, as provided in G.S. 143B-434.1.

The Board shall meet at least quarterly at the call of its chair or the Secretary. Each quarter the Secretary shall report to the Board on the program and progress of this State's economic development.

(b) Membership. — The Economic Development Board shall consist of 37 members. The Secretary of Commerce shall serve ex officio as a member and as the secretary of the Economic Development Board. The Secretary of Revenue shall serve as an ex officio, nonvoting member. Four members of the House of Representatives appointed by the Speaker of the House of Representatives, four members of the Senate appointed by the President Pro Tempore of the Senate, the President of The University of North Carolina, or designee, the President of the North Carolina Community College System, or designee, the Secretary of State, and the President of the Senate (or the designee of the President of the Senate), shall serve as members of the Board. The Governor shall appoint the remaining 23 members of the Board. Effective with the terms beginning July 1, 1997, one of the Governor's appointees shall be a representative of a nonprofit organization involved in economic development and two of the Governor's appointees shall be county economic development representatives. The Governor shall

designate a chair and a vice-chair from among the members of the Board. Appointments to the Board made by the Governor for terms beginning July 1, 1997, and appointments to the Board made by the Speaker of the House of Representatives and the President Pro Tempore of the Senate for terms beginning July 9, 1993, should reflect the ethnic and gender diversity of the State as nearly as practical.

The initial appointments to the Board shall be for terms beginning on July 9, 1993. Of the initial appointments made by the Governor, the terms shall expire July 1, 1997. Of the initial appointments made by the Speaker of the House of Representatives and by the President Pro Tempore of the Senate two appointments of each shall be designated to expire on July 1, 1995; the remaining terms shall expire July 1, 1997. Thereafter, all appointments shall be for a term of four years.

The appointing officer shall make a replacement appointment to serve for the unexpired term in the case of a vacancy.

The members of the Economic Development Board shall receive per diem and necessary travel and subsistence expenses payable to members of State Boards and agencies generally pursuant to G.S. 138-5 and G.S. 138-6, as the case may be. The members of the Economic Development Board who are members of the General Assembly shall not receive per diem but shall receive necessary travel and subsistence expenses at rates prescribed by G.S. 120-3.1.

- (c) Advice and Staff. The Secretaries of Administration, State, and Transportation, the Commissioners of Agriculture and Labor, and the State Treasurer, or their designees, shall advise the Board on economic development activities within the responsibility of their respective departments. Clerical and professional staff support to the Economic Development Board shall be provided by an Interagency Economic Development Group composed of representatives of the following State agencies:
 - (1) The Department of Administration.
 - (2) The Department of Agriculture and Consumer Services.
 - (3) The Employment Security Commission.
 - (4) The Department of Labor.
 - (5) The Department of Transportation.

The Department of Commerce shall have the responsibility for coordinating the activities and efforts of the Interagency Economic Development Group. (1977, c. 198, s. 1; 1981, c. 47, s. 6; 1981 (Reg. Sess., 1982), c. 1191, s. 18; 1983, c. 717, s. 83; 1989, c. 751, ss. 7(29), 9(c); 1991 (Reg. Sess., 1992), c. 959, s. 85; c. 1038, s. 22; 1993, c. 321, s. 313(a); c. 561, s. 12; 1993 (Reg. Sess., 1994), c. 773, s. 15.1; 1997-261, s. 105; 2001-487, s. 32; 2001-513, s. 13.)

§ 143B-434.01. Comprehensive Strategic Economic Development Plan.

- (a) Definitions. The following definitions apply in this section:
 - (1) Board. The Economic Development Board.
 - (2) Department. The Department of Commerce.
 - (3) Economic distress. The presence of at least one trend indicator or at least one status indicator:
 - a. Trend indicators:
 - 1. Weighted average age of industrial plants exceeding statewide average age.

- 2. Loss of population over the most recent three- to five-year period.
- 3. Below average job growth over the most recent three-to five-year period.
- 4. Outmigration over the most recent three- to five-year period.
- 5. Decline in real wages over the most recent three- to five-year period.
- 6. Above average rate of business failures over the most recent three- to five-year period.
- b. Status indicators:
 - 1. Per capita income below the State average.
 - 2. Earnings or wages per job below the State average.
 - 3. Unemployment above the State average.
 - 4. Poverty rate above the State average.
 - 5. Below average fiscal capacity.
- (4) Plan. The Comprehensive Strategic Economic Development Plan.
- (5) Region. One of the major geographic regions of the State defined in the Plan as an economic region based on compatible economic development factors.
- (b) Board to Prepare Plan. The Board shall prepare the Plan by April 1, 1994. The Board shall review and update this Plan by April 1 of each year. The original Plan shall cover a period of four years and each annual update shall extend the time frame by one year so that a four-year plan is always in effect. The Board shall provide copies of the Plan and each annual update to the Governor and the Joint Legislative Commission on Governmental Operations. The Plan shall encompass all of the components set out in this section.
- (c) Purpose. The purpose of this section is to require the Board to apply strategic planning principles to its economic development efforts. This requirement is expected to result in:
 - (1) The selection of a set of priority development objectives that recognizes the increasingly competitive economic environment and addresses the changing needs of the State in a more comprehensive manner.
 - (2) The effective utilization of available and limited resources.
 - (3) A commitment to achieve priority objectives and to sustain the process.
 - (d) Public and Private Input. -
 - (1) At each stage as it develops and updates the Plan, the Board shall solicit input from all parties involved in economic development in North Carolina, including:
 - a. Each of the programs and organizations that, for State budget purposes, identifies economic development as one of its global goals.
 - b. Local economic development departments and regional economic development organizations.

- c. The Board of Governors of The University of North Carolina.
- (2) The Board shall also hold hearings in each of the Regions to solicit public input on economic development before the initial Plan is completed. The purposes of the public hearings are to:
 - a. Assess the strengths and weaknesses of recent regional economic performance.
 - b. Examine the status and competitive position of the regional resource base.
 - c. Identify and seek input on issues that are key to improving the economic well-being of the Region.

The Board shall hold additional hearings from time to time to solicit public input regarding economic development activities.

- (3) Each component of the Plan shall be based on this broad input and, to the extent possible, upon a consensus among all affected parties. The Board shall coordinate its planning process with any State capital development planning efforts affecting State infrastructure such as roads and water and sewer facilities.
- (e) Environmental Scan. The first step in developing the Plan shall be to develop an environmental scan based on the input from economic development parties and the public and on information about the economic environment in North Carolina. To prepare the scan, the Board shall gather the following information. Thereafter, the information shall be updated periodically.
 - (1) Compilation of the latest economic and demographic data on North Carolina by State, Region, and county including population, population projections, employment, and employment projections, income and earnings status and outlook, migration and commuting patterns, unemployment, poverty, and other similar data.
 - (2) Compilation of the latest data on the strength of the business environment by State, Region, and county with emphasis on the dynamics of job creation: start-ups, expansions, locations, contractions, and failures. Special assessments are to be made of rural, small, and minority business components of overall activity.
 - (3) Compilation of the latest data on labor compensation, construction costs, utility rates, payroll costs, taxes, and other cost data normally considered by manufacturing firms and new businesses and shall be tabulated by State, Region, and county.
 - (4) Compilation of data on assets within the State and by Region and county to include the following:
 - a. Available buildings, bona fide industrial parks, and sites.
 - b. Characteristics of the available labor force (number, demographic attributes, skill levels, etc.).
 - c. Special labor situations, such as military base discharges and large plant closings.
 - d. Available infrastructure capacities by county and Region including water, sewer, electrical, natural gas,

- telecommunication, highway access, and other pertinent services.
- e. The fiscal capacity of counties and localities within counties to support the infrastructure development necessary to participate in the development process.
- f. Analyses of assimilative capacity of riverine, estuarine, or ocean outfalls, or other environmental cost considerations.
- g. Proximity analyses of counties in close alignment with major urban areas in bordering states.
- h. Special educational and research capabilities.
- i. Special transportation situations such as major airports, ports, and railyards.
- j. Available data on the performance, contribution, and impact each economic sector (including, but not limited to, agriculture, finance, manufacturing, public utilities, trade, services, tourism, and government) is having on individual counties, Regions, and the State.
- k. Available tourist and service assets.
- 1. Analyses of seasonal population and absentee ownership in resort and tourism areas and their impact on the delivery of public services.
- m. Cost and availability of natural gas and electricity.
- (5) Compilation and analyses of data on economic and industrial changes in competitor states by Region, as applicable. This data shall be entered into a database and kept current. It shall include, specifically, all new plant location information such as origin of the plant, Standard Industrial Classification Code, employment, and investment.
- (6) Compilation of cost data, policies, and strategies in competitive Southeastern states as well as other United States regions and foreign countries.
- (7) Compilation of incentives and special programs being offered by other states.
- (8) Compilation and analyses of other data relating to economic development such as regulatory or legal matters, structural problems, and social considerations, e.g. unemployment, underemployment, poverty, support services, equity concerns, etc.
- (9) The cost of doing business in North Carolina and other competing states, as it may affect decisions by firms to locate in this State.
- (10) Competitive assets within the State and by Region and county, including infrastructure, tourist assets, natural resources, labor, educational and research resources, and transportation.
- (11) Other information relating to economic development such as regulatory or legal matters and social considerations.
- (f) Needs Assessment. The Board, using data from the public input sessions and the environmental scan, shall prepare an assessment of economic development strengths, weaknesses, threats, and opportunities within the State by Region and by county. An

assessment shall also be conducted of each county to determine distressed areas existing within the county. The assessment will include the identification of key development issues within each geographic area and options available to address each issue.

- (g) Vision and Mission Statements. The Board shall develop a vision statement for economic development that would describe the preferred future for North Carolina and what North Carolina would be like if all economic development efforts were successful. The Board shall then develop a mission statement that outlines the basic purpose of each of North Carolina's economic development programs. Because special purpose nonprofit organizations are uniquely situated to conduct the entrepreneurial and high-risk activity of investing in and supporting new business creation in the State, they should be assigned a dominant role in this key component of economic development activity.
- (h) Goals and Objectives. The Board using data from the public input and the environmental scan, shall formulate a list of goals and objectives. Goals shall be long-range, four years or more, and shall address both needs of economically distressed Regions and counties as well as opportunities for Regions and counties not distressed. The goals shall be developed with realism but should also be selected so as to encourage every Region and county within the State to develop to its maximum potential. Objectives shall be one year or less in scope and shall, if achieved, lead to the realization of the goals formulated by the Board as provided in this section.

Both goals and objectives should be stated largely in economic terms, that is, they should be related to specific population, employment, demographic targets, or economic sector targets. Both efficiency and equity considerations are to be addressed and balanced with special emphasis placed on the needs of disadvantaged or economically distressed populations and communities. The goals and objectives should not state how the economic targets are to be reached, but rather what the economic conditions will be if they are obtained. So that the progress of North Carolina's economic development efforts can be monitored, the Board shall set objectives for each goal that allow measurement of progress toward the goal. Objectives should be quantifiable and time-specific in order to serve as performance indicators.

(i) Formulation of Economic Development Strategy. – The Plan shall have as its action component a strategy set forth in a blueprint for directing resources of time and dollars toward the satisfaction of the goals and objectives stated in subsection (h) of this section. As a practical consequence of the economic environment, a focus on the competitiveness of indigenous industries and entrepreneurial development is required. The Plan shall include a strategy for the coordination of initiatives and activities for workforce preparedness, funded by federal or State sources, including, but not limited to, vocational education, applied technology education, remedial education, and job training, and the achievement of the economic development goals of the Plan. A balance of opportunity between rural and urban regions and between majority and minority populations should be an overriding consideration. Equity of opportunity for counties and communities across the State will involve the explicit consideration of local fiscal capacity and the fiscal ability to support development activities.

The concept of differentiation should be employed. The Plan should recognize the various strengths and weaknesses of the State and its component regions, subregions, and, in some cases, individual counties. The concept of market segmentation should be

employed. Different Regions and subregions of the State should be promoted to different markets.

- (j) Implementation Plan. Based upon all of the foregoing steps, the Board shall establish an implementation plan assigning to the appropriate parties specific responsibilities for meeting measurable objectives. The implementation plan shall contain all necessary elements so that it may be used as a means to monitor performance, guide appropriations, and evaluate the outcomes of the parties involved in economic development in the State.
- (k) Annual Report. The Plan shall contain a section devoted to measuring results, to be called "An Annual Report on Economic Development for the State of North Carolina". The Annual Report shall contain a comparison of actual results with stated goals and objectives and significant and meaningful statistics to allow policymakers to adjust strategy and tactics as necessary to achieve the formulated goals.

The Annual Report shall break down data by Regions and counties including:

- (1) The net job change (expansions minus contractions) by the various economic sectors of the county, Region, and State.
- (2) Realized capital investment in plants and equipment by new and expanding industry in each county, Region, and State.
- (3) Manufacturing changes by county, Region, and State that affect the value of firms, total payrolls, average wages, value of shipments, contributions to gross State product, and value added.
- (4) The net change in the number of firms by county, Region, and State with statistics on the dynamics of change: relocations in versus relocations out; births versus deaths; and expansions versus contractions.
- (5) A measure of the status and performance of all sectors of the county, Region, and State economy including, but not limited to, manufacturing, agriculture, trade, finance, communications, transportation, utilities, services, and travel and tourism.
- (6) An assessment of the relative status and performance of rural business development as opposed to that in urban areas.
- (7) An analysis of the status of minority-owned businesses throughout the State.
- (8) An assessment of the development capability of the various Regions of the State in terms of their environmental, fiscal, and administrative capacity. Those areas that are handicapped by barriers to development should be highlighted.
- (9) An evaluation of the State's economic performance as indicated by the above statistics with the goals and objectives outlined in the Plan.
- (1) Accountability. The Board shall make all data, plans, and reports available to the General Assembly and the Joint Legislative Commission on Governmental Operations at appropriate times and upon request. The Board shall prepare and make available on an annual basis public reports on each of the major sections of the Plan and the Annual Report indicating the degree of success in attaining each development objective. (1993, c. 321, s. 313(c); 1997-456, s. 27.)

§ 143B-437.03. Allocation of economic development responsibilities.

The Economic Development Board created in G.S. 143B-434 shall coordinate economic development efforts among the various agencies and entities, including those created by executive order of the Governor, that receive economic development appropriations and the Board shall recommend to the Governor and to the General Assembly the assignment of key responsibilities for different aspects of economic development. The Board shall recommend to the Governor and to the General Assembly resource allocation and planning designed to encourage each agency to focus on its area of primary responsibility and not diffuse its resources by conducting activities assigned to other agencies. (1993, c. 321, s. 313(e); 1997-456, s. 27.)

VISITOR REGISTRATION SHEET

Economic Growth & Community Development Name of Committee

March 19, 2003

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
JOHN WITHROW	NL STATE WATCH
Stephanie McGarrels	Commerce
ED FESER	COMMERCE
Pate Offerey	LLPP
Gusan Markham	No state Parts
Don Hobert	NC Commerce
Mary Thomsen	REBIC
Sharon Miller	CucA
JIMFAIN	NCDOC
Ken Melton	Alley Associates, Inc
Kathryn Sawyer	Charlotte Chainber

MINUTES

HOUSE COMMITTEE ON ECONOMIC GROWTH & COMMUNITY DEVELOPMENT March 26, 2003

The House Committee on Economic Growth & Community Development met on Wednesday, March 26, 2003 in Room 1228 of the Legislative Building at 1:00 P.M. The following members were present: Rep. Connie Wilson, Chair, Vice-Chair John Sauls, Vice-Chair Jim Harrell, Representatives Cole, Dickson, England, Frye, Goforth, Rayfield. The Visitor Registration sheet indicates visitors present and is attached as a part of the record. Jackson Stancil, Bill Freeman and Mr. Sullivan, Sergeant-at-Arms were present. Justin Tucker of Wake County was the page assigned to this meeting.

Rep. Connie Wilson, Chair, called the meeting to order at 1:05 P.M. and recognized Edward Feser, Ph.D., Dept. of Commerce, Stephanie McGarrah, Liaison to Education, and James Fain, Secretary, for Dept of Commerce. Rep. Wilson presented them with a list of questions in reference to the strategic plan that the staff had worked up (attachment #1)

RESPONSE

- (1) Ed Feser said updating of the economic development plan should occur on an annual basis. It is essentially updated continuously. We have assigned responsible parties deadlines. The plan does identify certain milestones in terms of reporting on the effectiveness of the plan.
- (2) We expect the first actual reporting we will see on the document to be done in the next month or so. We are trying to do it more than annually.

Rep. Wilson asked them to measure it in terms of jobs with people working. Stephanie McGarrah responded, we could definitely make that change and don't believe that it has traditionally been structured this way.

Rep. Wilson said, although the plan has good material in it, I don't know how to measure anything. I am trying to come up with an easy way that you can come back to the G A and say this is what we told you we were going to do and this is what we were able to do and then you have your vision which is the game plan on how to do it.

Fain said you should expect us to have all of our objectives in the plan, some way to measure success in terms of measurable and timely data.

- (3) No. Our plan is a work in process.
- (4) Taking stock of the entire environment, it is a series of indicators beyond the county. Ed Faser is here to help us build a 21st century economic information. The vision is that the moment the information is updated; it should be at maximum level of

currency on system. Members of this committee could get a copy of the scan with all the indicators.

- (5) Concept that the plan has a broad input in a systematic plan, so we can figure out what the needs may be in a county or sub region.
- (6) Board contemplates focusing on that to make sure that a determination based on fact as to who does what and why and making sure there is an understanding of those responsibilities. (a) Create a list out of the plan because the board had said these are priorities and will have comparisons summaries soon.
- (9) Pleased with the involvement, the attendance, some of whom are a member of this body, and the gut level of interest in implementing this plan. (b) I think at this point we have one vacancy and we are fully engaged. The board was appointed with great care. (c) I don't know that this is dictated by the statutes and think that is at the pleasure of the governor. Staff needs to be larger.

Representative Wilson thanked Sec. Fain, Ms. McGarrah and Mr. Feser for their response and thanked the members of the committee for questions and comments.

There being no further business, Rep. Wilson adjourned the meeting at 1:50 P.M.

Representative Connie Wilson

Chair

Chris Floyd

Committee Assistant

Attachment #1
Agenda
Meeting Notice
Attendance Record
Visitor Registration List

AGENDA

HOUSE COMMITTEE ON ECONOMIC GROWTH & COMMUNITY DEVELOPMENT

March 26, 2003 Room 1228 LB 1:00 p.m.

CALL TO ORDER

Representative Connie Wilson Chair

OPENING REMARKS

Representative Connie Wilson Chair

AGENDA ITEMS

Statutory Economic Development Process
Secretary James Fain,
N.C. Dept. of Commerce

ADJOURNMENT

NORTH CAROLINA HOUSE OF REPRESENTATIVES COMMITTEE MEETING NOTICE AND BILL SPONSOR NOTIFICATION 2003-2004 SESSION

You are hereby notified that the Committee on ECONOMIC GROWTH & COMMUNITY DEVELOPMENT will meet as follows: DAY & DATE: March 26, 2003 1:00 PM TIME: **LOCATION: ROOM 1228 LB Statutory Economic Development Process** James Fain, Secretary **Department of Comerce** Respectfully, Representative Connie Wilson Chair I hereby certify this notice was filed by the committee assistant at the following offices at 3:30 on March 20, 2003. Principal Clerk Reading Clerk - House Chamber

Chris Floyd (Committee Assistant)

HOUSE ECONOMIC GROWTH AND COMMUNITY DEVELOPMENT COMMITTEE

Questions for Secretary of Commerce on Workings of the Economic Development Board and the Comprehensive Strategic Economic Development Plan (CSED)

- 1. Historically has the CSED plan been updated annually? (G.S. 143B-434(a)(4) and G.S. 143B-434.01(b)).
 - a. When is it necessary to adopt a new plan versus updating an existing plan?
- 2. Is the CSED plan's successes and effectiveness analyzed annually and reported on as set forth in G.S. 143B-434.01(k)?
 - a. Does the annual report compare stated goals and objectives to results?
- 3. Does the Board annually recommend biennial and annual appropriations for economic development? (G.S. 143B-434(a)(3))
- 4. How often is the information included in the environmental scan updated? (G.S. 143B-434.01(a))
- 5. How are the needs determined through the needs assessment process?
- 6. How does the Economic Development Board coordinate the economic development efforts among the various agencies? (G.S. 143B-4234.03)
 - a. Does the Board recommend to the Governor and General Assembly assignments of economic development responsibility and resource allocation.
- 7. How much staff is allocated exclusively to the Economic Development Board? How much non-exclusive staff is made available to work for the Board? (S.L. 1993-321, Sec/ 313(d))
- 8. How does the Board make its information available, particularly to the General Assembly? (G.S. 143B-434.01(I))
- 9. Board Structure and Operation
 - a. Is there a problem with attendance by Board members? (See Board Member Responsibilities #1)
 - b. Have delays in appointing members to the Board been a problem for the Board's operations?
 - c. How is the term of office of the Board chair decided?
 - d. Is there a problem with continuity on the Board?

NC ECONOMIC DEVELOPMENT BOARD MEMBERSHIP

(March, 2003)

The Economic Development Board is comprised of 37 members:

Six Ex-officio members

Secretary of Commerce Jim Fain

President, University of North Carolina Molly Broad

President, Community College System Martin Lancaster

President of Senate Beverly Perdue

Secretary of State . Elaine Marshall

Secretary of Revenue Norris Tolson

Four members of Senate appointed by President Pro Tempore

Wib Gulley Durham

Fletcher Hartsell Concord

David Hoyle Gastonia

Vacant

Four members of House appointed by Speaker

Bill Owens Elizabeth City

Wilma Sherrill Asheville

Joe Tolson Pinetops

Vacant

Twenty-three members appointed by Governor:

One representative of a non-profit economic development organization:

Gordon Myers Asheville

Two county economic development representatives:

John Chaffee Greenville

Bill Forsyth Murphy

Twenty at-large appointments

Mike Fulenwider

Rocky Mount Bill Batchelor Greensboro Watts Carr Dale Carroll Asheville

Bill Coley Charlotte

Southern Pines Pat Corso

Beaufort Roger Crowe Raleigh John Crumpler Durham **Margaret Dardess** Charlotte Mac Everett Morganton

Whiteville **David Gore**

Andrea Harris Durham Greensboro

Randall Kaplan

Raleigh Phil Kirk Wilmington Scott Satterfield

Charlotte Robert Stolz Raleigh Matthew Szulik Greenville Jordy Whichard

Raleigh **Bob Winston**

Gaston Michael Wray

The Governor also designates the officers of the Board. The officers are:

Chair Robert Stolz

Vice Chair Bill Owens

March 26, 2003

Pages:

Justin Tucker

Sergeant at Arms:

Jackson Stancil

Mr. Freeman

Mr. Sullivan

VISITOR REGISTRATION SHEET



3 26-03

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Sharon Miller	CUCA
Mike Hawkins	Advantage West
Any Dosen	ne stemples
Stephanie McGarrah	Commerce
FD FESER	COMMERCE
DUN HOBART	Doc
Kathryn Sawrjer	Charlotte Chamber
Student !!	SO, AL, PA
Charlotte Graham	NCGA
1 Hume	MADA

MINUTES

HOUSE COMMITTEE ON ECONOMIC GROWTH AND COMMUNITY DEVELOPMENT

April 2, 2003

The House Committee on Economic Growth and Community Development met on Wednesday, April 2, 2003, in Room 1228 of the Legislative Building at 1:00 PM. The following members were present: Chair Connie Wilson, Vice Chair John Sauls, Representatives Blust, Dickson, Dockham, Farmer-Butterfield, Frye, Hunter, Parmon, Rayfield, Rhodes and Stam. Walter Reagan and Karen Cochran-Brown, Staff counselors were in attendance. A Visitor Registration list is attached and made part of these minutes.

The Chair called the meeting to order at 1:05 PM. Rep. Paul Stam recognized Rep. Wilson as sponsor to explain the following bill.

HB 740 JOB GROWTH ACCOUNTABILITY ACT

Representative Wilson explained HB740, A BILL TO BE ENTITLED AN ACT TO IMPROVE THE EFFECTIVENESS AND EFFICIENCY OF THE ECONOMIC DEVELOPMENT BOARD IN THE FORMULATION OF THE STATE'S ECONOMIC DEVELOPMENT POLICIES AND TO PROVIDE FOR GREATER TRANSPARENCY AND ACCOUNTABILITY IN THE STATE'S EFFORTS TO CREATE JOBS FOR NORTH CAROLINA CITIZENS. Upon motion made by Representative Wilson, she sent forth an amendment to the bill and explained the amendment. After discussion, the amendment was adopted. (See attachment # 1)

There being no further business, the Chair adjourned the meeting at 1:35 PM.

Respectfully submitted,

Representative Connie Wilson

Chair

Chris Floyd

Committee Assistant

Attachments: Amendment # 1 Agenda Meeting Notice Attendance Record Visitor Registration List

AGENDA

HOUSE COMMITTEE ON ECONOMIC GROWTH & COMMUNITY DEVELOPMENT

April 2, 2003 Room 1228 LB 1:00 p.m.

OPENING REMARKS

Representative Connie Wilson, Chair Economic Growth & Community Development

AGENDA ITEMS

HB 740 JOB GROWTH ACCOUNTABILITY ACT Representative Connie Wilson, Sponsor

ADJOURNMENT

NORTH CAROLINA HOUSE OF REPRESENTATIVES COMMITTEE MEETING NOTICE AND BILL SPONSOR NOTIFICATION 2003-2004 SESSION

You are hereby notified that the Committee on ECONOMIC GROWTH & COMMUNITY DEVELOPMENT will meet as follows:

DAY & DATE:	April 2, 2003	
TIME:	1:00 PM	
LOCATION:	ROOM 1228 LB	
The following bills will be considered (Bill # & Short Title & Bill Sponsor): HB740 Job Growth Accountability Act – Primary Sponsor: Rep. Connie Wilson		
	Respectfully, Representative Connie Wilson Chair	
I hereby certify this notice was filed by the committee assistant at the following offices at 2:45 on March 27, 2003.		
Principal Clerk Reading Clerk - House Chamber		
Chris Floyd (Committee Assistant)		

GENERAL ASSEMBLY OF NORTH CAROLINA **SESSION 2003**

H

HOUSE BILL 740

Short Title: Job Growth Accountability Act.

(Public)

1

Sponsors:

Representative C. Wilson.

Referred to: Economic Growth and Community Development, if favorable, Rules,

Calendar, and Operations of the House

March 27, 2003

A BILL TO BE ENTITLED

AN ACT TO IMPROVE THE EFFECTIVENESS AND EFFICIENCY OF THE ECONOMIC DEVELOPMENT BOARD IN THE FORMULATION OF THE STATE'S ECONOMIC DEVELOPMENT POLICIES AND TO PROVIDE FOR GREATER TRANSPARENCY AND ACCOUNTABILITY IN THE STATE'S EFFORTS TO CREATE JOBS FOR NORTH CAROLINA CITIZENS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) The General Assembly finds that the State has long recognized the need for a coordinated economic development program that encompasses all areas of the State and all activities, and includes long-range planning. Over the last 15 years its efforts to provide for such a program have included creating the Economic Development Board, mandating a government performance audit study, and expanding the responsibilities of the Board in light of the study and in light of continuous changes in the State's economic situation.

The General Assembly recognizes that economic SECTION 1.(b) development efforts on behalf of the State encompass a broad range of activities by various parties for the purpose of increasing and maintaining the State's economic vitality. It is especially important that a single entity oversee economic development efforts in the State to prevent duplication and promote efficiency and effectiveness.

The General Assembly has identified the Economic SECTION 1.(c) Development Board in the Department of Commerce as the economic development policy development and planning source to advise the legislature and the executive branch, to coordinate economic development efforts by various State agencies and by local governments and local development organizations, and to develop and evaluate annual long-range economic development plans.

SECTION 1.(d) The General Assembly recognizes that the responsibilities assigned to the Board are numerous and complex and that it has not always been possible for the legislature or the public to monitor the Board's efforts in carrying them

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out, to evaluate its successes and failures, or to receive current information on procedures and programs.

SECTION 2.(a) It is the intent of the General Assembly to evaluate the

SECTION 2.(a) It is the intent of the General Assembly to evaluate the current law establishing procedures for coordinating State, local, and regional economic development efforts and consider ways in which the procedures could be improved to provide greater transparency and regular feedback and updates.

SECTION 2.(b) It is the intent of the General Assembly to evaluate the extent to which the long-range comprehensive plans developed by the Board have achieved their goals and have anticipated and addressed global changes such as the decline of tobacco as an economic force in this State and the exodus of manufacturers to other countries. It is the intent of the General Assembly to determine whether improvements to the planning procedure and structure could enhance the State's ability to anticipate and address these types of trends before the damage to the economy has occurred.

SECTION 2.(c) In carrying out these efforts, it is the intent of the General Assembly to consider staffing and funding issues for the Board, periodic reporting and publication of information, and a system for accountability for responsibilities assigned to various State and local entities.

SECTION 3. To implement the policies outlined in this act, it is the intent of the General Assembly to create a Joint Legislative Commission on Economic Development Oversight to provide a comprehensive and coordinated review of the procedures and programs currently in place, to make recommendations for improvements, and to provide ongoing monitoring on behalf of the legislature and the public.

SECTION 4. This act is effective when it becomes law.



NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

House Bill 740

H740-ARO-3 [v.1]	(te	MENDMENT NO o be filled in by Principal Clerk)	Page 1 of 4
	Date	4-2	,2003
Comm. Sub. [NO] Amends Title [NO] First Edition			
Representative			
moves to amend the bill on page 2, lines 19-	-24, by rewriting	g the lines to read	:
"SECTION 2(d). To implement intent of the General Assembly to create a Development Oversight to provide a comprocedures and programs currently in improvements, and to provide ongoing morpublic	Joint Legislative and place, to m	e Commission or l coordinated rev take recommend	Economic riew of the lations for

(h) Goals and Objectives. – The Board using data from the public input and the environmental scan, shall formulate a list of goals and objectives. Goals shall be long-range, four years or more, and shall address both needs of economically distressed Regions and counties as well as opportunities for Regions and counties not distressed. The goals shall be developed with realism but should also be selected so as to encourage every Region and county within the State to develop to its maximum potential. Objectives shall be one year or less in scope and shall, if achieved, lead to the

realization of the goals formulated by the Board as provided in this section.

SECTION 3. G.S. 143B-434.01 reads as rewritten:

Both goals and objectives should be stated largely in economic terms, that is, they should be related to specific population, employment, demographic targets, or economic sector targets. Both efficiency and equity considerations are to be addressed and balanced with special emphasis placed on the needs of disadvantaged or economically distressed populations and communities. The goals and objectives should not state how the economic targets are to be reached, but rather what the economic conditions will be if they are obtained. So that the progress of North Carolina's economic development



NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

House Bill 740

AMENDMENT NO.		
(to be filled in by		
Principal Clerk)		

H740-ARO-3 [v.1]

Page 2 of 4

efforts can be monitored, the Board shall set objectives for each goal that allow measurement of progress toward the goal. Objectives should be quantifiable and time-specific in order to serve as performance indicators. The goals and objectives formulated by the Board shall include the following:

- (1) A specific target number of new jobs to be created in the State. The target number shall be broken down by county and Region and by new and existing businesses.
- (2) A specific target rate of unemployment for the State and for each county and Region.
- (3) An estimate of the number of jobs that will be lost in the State and in each county and Region.
- (4) A specific target dollar amount of new capital investment in the State and in each Region.
- (i) Formulation of Economic Development Strategy. The Plan shall have as its action component a strategy set forth in a blueprint for directing resources of time and dollars toward the satisfaction of the goals and objectives stated in subsection (h) of this section. As a practical consequence of the economic environment, a focus on the competitiveness of indigenous industries and entrepreneurial development is required. The Plan shall include a strategy for the coordination of initiatives and activities for workforce preparedness, funded by federal or State sources, including, but not limited to, vocational education, applied technology education, remedial education, and job training, and the achievement of the economic development goals of the Plan. A balance of opportunity between rural and urban regions and between majority and minority populations should be an overriding consideration. Equity of opportunity for counties and communities across the State will involve the explicit consideration of local fiscal capacity and the fiscal ability to support development activities.

The concept of differentiation should be employed. The Plan should recognize the various strengths and weaknesses of the State and its component regions, subregions, and, in some cases; individual counties. The concept of market segmentation should be employed. Different Regions and subregions of the State should be promoted to different markets.

(j) Implementation Plan. – Based upon all of the foregoing steps, the Board shall establish an implementation plan assigning to the appropriate parties specific



NORTH CAROLINA GENERAL ASSEMBLY **AMENDMENT**

House Bill 740

AMENDMENT NO.	
(to be filled in by	
Principal Clerk)	

H740-ARO-3 [v.1]

State.

Page 3 of 4

_	for meeting measurable objectives. The implementation plan shall essary elements so that it may be used as a means to monitor
_	ide appropriations, and evaluate the outcomes of the parties involved in
	opment in the State.
	ll Report The Plan shall contain a section devoted to measuring
	lled "An Annual Report on Economic Development for the State of
	The Annual Report shall contain a comparison of actual results with
•	nd objectives and significant and meaningful statistics to allow
<u>-</u>	adjust strategy and tactics as necessary to achieve the formulated goals.
The Annual I	Report shall break down data by Regions and counties including:
(1)	The net job change (expansions minus contractions) by the various
	economic sectors of the county, Region, and State. The net job change
	shall be compared to the targeted numbers for job creation, job loss,
	and unemployment rate established in the goals and objectives.
(2)	Realized capital investment in plants and equipment by new and
` ,	expanding industry in each county, Region, and State. The realized
	capital investment shall be compared to the targeted amount
	established in the goals and objectives.
(3)	Manufacturing changes by county, Region, and State that affect the
()	value of firms, total payrolls, average wages, value of shipments,
	contributions to gross State product, and value added.
(4)	The net change in the number of firms by county, Region, and State
	with statistics on the dynamics of change: relocations in versus
	relocations out; births versus deaths; and expansions versus
	contractions.
(5)	A measure of the status and performance of all sectors of the county,
(3)	Region, and State economy including, but not limited to.
	manufacturing, agriculture, trade, finance, communications,
	transportation, utilities, services, and travel and tourism.
	•
(6)	An assessment of the relative status and performance of rural business
(7)	development as opposed to that in urban areas.
(7)	An analysis of the status of minority-owned businesses throughout the



NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

House Bill 740

		AM	ENDMENT NO
		(to	be filled in by
	H740-ARO-3 [v.1] Pr	incipal Clerk)
			Page 4 of 4
1 2	(8)	An assessment of the development capabilit the State in terms of their environmental,	•
3		capacity. Those areas that are handicapped should be highlighted.	•
5 6	. (9)	An evaluation of the State's economic performabove statistics with the goals and objective	•
7	(l) Acco	untability The Board shall make all data, j	plans, and reports available
8	to the General	Assembly and the Joint Legislative Com	mission on Governmental
9	Operations at a	ppropriate times and upon request. The Box	ard shall prepare and make
10	available on an	annual basis public reports on each of the ma	jor sections of the Plan and
11	the Annual Re	port indicating the degree of success in a	ttaining each development
12	objective. "		
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	SIGNED		
	Amendment Sp	onsor	
	Amendment Sp	Olisoi	
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	Committee Cha	ir if Senate Committee Amendment	
	ADOPTED	FAILED	TABLED

NORTH CAROLINA HOUSE OF REPRESENTATIVES COMMITTEE MEETING NOTICE AND BILL SPONSOR NOTIFICATION 2003-2004 SESSION

You are hereby notified that the Committee on ECONOMIC GROWTH & COMMUNITY DEVELOPMENT will meet as follows:

	•	
DAY & DATE:	April 2, 2003	
TIME:	1:00 PM	
LOCATION:	ROOM 1228 LB	
The following bills	will be considered (Bill # & Short Title & Bill Sponsor):	
HB740 Job Grow	vth Accountability Act – Primary Sponsor: Rep. Connie Wilson	
	Respectfully, Representative Connie Wilson Chair	
I hereby certify this notice was filed by the committee assistant at the following offices at 2:45 on March 27, 2003.		
Principa Reading	al Clerk g Clerk - House Chamber	
Chris Floyd (Committee Assistant)		

VISITOR REGISTRATION SHEET

Economic Growth & Community Development

April 2, 2003

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
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TOUN PETENSON	NCEDA
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JOHN GOODMAN	MERCER BSSDE,
ALAN BRIGGS	505
Gusan Marlelram	NC Ports
Killed Wilms	NCHBA
Chris Nichols	Hunton + Williams
ZM	NCRA
PERRI MORGON	NFIB

VISITOR REGISTRATION SHEET

Economic Growth & Community Development	April 2, 2003	
Name of Committee	Date	

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

	NAME	FIRM OR AGENCY AND ADDRESS
	Shawn Miller	aca
	Kathryn Sawyer	Charlotte Chamber
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	J Pinsley	AAA Carolinasi
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NORTH CAROLINA HOUSE OF REPRESENTATIVES COMMITTEE MEETING NOTICE AND BILL SPONSOR NOTIFICATION 2003-2004 SESSION

You are hereby notified that the Committee on ECONOMIC GROWTH & COMMUNITY DEVELOPMENT will meet as follows:

DAY & DATE:	April 9, 2003	
TIME:	2:30 PM	
LOCATION:	ROOM 1228 LB	
The following bills will be considered (Bill # & Short Title & Bill Sponsor):		
HB740 Job Growth Accountability Act – Primary Sponsor: Rep. Connie Wilson		
	Respectfully, Representative Connie Wilson Chair	
I hereby certify this notice was filed by the committee assistant at the following offices at 4:45 on April 9, 2003.		
Principal Clerk Reading Clerk - House Chamber		
Chris Floyd (Committee Assistant)		

MINUTES

HOUSE COMMITTEE ON ECONOMIC GROWTH & COMMUNITY DEVELOPMENT

April 9, 2003

The House Committee on Economic Growth & Community Development met on Wednesday, April 9, 2003 in Room 1228 of the Legislative Building at 2:30 P.M. The following members were present: Rep. Connie Wilson, Chair, Vice-Chair's John Sauls and Jim Harrell, Representatives Cole, Decker, Dickson, Rayfield and Rhodes. The Visitor Registration sheet indicates visitors present and is attached as a part of the record.

Representative Wilson opened the meeting by welcoming members and guests. Having a quorum, the meeting was called to order at 2:37 P.M. by Rep. Connie Wilson, Chair. She recognized the pages, Brett Jarrett and Lindsey White, who were assigned to the meeting.

HB 740 JOB GROWTH ACCOUNTABILITY ACT

Representative John Sauls recognized Rep. Connie Wilson. Rep. Wilson offered an amendment to HB 740 and explained it. (See attachment #1) Staff counsel, Karen Cochran-Brown gave an overview of the changes in the amendment. After discussion and questions by the committee, the amendment was unfavorable to the original. A motion was made jointly by Rep. Cole and Rep. Decker for an unfavorable report as to the original bill and a favorable report to a committee substitute from HB 740, rolling all three amendments into the committee substitute bill, to be rereferred to the Committee on Rules. (See attachment #2). The vote was taken and so moved.

There being no further business, Rep. Wilson adjourned the meeting at 2:45 P.M.

Representative Connie Wilson

Chair

Chris Floyd

Committee Assistant

Attachment #1
Attachment #2
Agenda
Meeting Notice
Attendance Record
Visitor Registration List

Regional Partnership Reporting #3 NC Partnership for Economic Dev.#4

2003 COMMITTEE REPORT HOUSE OF REPRESENTATIVES

The following report(s) from standing committee(s) is/are presented: By Representative Connie Wilson (Chair) for the Committee on ECONOMIC GROWTH AND COMMUNITY DEVELOPMENT. Committee Substitute for A BILL TO BE ENTITLED AN ACT TO IMPROVE THE EFFECTIVENESS AND EFFICIENCY OF THE ECONOMIC DEVELOPMENT BOARD IN THE FORMULATION OF THE STATE'S ECONOMIC DEVELOPMENT POLICIES AND TO PROVIDE FOR GREATER TRANSPARENCY AND ACCOUNTABILITY IN THE STATE'S EFFORTS TO CREATE JOBS FOR NORTH CAROLINA CITIZENS. With a favorable report. With a favorable report and recommendation that the bill be re-referred to the Committee on Appropriations Finance With a favorable report, as amended. With a favorable report, as amended, and recommendation that the bill be re-referred to the Committee on Appropriations Finance \boxtimes With a favorable report as to the committee substitute bill (# \longrightarrow), \boxtimes which changes the title, unfavorable as to the original bill (Committee Substitute Bill # _____), and recommendation that the committee substitute bill #______) be re-referred to the Committee on RULES, CALENDAR AND OPERATIONS OF THE HOUSE.), which changes With a favorable report as to House committee substitute bill (# the title, unfavorable as to Senate committee substitute bill. With an unfavorable report. With recommendation that the House concur. With recommendation that the House do not concur. With recommendation that the House do not concur; request conferees. With recommendation that the House concur; committee believes bill to be material. With an unfavorable report, with a Minority Report attached. Without prejudice. With an indefinite postponement report. With an indefinite postponement report, with a Minority Report attached. With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

03/19/03

AGENDA

HOUSE COMMITTEE ON ECONOMIC GROWTH & COMMUNITY DEVELOPMENT

April 9, 2003 Room 1228 LB 2:30 p.m.

OPENING REMARKS

Representative Connie Wilson, Chair Economic Growth & Community Development

AGENDA ITEMS

HB 740 JOB GROWTH ACCOUNTABILITY ACT Representative Connie Wilson, Sponsor

ADJOURNMENT

GENERAL ASSEMBLY OF NORTH CAROLINA **SESSION 2003**

H

HOUSE BILL 740

Short Title: Job Growth Accountability Act.

(Public)

1

Sponsors:

Representative C. Wilson.

Referred to: Economic Growth and Community Development, if favorable, Rules,

Calendar, and Operations of the House

March 27, 2003

A BILL TO BE ENTITLED

AN ACT TO IMPROVE THE EFFECTIVENESS AND EFFICIENCY OF THE ECONOMIC DEVELOPMENT BOARD IN THE FORMULATION OF THE STATE'S ECONOMIC DEVELOPMENT POLICIES AND TO PROVIDE FOR GREATER TRANSPARENCY AND ACCOUNTABILITY IN THE STATE'S EFFORTS TO CREATE JOBS FOR NORTH CAROLINA CITIZENS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) The General Assembly finds that the State has long recognized the need for a coordinated economic development program that encompasses all areas of the State and all activities, and includes long-range planning. Over the last 15 years its efforts to provide for such a program have included creating the Economic Development Board, mandating a government performance audit study, and expanding the responsibilities of the Board in light of the study and in light of continuous changes in the State's economic situation.

SECTION 1.(b) The General Assembly recognizes that economic development efforts on behalf of the State encompass a broad range of activities by various parties for the purpose of increasing and maintaining the State's economic vitality. It is especially important that a single entity oversee economic development efforts in the State to prevent duplication and promote efficiency and effectiveness.

The General Assembly has identified the Economic SECTION 1.(c) Development Board in the Department of Commerce as the economic development policy development and planning source to advise the legislature and the executive branch, to coordinate economic development efforts by various State agencies and by local governments and local development organizations, and to develop and evaluate annual long-range economic development plans.

SECTION 1.(d) The General Assembly recognizes that the responsibilities assigned to the Board are numerous and complex and that it has not always been possible for the legislature or the public to monitor the Board's efforts in carrying them

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out, to evaluate its successes and failures, or to receive current information on procedures and programs.

SECTION 2.(a) It is the intent of the General Assembly to evaluate the current law establishing procedures for coordinating State, local, and regional economic development efforts and consider ways in which the procedures could be improved to provide greater transparency and regular feedback and updates.

SECTION 2.(b) It is the intent of the General Assembly to evaluate the extent to which the long-range comprehensive plans developed by the Board have achieved their goals and have anticipated and addressed global changes such as the decline of tobacco as an economic force in this State and the exodus of manufacturers to other countries. It is the intent of the General Assembly to determine whether improvements to the planning procedure and structure could enhance the State's ability to anticipate and address these types of trends before the damage to the economy has occurred.

SECTION 2.(c) In carrying out these efforts, it is the intent of the General Assembly to consider staffing and funding issues for the Board, periodic reporting and publication of information, and a system for accountability for responsibilities assigned to various State and local entities.

SECTION 3. To implement the policies outlined in this act, it is the intent of the General Assembly to create a Joint Legislative Commission on Economic Development Oversight to provide a comprehensive and coordinated review of the procedures and programs currently in place, to make recommendations for improvements, and to provide ongoing monitoring on behalf of the legislature and the public.

SECTION 4. This act is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2003

H

D

HOUSE BILL 740 PROPOSED COMMITTEE SUBSTITUTE H740-PCS70297-RO-7

Short Title:	Job Growth Accountability Act.	(Public)
Sponsors:		
Referred to:		

March 27, 2003

A BILL TO BE ENTITLED

AN ACT TO IMPROVE THE EFFECTIVENESS AND EFFICIENCY OF THE ECONOMIC DEVELOPMENT BOARD IN THE FORMULATION OF THE STATE'S ECONOMIC DEVELOPMENT POLICIES, TO PROVIDE FOR GREATER TRANSPARENCY AND ACCOUNTABILITY IN THE STATE'S EFFORTS TO CREATE JOBS FOR NORTH CAROLINA CITIZENS, TO CREATE THE JOINT LEGISLATIVE COMMITTEE ON ECONOMIC DEVELOPMENT OVERSIGHT, AND TO REQUIRE REPORTING BY THE REGIONAL ECONOMIC DEVELOPMENT COMMISSIONS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) The General Assembly finds that the State has long recognized the need for a coordinated economic development program that encompasses all areas of the State and all activities and includes long-range planning. Over the last 15 years, its efforts to provide for such a program have included creating the Economic Development Board, mandating a government performance audit study, and expanding the responsibilities of the Board in light of the study and in light of continuous changes in the State's economic situation.

SECTION 1.(b) The General Assembly recognizes that economic development efforts on behalf of the State encompass a broad range of activities by various parties for the purpose of increasing and maintaining the State's economic vitality. It is especially important that a single entity oversee economic development efforts in the State to prevent duplication and to promote efficiency and effectiveness.

SECTION 1.(c) The General Assembly has identified the Economic Development Board in the Department of Commerce as the economic development policy development and planning source to advise the legislature and the executive branch, to coordinate economic development efforts by various State agencies and by local governments and local development organizations, and to develop and evaluate annual long-range economic development plans.

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SECTION 1.(d) The General Assembly recognizes that the responsibilities assigned to the Board are numerous and complex and that it has not always been possible for the legislature or the public to monitor the Board's efforts in carrying them out, to evaluate its successes and failures, or to receive current information on procedures and programs.

SECTION 2.(a) It is the intent of the General Assembly to evaluate the current law establishing procedures for coordinating State, local, and regional economic development efforts and consider ways in which the procedures could be improved to provide greater transparency and regular feedback and updates.

SECTION 2.(b) It is the intent of the General Assembly to evaluate the extent to which the long-range comprehensive plans developed by the Board have achieved their goals and have anticipated and addressed global changes such as the decline of tobacco as an economic force in this State and the exodus of manufacturers to other countries. It is the intent of the General Assembly to determine whether improvements to the planning procedure and structure could enhance the State's ability to anticipate and address these types of trends before the damage to the economy has occurred.

SECTION 2.(c) In carrying out these efforts, it is the intent of the General Assembly to consider staffing and funding issues for the Board, periodic reporting and publication of information, and a system for accountability for responsibilities assigned to various State and local entities.

SECTION 3. Chapter 120 of the General Statutes is amended by adding the following new Article to read:

"Article 26A.

"Joint Legislative Committee on Economic Development Oversight.

"§ 120-236. Creation and purpose of the Joint Legislative Committee on Economic **Development Oversight.**

There is established the Joint Legislative Committee on Economic Development Oversight. The Committee shall review current economic development procedures and strategies that impacts public policy. The goals and objectives of the Committee shall be to evaluate the extent to which the long-range comprehensive plans developed by the Economic Development Board have achieved their goals and have anticipated and addressed global changes such as the decline of tobacco as an economic force in the State and the exodus of manufacturers to other countries. The Committee shall determine whether improvements to the planning procedure and structure could enhance the State's ability to anticipate and address these types of trends before the damage to the economy has occurred.

"§ 120-237. Committee membership; terms; organization; vacancies.

- The Committee shall consist of 16 members as follows: (a)
 - Six members of the Senate at the time of their appointment, appointed (1)by the President Pro Tempore of the Senate.
 - Six members of the House of Representatives at the time of their (2) appointment, appointed by the Speaker of the House of Representatives.

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- Two members of the public appointed by the Speaker of the House of (3) Representatives and two members of the public appointed by the President Pro Tempore of the Senate, each of whom shall be actively involved in the business of economic development. The public members shall reflect the geographic diversity of the State.
- (b) Members of the Committee shall serve terms of two years beginning on August 15 of each odd-numbered year. Initial terms shall commence on August 15, 2003.
- Members who are elected officials may complete a term of service on the (c) Committee even if they do not seek reelection or are not reelected, but resignation or removal from service constitutes resignation or removal from service on the Committee.
- The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each select a legislative member from their appointees to serve as cochair of the Committee.
- The Committee shall meet at least once a quarter and may meet at other times upon the call of the cochairs. A majority of the members of the Committee shall constitute a quorum for the transaction of business. The affirmative vote of a majority of the members present at meetings of the Committee shall be necessary for action to be taken by the Committee.
- All members shall serve at the will of their appointing officer. A member (f) continues to serve until the member's successor is appointed. A vacancy shall be filled within 30 days by the officer who made the original appointment.

"§ 120-238. Assistance; per diem; subsistence; and travel allowances.

- The Committee may contract for consulting services as provided by G.S. (a) 120-32.02. Upon approval of the Legislative Services Commission, the Legislative Services Officer shall assign professional and clerical staff to assist in the work of the Committee. The professional staff shall include the appropriate staff from the Fiscal Research, Research, Legislative Drafting, and Information Systems Divisions of the Legislative Services Office of the General Assembly. Clerical staff shall be furnished to the Committee through the offices of the Senate and the House of Representatives Supervisors of Clerks. The expenses of employment of the clerical staff shall be borne by the Committee. The Committee may meet in the Legislative Building or the Legislative Office Building upon the approval of the Legislative Services Commission.
- Members of the Committee shall receive per diem, subsistence, and travel allowances as follows:
 - Committee members who are members of the General Assembly, at (1) the rate established in G.S. 120-3.1.
 - Committee members who are officials or employees of the State or of (2) local government agencies, at the rate established in G.S. 138-6.
 - All other Committee members, at the rate established in G.S. 138-5. (3)

"§ 120-239. Committee authority.

The Committee may obtain information and data from all State officers, agents, agencies, and departments, while in discharge of its duties, under G.S. 120-19, as if it were a committee of the General Assembly. The provisions of G.S. 120-19.1 through

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G.S. 120-19.4 shall apply to the proceedings of the Committee as if it were a committee of the General Assembly. Any cost of providing information to the Committee not covered by G.S. 120-19.3 may be reimbursed by the Committee from funds appropriated to it for its continuing study."

SECTION 4. G.S. 143B-434.01 reads as rewritten:

"(h) Goals and Objectives. – The Board using data from the public input and the environmental scan, shall formulate a list of goals and objectives. Goals shall be long-range, four years or more, and shall address both needs of economically distressed Regions and counties as well as opportunities for Regions and counties not distressed. The goals shall be developed with realism but should also be selected so as to encourage every Region and county within the State to develop to its maximum potential. Objectives shall be one year or less in scope and shall, if achieved, lead to the realization of the goals formulated by the Board as provided in this section.

Both goals and objectives should be stated largely in economic terms, that is, they should be related to specific population, employment, demographic targets, or economic sector targets. Both efficiency and equity considerations are to be addressed and balanced with special emphasis placed on the needs of disadvantaged or economically distressed populations and communities. The goals and objectives should not state how the economic targets are to be reached, but rather what the economic conditions will be if they are obtained. So that the progress of North Carolina's economic development efforts can be monitored, the Board shall set objectives for each goal that allow measurement of progress toward the goal. Objectives should be quantifiable and time-specific in order to serve as performance indicators. The goals and objectives formulated by the Board shall include the following:

- (1) A specific target number of new jobs to be created in the State. The target number shall be broken down by county and Region and by new and existing businesses.
- (2) A specific target rate of unemployment for the State and for each county and Region.
- (3) An estimate of the number of jobs that will be lost in the State and in each county and Region.
- (4) A specific target dollar amount of new capital investment in the State and in each Region.
- (i) Formulation of Economic Development Strategy. The Plan shall have as its action component a strategy set forth in a blueprint for directing resources of time and dollars toward the satisfaction of the goals and objectives stated in subsection (h) of this section. As a practical consequence of the economic environment, a focus on the competitiveness of indigenous industries and entrepreneurial development is required. The Plan shall include a strategy for the coordination of initiatives and activities for workforce preparedness, funded by federal or State sources, including, but not limited to, vocational education, applied technology education, remedial education, and job training, and the achievement of the economic development goals of the Plan. A balance of opportunity between rural and urban regions and between majority and minority

Page 4 House Bill 740 H740-PCS70297-RO-7

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populations should be an overriding consideration. Equity of opportunity for counties and communities across the State will involve the explicit consideration of local fiscal capacity and the fiscal ability to support development activities.

The concept of differentiation should be employed. The Plan should recognize the various strengths and weaknesses of the State and its component regions, subregions, and, in some cases, individual counties. The concept of market segmentation should be employed. Different Regions and subregions of the State should be promoted to different markets.

- Implementation Plan. Based upon all of the foregoing steps, the Board shall (i) establish an implementation plan assigning to the appropriate parties specific responsibilities for meeting measurable objectives. The implementation plan shall contain all necessary elements so that it may be used as a means to monitor performance, guide appropriations, and evaluate the outcomes of the parties involved in economic development in the State.
- Annual Report. The Plan shall contain a section devoted to measuring results, to be called "An Annual Report on Economic Development for the State of North Carolina". The Annual Report shall contain a comparison of actual results with stated goals and objectives and significant and meaningful statistics to allow policymakers to adjust strategy and tactics as necessary to achieve the formulated goals.

The Annual Report shall break down data by Regions and counties including:

- The net job change (expansions minus contractions) by the various (1) economic sectors of the county, Region, and State. The net job change shall be compared to the targeted numbers for job creation, job loss, and unemployment rate established in the goals and objectives.
- (2) Realized capital investment in plants and equipment by new and expanding industry in each county, Region, and State. The realized capital investment shall be compared to the targeted amount established in the goals and objectives.
- Manufacturing changes by county, Region, and State that affect the (3) value of firms, total payrolls, average wages, value of shipments, contributions to gross State product, and value added.
- (4) The net change in the number of firms by county, Region, and State with statistics on the dynamics of change: relocations in versus relocations out; births versus deaths; and expansions versus contractions.
- (5) A measure of the status and performance of all sectors of the county, Region, and State economy including, but not limited to, manufacturing, agriculture. trade. finance. communications. transportation, utilities, services, and travel and tourism.
- An assessment of the relative status and performance of rural business (6) development as opposed to that in urban areas.
- (7) An analysis of the status of minority-owned businesses throughout the State.

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- (8) An assessment of the development capability of the various Regions of the State in terms of their environmental, fiscal, and administrative capacity. Those areas that are handicapped by barriers to development should be highlighted.
 - (9) An evaluation of the State's economic performance as indicated by the above statistics with the goals and objectives outlined in the Plan.
 - (I) Accountability. The Board shall make all data, plans, and reports available to the General Assembly and the Joint Legislative Commission on Governmental Operations at appropriate times and upon request. The Board shall prepare and make available on an annual basis public reports on each of the major sections of the Plan and the Annual Report indicating the degree of success in attaining each development objective."

SECTION 5.(a) By February 15, of each fiscal year, beginning in 2004, the seven regional economic development commissions shall report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division the following information:

- (1) The preceding fiscal year's program activities, objectives, and accomplishments;
- (2) The preceding fiscal year's itemized expenditures and fund sources;
- (3) Demonstration of how the commission's regional economic development and marketing strategy aligns with the State's overall economic development and marketing strategies;
- (4) To the extent they are involved in promotion activities such as trade shows, visits to prospects and consultants, advertising and media placement, the commissions shall demonstrate how they have generated qualified leads.

The regional economic development commissions shall provide copies of the organization's annual audited financial statement to the Fiscal Research Division within 30 days of issuance of the statement.

The reporting requirements of the regional economic development commissions shall be reviewed annually by the North Carolina Partnership for Economic Development and recommendations for changes to the reporting requirements shall be made to the Joint Legislative Committee on Economic Development Oversight.

SECTION 5.(b) The structure of the North Carolina Eastern Regional Economic Development Commission shall be studied, in accordance with the recommendation in the UNC Kenan-Flagler study, to determine if their board structure should be reconstituted and made similar to that of North Carolina's Northeast or Southeast Regional Commission.

The North Carolina Eastern Regional Economic Development Commission shall contribute to the cost of this study by retaining a consultant familiar with the Commission.

The study shall be conducted by a designee of the North Carolina Partnership for Economic Development determined by the Partnership Presidents, a designee of the

Page 6 House Bill 740 H740-PCS70297-RO-7

CENERAL	ASSEMBLY	OF NORTH	CAROLINA
	ASSERVING	THE NUMBER	

SESSION 2003

1	UNC Kenan-Flagler School, and consultant(s) retained by the Eastern regional
2	commission.
3	None of the eastern regions shall be consolidated.
4	This study shall be submitted to the Joint Legislative Committee on
5	Economic Development Oversight and the North Carolina Partnership for Economic
6	Development prior to the beginning of the 2004 legislative session.
7	SECTION 6. This act is effective when it becomes law.

Attachment #1



NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

House Bill 740

	AMENDME	NT NO2
	(to be filled:	in by
H740-ARO-6 [v.1]	Principal Cl	erk)
• •		Page 1 of 3
	Date	,2003

Comm. Sub. [NO]
Amends Title [NO]
First Edition

Representative C. Wilson

moves to amend the bill on page 2, lines 24-25, by inserting the following new section between the lines:

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"SECTION 3. Chapter 120 of the General Statutes is amended by adding the following new Article to read:

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'Article 26A.

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18 19 Joint Legislative Committee on Economic Development Oversight.

§ 120-236. Creation and purpose of the Joint Legislative Committee on Economic Development Oversight.

There is established the Joint Legislative Committee on Economic Development Oversight. The Committee shall review current economic development procedures and strategies that impacts public policy. The goals and objectives of the Committee shall be to evaluate the extent to which the long-range comprehensive plans developed by the Economic Development Board have achieved their goals and have anticipated and addressed global changes such as the decline of tobacco as an economic force in the State and the exodus of manufacturers to other countries. The Committee shall determine whether improvements to the planning procedure and structure could enhance the State's ability to anticipate and address these types of trends before the damage to the economy has occurred.

20 "§ 120-237. Committee membership; terms; organization; vacancies.

- (a) The Committee shall consist of 12 members as follows:
 - (1) Six members of the Senate at the time of their appointment, appointed by the President Pro Tempore of the Senate.

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NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

House Bill 740

AMENDMENT NO.	
(to be filled in by	
Principal Clerk)	

H740-ARO-6 [v.1]

Page 2 of 3

- (2) Six members of the House of Representatives at the time of their appointment, appointed by the Speaker of the House of Representatives.
- (b) Members of the Committee shall serve terms of two years beginning on August 15 of each odd-numbered year.

Initial terms shall commence on August 15, 1999.

- (c) Members who are elected officials may complete a term of service on the Committee even if they do not seek reelection or are not reelected, but resignation or removal from service constitutes resignation or removal from service on the Committee.
- (d) The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each select a legislative member from their appointees to serve as cochair of the Committee.
- (e) The Committee shall meet at least once a quarter and may meet at other times upon the call of the cochairs. A majority of the members of the Committee shall constitute a quorum for the transaction of business. The affirmative vote of a majority of the members present at meetings of the Committee shall be necessary for action to be taken by the Committee.
- (f) All members shall serve at the will of their appointing officer. A member continues to serve until the member's successor is appointed. A vacancy shall be filled within 30 days by the officer who made the original appointment.

"§ 120-238. Assistance; per diem; subsistence; and travel allowances.

- (a) The Committee may contract for consulting services as provided by G.S. 120-32.02. Upon approval of the Legislative Services Commission, the Legislative Services Officer shall assign professional and clerical staff to assist in the work of the Committee. The professional staff shall include the appropriate staff from the Fiscal Research, Research, Legislative Drafting, and Information Systems Divisions of the Legislative Services Office of the General Assembly. Clerical staff shall be furnished to the Committee through the offices of the Senate and the House of Representatives Supervisors of Clerks. The expenses of employment of the clerical staff shall be borne by the Committee. The Committee may meet in the Legislative Building or the Legislative Office Building upon the approval of the Legislative Services Commission.
- (b) Members of the Committee shall receive per diem, subsistence, and travel allowances as follows:



NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

House Bill 740

			AMENDMENT N	Ю	
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H740-ARO-6 [v.1]			Principal Clerk)		
	·			Page	3 of 3
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			the Committee	from	<u>funds</u>
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	(1) Co the (2) Co loc (3) Al "§ 120-239. Comm The Committee agencies, and depar were a committee of G.S. 120-19.4 shall of the General Assocovered by G.S. appropriated to it for SIGNED Amendment Sponsor SIGNED Committee Chair if	(1) Committee members where the rate established in G. (2) Committee members where a local government agencies. (3) All other Committee members. The Committee may obtain informat agencies, and departments, while in dischasser were a committee of the General Assemble. Any cost of the General Assembly. Any cost of covered by G.S. 120-19.3 may be rappropriated to it for its continuing study. SIGNED Amendment Sponsor SIGNED Committee Chair if Senate Committee Amendment Sponsor	(1) Committee members who are members the rate established in G.S. 120-3.1. (2) Committee members who are officials of local government agencies, at the rate established in G.S. 120-3.1. (3) All other Committee members, at the rate established in G.S. 120-239. Committee authority. The Committee may obtain information and data fragencies, and departments, while in discharge of its duties were a committee of the General Assembly. The provist G.S. 120-19.4 shall apply to the proceedings of the Commof the General Assembly. Any cost of providing inforcovered by G.S. 120-19.3 may be reimbursed by appropriated to it for its continuing study." SIGNED Amendment Sponsor SIGNED Committee Chair if Senate Committee Amendment	(to be filled in by Principal Clerk) (1) Committee members who are members of the General the rate established in G.S. 120-3.1. (2) Committee members who are officials or employees of the local government agencies, at the rate established in G.S. (3) All other Committee members, at the rate established in " "§ 120-239. Committee authority. The Committee may obtain information and data from all State off agencies, and departments, while in discharge of its duties, under G.S. 12 were a committee of the General Assembly. The provisions of G.S. 120-G.S. 120-19.4 shall apply to the proceedings of the Committee as if it were of the General Assembly. Any cost of providing information to the Cocovered by G.S. 120-19.3 may be reimbursed by the Committee appropriated to it for its continuing study." SIGNED	(1) Committee members who are members of the General Assemble the rate established in G.S. 120-3.1. (2) Committee members who are officials or employees of the State local government agencies, at the rate established in G.S. 138-6. (3) All other Committee members, at the rate established in " / 3\$. 3. "§ 120-239. Committee authority. The Committee may obtain information and data from all State officers, a agencies, and departments, while in discharge of its duties, under G.S. 120-19, a were a committee of the General Assembly. The provisions of G.S. 120-19.1 th G.S. 120-19.4 shall apply to the proceedings of the Committee as if it were a commof the General Assembly. Any cost of providing information to the Committee covered by G.S. 120-19.3 may be reimbursed by the Committee from appropriated to it for its continuing study." SIGNED



NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT House Bill 740

H740-ARO-5 [v.1]

AMENDMENT NO.	_3	
(to be filled in by	•	
Principal Clerk)		

Page 1 of 2

Date ______,2003

Comm. Sub. [NO]
Amends Title [NO]
First Edition

Representative C. Wilson

moves to amend the bill on page 2 lines 24-25, by inserting the following new section between the lines:

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"SECTION 3(a). By February 15, of each fiscal year, beginning in 2004, the seven regional economic development commissions shall report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division the following information:

- 8
- a. The preceding fiscal year's program activities, objectives, and accomplishments;

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b. The preceding fiscal year's itemized expenditures and fund sources;

12 13 14 c. Demonstration of how the commission's regional economic development and marketing strategy aligns with the State's overall economic development and marketing strategies;

15 16 d. To the extent they are involved in promotion activities such as trade shows, visits to prospects and consultants, advertising and media placement, the commissions shall demonstrate how they have generated qualified leads.

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The regional economic development commissions shall provide copies of the organization's annual audited financial statement to the Fiscal Research Division within 30 days of issuance of the statement.

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- The reporting requirements of the regional economic development commissions shall be reviewed annually by the North Carolina Partnership for Economic Development and
- 24 recommendations for changes to the reporting requirements shall be made to the Joint
- 25 Legislative Economic Development Oversight Committee."



NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

House Bill 740

			AM	ENDMENT NO.	•
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H7	40-ARO-5 [v.1]		Pri	incipal Clerk)	
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	nmittee Chair if Senat	te Committee Amen	dment	-	•
AD	OPTED	FAILED	<u> </u>	TABLED	

- Activities/projects to strengthen constituent counties' ability to compete successfully for jobs and investments.
 - # of engineering, professional services provided
- Activities to develop/maintain consensus regional economic development strategy
- Activities to develop regional assets which support economic development success
- * Activities to support workforce development in the region
- * Activities to market the region to prospective new investment clients
 - # of website visits
 - # of direct marketing missions
 - # of consultants contacts
 - advertising dollars spent by medium
 - # of articles placed in magazines, papers, periodicals
 - # of direct calls on prospect companies
 - # of special events, trade shows worked
 - # of projects generated and referred to Department of Commerce
- ❖ Activities to promote travel and tourism
- ❖ Activities to promote film production
- Private sector dollars leveraged to promote region



North Carolina Partnership for Economic Development

Meredith L. Norris

meredithnorris@nc.rr.com 919.835.9724 Raleigh, North Carolina 27605

Post Office Box 13001

TO:

Representative Connie Wilson

FROM:

Meredith Norris, NCPED

DATE:

April 8, 2003

REGARDING:

NCPED recommendations to the Economic Growth and

Community Development committee

Dear Representative Wilson:

[In this document, you will find some references to "the regions" and some to "the Partnerships" – they are the same thing]

This past Sunday and Monday, the Presidents of the seven economic development regions, representatives from the Kenan-Flager school of UNC, representatives of the Department of Commerce, and designated staff from NCPED and the Northeast Partnership met to discuss NCPED's Role in the Changing Economic Development Landscape.

We are very pleased to have a chance to make recommendations to your Economic Growth and Community Development committee. I am including our recommendations to you, as well as what is already in the NER subcommittee of Appropriations regarding our reporting requirements. Reporting requirements for the Partnerships have historically been included in the appropriations act. At this time, both of our Speakers, the Appropriations Chairs and the NER subchairs have approved the language that is in their appropriations document. This special provision regarding the reporting requirements is being attached to this memorandum.

Also, I know that you are quite aware of what the Partnerships are, but we face an "educational battle" in the Legislature. Just to recap for staff, or anyone else looking at this legislation:

- There are seven economic development regions in North Carolina.
- The regions *and* the Department of Commerce have a 501c3 organization called the North Carolina Partnership for Economic Development
- The regions were created at different times, and for different reasons. The urban partnerships were private entities at the outset, and the four rural partnerships

were created by the General Assembly. They are all* now public/private partnerships with varying degrees of state funding based on the distressed county formula (*NC's Eastern Region receives no public money. It receives a state appropriation, and operates from the interest from the \$5 fee on the GTP license plates a few years ago. When it was originally created, it was a quasi-governmental agency. That no longer exists, and they are now completely separate from the Global Transpark – this is a very confusing issue to most people not familiar with NC's Eastern Region).

The purpose of our retreat this past Sunday and Monday was to discuss NCPED's (not the Partnerships) role in the future. We came up with some very good ideas, which affected NCPED, as well as some suggestions for the Partnerships themselves.

Please do contact me if you or professional staff have any questions. I can be reached at 919.835.9724, or mobile at 919.522.9036. I will plan on being available to you at your committee meeting on Wednesday, as well.

Many thanks to you for this opportunity.

Mexedith L. Monnis

Recommendations for Representative C. Wilson:



NCPED mission statement:

NCPED's mission is to promote economic development for North Carolina through initiatives that provide statewide consistency and regional flexibility.

I. Points to address:

- a. When relationship worked better, it was because the Secretary was engaged with the Partnerships' mission. Is this working for the Secretary or is/can this work(ing) for the Department?
- b. NCPED's primary function is to promote regionalism as an appropriate means for economic development in N.C.
- c. NCPED should advocate interests of Partnerships in the NCGA
- d. NCPED resolve communication differences between NCDOC and the regions

II. NCPED with better coordination

- a. Commerce should communicate better with the regions and tell them when they are bringing a prospect in the region, and keep them up to date. Also, if the region is the source of a prospect, then they need to have the confidence that (a) the project will not be shopped to other regions (b) that NCDOC will stay out of the project until asked to become involved by the region
- b. President of NCPED should be hired by NCDOC and that person's sole job should be to make sure that the viability of Partnerships is maintained (the

liaison between DOC and the Partnerships). (the person that wakes up every morning thinking about improving NCDOC and region relationships). The regions agreed they would be willing to share the cost of hiring an Assistant Secretary for Economic Development with DOC. This offer has been made before and was rejected.

- c. Written communication is key. Client handling is in place at three regions. DOC asked that the clients coming directly to the region, please let NCDOC know where else (other states or other regions in the state) that client is looking
- d. Have the recruiter (local commerce developer) be an employee of each region and NCDOC both.
- e. Leverage NCDOC regional offices with a memorandum of understanding of working/tracking project (ability to take command of that project based on who generated the lead)
- f. Written standard operating procedures in each region, and accept what works in one region doesn't work in others
- g. Base NCDOC marketing strategy on the regions
- h. Evaluate best practices out of the Team S.C. model
- i. Statewide and comprehensive economic development planning document to integrate marketing, client handling, etc. and that specifically delineates roles and responsibilities (recognize that there is customization within each region)
- j. Shifting of thinking by the Secretary that the regional partnerships as the delivery vehicle for regional economic development.
- k. Standardize best model of practice (what works best for each region in each area can be put together in a standardized plan for all the regions to use)
- 1. Collaborate on legislative and funding issues in a way that moves us away from the mindset that NCDOC is the economic development agency of the Executive Branch and that the regions are the economic development agency of the legislature.
- m. Promote a seamless process of promoting North Carolina should this be DOC's job? They need to have the money to promote NC. DOC promotes the states; the partnerships promote the various regions!
- n. NCPED has a role to advocate for a better and higher funded NCDOC (collaboration on legislative agenda and appropriation needs)
- o. Local DOC developers can be dismissed for not notifying regions when they bring prospects into region

III. How do the Partnerships need to be measured?

- a. Measure the regions against what they do! Each region should specify what they do.
- b. The regions should submit a plan on how they plan to spend the requested state appropriation.
- c. There is a General Statute that says why the regions get state appropriation, but the current reporting requirements don't necessarily match that.

- Reporting Requirements:
 - O Discussion over Kenan-Flagler study requirements vs. regular reporting requirements of the other state-aided non profits like the Rural Center, Land Loss Prevention Project, Institute of Minority Economic Development, Minority Support Center, NC Community Development Initiative, NC Association of CDCs, NC Biotech Center
 - There was strong agreement from the Presidents that the reporting requirements for the regions should be the same as the other state-aided non-profits above.
 - There was strong agreement that other reporting requirements that have been proposed would be unduly onerous, extremely time consuming, and a wasted effort as the recipients rarely looked at them, or did anything with the findings. Some of the attendees of the Sunday/Monday meeting had seen proposed reporting requirements, and it was stated that it could easily cost \$100,000 in additional staff just to fill out the unnecessary information that could not be constructively used.
 - Please see attached special provision regarding the reporting requirements which is currently in House Appropriations.

Other items we discussed:

- Enhanced role of the Economic Development Board as the lead economic development agency for the state?
 - ✓ the Economic Development Board constitutionally formed wrong because of the political appointees that serve on there. Should include folks like entrepreneurs, NCEDA, NCPED, key policy people, the Rural Center, legislative leadership (Speaker[s], Pro Tem, and Committee Chairs involved with economic development), etc.
- o Creation of a legislative oversight committee for economic development strategies for N.C.?

VISITOR REGISTRATION SHEET

Economic Growth & Community Development

April 9, 2003

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Frank Johnson	print cities
Jehalen	allacapeans
En Trumwood	NCER
meredith mornis	ncped .
Julie Allen	NC Statewatch
DON HUBART	NC DUC
JOHN PETERSON	NCEDA
JIMFAIN	NODO
Stephanie McGairrah	NeDoc
ED FERER	NCDOC
Minchen	CAPO
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VISITOR REGISTRATION SHEET

Economic Growth & Community Development

April 9, 2003

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS	
Sten Well	Conservation Council	
ManayShompoon	MCIC	
Otes Cartes	Carter + Assoc	
John Googman	MERCER & ASSOC.	
Lucino Pullen	N'C Muning assoc-Courses	
Ashe Bevorgun	NCCISI	
Albert Edtel	Corning	
Kathryn Sawyer	Charlotte Chamber	
amy Fallbright	Hunton & Williams	
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House Pages Name: Brett Jarrett County: Lincoln Sponsor: <u>Joe Kiser</u> Name: Lindsey White County: Wake Sponsor: Rep. Paul Stam 3. Name: Sponsor:______ Name: 4. Sponsor: 5. Name: County: Sgt-At-Arms Name: 3. Name: 4.

MINUTES

HOUSE COMMITTEE ON ECONOMIC GROWTH & COMMUNITY DEVELOPMENT

'April 23, 2003

The House Committee on Economic Growth & Community Development met on Wednesday, April 23, 2003 in Room 1228 of the Legislative Building at 1:00 P.M. The following members were present: Rep. Connie Wilson, Chair, Vice-Chair's John Sauls and Jim Harrell, Representatives Blust, Cole, Dickson, England, Farmer-Butterfield, Frye, Goforth, Rayfield Rhodes, Stam and West. The Visitor Registration sheet indicates visitors present and is attached as a part of the record.

Representative Wilson opened the meeting by welcoming members and guests. Having a quorum, the meeting was called to order at 1:05 P.M. by Rep. Connie Wilson, Chair. She recognized the pages, Brittany Matthews, Sumner Green and Elizabeth Brim, who were assigned to the meeting.

HB 1065 REDEVELOPMENT COMM. PROPERTY CONVEYANCE

Representative Connie Wilson, Chair, recognized Rep. Lucy Allen, to explain House Bill 1065, A BILL TO BE ENTITLED AN ACT TO MODIFY THE AUTHORITY AND PROCEDURE FOR A REDEVELOPMENT COMMISSION TO CONVEY CERTAIN PROPERTY IN A DESIGNATED REDEVELOPMENT AREA. Staff counsel, Walker Reagan gave an overview of the proposed changes in the amendment. After discussion and questions by the committee, a motion was made by Rep. Rayfield for an unfavorable report as to the original bill and a favorable report to a committee substitute for HB 1065, (See attachment #2). The vote was taken and so moved.

HB-1165-BEACH PRESERVATION & RESTORATION ACT.

Staff Council, Walker Reagan, explained HB 1165, A BILL TO BE ENTITLED AN ACT TO ACKNOWLEDGE STATE POLICY THAT BEACH PRESERVATION AND RESTORATION ARE IN THE PUBLIC INTEREST AND THAT WHERE ECONOMICALLY AND ENVIRONMENTALLY JUSTIFIED BEACH PRESERVATION AND RESTORATION CONSTITUTE A PUBLIC PURPOSE, TO ESTABLISH THE NORTH CAROLINA BEACH PRESERVATION AND RESTORATION COMMISSION, TO ESTABLISH THE BEACH PRESERVATION AND RESTORATION FUND, AND TO APPROPRIATE FUNDS TO THE BEACH PRESERVATION AND RESTORATION FUND. A handout of the bill analysis is attached.(attachment #1). Rep. Wilson introduced Jim Stephenson of the North Carolina Coastal Federation. Mr. Stephenson expressed his appreciation for the opportunity to be before the committee and provided handouts on funding for beach renourishment

projects. (See attachment # 2) Rep. Wilson introduced Michelle Duval to speak on her Beach Preservation and Restoration Fact Sheet. (See attachment #3). Representative Stiller, Sponsor of the bill, was recognized to answer numerous questions by members of the committee. After much discussion, the Chair appointed a subcommittee to study the bill and the members of that subcommittee will be announced at the next meeting.

There being no further business, Rep. Wilson adjourned the meeting at 1:45 P.M.

Representative Connie Wilson

Chair

Chris Floyd

Committee Assistant

Attachment #1
Attachment #2
Attachment #3
Agenda
Meeting Notice

Attendance Record

Visitor Registration List

2003 COMMITTEE REPORT HOUSE OF REPRESENTATIVES

The	e following report(s) from standing committee(s) is/are presented: By Representative Connie Wilson (Chair) for the Committee on ECONOMIC GROWTH AND COMMUNITY DEVELOPMENT.
	Committee Substitute for 3. 1065 A BILL TO BE ENTITLED AN ACT TO MODIFY THE AUTHORITY AND PROCEDURE FOR A REDEVELOPMENT COMMISSION TO CONVEY CERTAIN PROPERTY IN A DESIGNATED REDEVELOPMENT AREA.
	With a favorable report.
	With a favorable report and recommendation that the bill be re-referred to the Committee on Appropriations Finance .
	With a favorable report, as amended.
	With a favorable report, as amended, and recommendation that the bill be re-referred to the Committee on Appropriations Finance
	With a favorable report as to the committee substitute bill (#
. 🔲	With a favorable report as to House committee substitute bill (#), which changes the title, unfavorable as to Senate committee substitute bill.
	With an unfavorable report.
	With recommendation that the House concur.
	With recommendation that the House do not concur.
	With recommendation that the House do not concur; request conferees.
	With recommendation that the House concur; committee believes bill to be material.
	With an unfavorable report, with a Minority Report attached.
	Without prejudice.
	With an indefinite postponement report.
	With an indefinite postponement report, with a Minority Report attached.
	With recommendation that it be adopted. (HOUSE RESOLUTION ONLY) 03/19/03

AGENDA

HOUSE COMMITTEE ON ECONOMIC GROWTH & COMMUNITY DEVELOPMENT

April 23, 2003 Room 1228 LB 1:00 P.M.

OPENING REMARKS

Representative Connie Wilson, Chair Economic Growth & Community Development

AGENDA ITEMS

HB 1065 Redevelopment Commission Property Conveyance – Primary Sponsor: Rep. Lucy Allen

HB 1165 Beach Preservation & Restoration Act – Primary Sponsor: Rep. Bonner Stiller

ADJOURNMENT

NORTH CAROLINA HOUSE OF REPRESENTATIVES **COMMITTEE MEETING NOTICE** AND **BILL SPONSOR NOTIFICATION 2003-2004 SESSION**

•	ified that the Committee on ECONOMIC GROWTH & EVELOPMENT will meet as follows:
DAY & DATE:	Wednesday April 23, 2003
TIME:	1:00 P M
LOCATION:	ROOM 1228 LB
The following bills	will be considered (Bill # & Short Title & Bill Sponsor):
	opment Commission Property Conveyance cy Allen, Sponsor
HB 1165 Beach P	reservation & Restoration Act – Rep. Bonner Stiller, Sponsor
	Respectfully, Representative Connie Wilson Chair
I hereby certify this 1:30 on April 17, 2	s notice was filed by the committee assistant at the following offices at 2003.
Principa Reading	al Clerk g Clerk - House Chamber
Chris Floyd (Comr	nittee Assistant)

GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2003

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HOUSE BILL 1065

Short Title: Redevelopment Comm. Property Conveyance. (Public) Sponsors: Representative L. Allen. Referred to: Economic Growth and Community Development. April 10, 2003 A BILL TO BE ENTITLED AN ACT TO MODIFY THE AUTHORITY AND PROCEDURE FOR A REDEVELOPMENT COMMISSION TO CONVEY CERTAIN PROPERTY IN A DESIGNATED REDEVELOPMENT AREA. The General Assembly of North Carolina enacts: **SECTION 1.** G.S. 160A-514(c) reads as rewritten: A commission may sell, exchange, or otherwise transfer the fee or any lesser interest in real property in a redevelopment project area to any redeveloper for any public or private use that accords with the redevelopment plan, subject to such covenants, conditions and restrictions as the commission may deem to be in the public interest and in furtherance of the purposes of this Article. In the sale, exchange, or transfer of property, the commission shall follow the exercise the authority and procedure set out in G.S. 160A-268, G.S. 160A-269, G.S. 160A-270 or G.S. 160A-271 G.S. 160A-270, G.S. 160A-271, or G.S. 160A-279 for the disposition of property by a city council. Provided, however, that all sales, exchanges, or other transfers of real property from July 9, 1985, to December 31, 1987, in accordance with the provisions of this section prior to its revision on July 9, 1985, shall be and are valid in all respects." SECTION 2. G.S. 160A-514(e) reads as rewritten: In carrying out a redevelopment project, the commission may: "(e) With or without consideration and at private sale convey to the **(1)** municipality in which the project is located such real property as, in accordance with the redevelopment plan, is to be laid out into streets, alleys, and public ways; ways. With or without consideration, convey at private sale, grant, or (2) dedicate easements and rights-of-way for public utilities, sewers,

streets and other similar facilities, in accordance with the

With or without consideration and at private sale convey to the

municipality, county or other appropriate public body such real

redevelopment plan; and plan.

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for parks, schools, public buildings, facilities or other public purposes. **(4)** After In addition to other authority contained in this section, after a public hearing advertised in accordance with the provisions of G.S. 160A-513(e), and subject to the approval of the governing body of the municipality, convey to a nonprofit association or corporation organized and operated exclusively for educational, scientific, literary, cultural, charitable or religious purposes, no part of the net earnings of which inure to the benefit of any private shareholder or individual, such real property as, in accordance with the redevelopment plan, is to be used for the purposes of such associations or corporations. Such conveyance shall be for such consideration as may be agreed upon by the commission and the association or corporation, which shall not be less than the fair value of the property agreed upon by a committee of three professional real estate appraisers currently practicing in the State, which committee shall be appointed by the commission. All conveyances made under the authority of this subsection shall contain restrictive covenants limiting the use of property so conveyed to the purposes for which the conveyance is made."

property as, in accordance with the redevelopment plan, is to be used

SECTION 3. This act is effective when it becomes law.





HOUSE BILL 1065: Redevelopment Commission Property Conveyance.

Committee:

House Economic Growth &

Community Development

Date:

April 23, 2003

Version:

Proposed Committee Substitute

H1065-CSRU-27

Introduced by: Rep. Lucy Allen
Summary by: O. Walker Reagan,

Committee Co-Counsel

SUMMARY: The Proposed Committee Substitute for House Bill 1065 would expand the authority of a redevelopment commission to convey property in a designated redevelopment area to allow property to be sold to a public or private entity that carries out a public purpose.

CURRENT LAW: Currently, a redevelopment commission may sale, exchange or transfer property owned by the commission in a redevelopment area through the advertisement for sealed bids (G.S. 160A-268), negotiated offer, advertisement, and upset bids (G.S. 160A-269), public auction (G.S. 160A-270), and exchange of property (G.S. 160A-271), in the same manner as a city may dispose of city property. The commission, subject to approval of the municipality, may also convey real property to a nonprofit operated for educational, scientific, literary, cultural, charitable or religious purposes for the purposes of the organization at a price agreed to by the commission and the nonprofit that is not less than the fair market value of the property as agreed to by three professional real estate appraisers. (G.S. 160A-514(e)(4)).

BILL ANALYSIS: Section 1 of the bill would amend the law that specifies how a redevelopment commission may convey its property to permit a commission to convey its property by sale to entities carrying out a public purpose, as cities are allowed to do under G.S. 160A-279 (copy attached). The commission may attach any conveyance covenants or conditions that assure that the property will be put to a public use by the recipient entity.

Section 2 makes a conforming change for the authority granted in Section 1.

EFFECTIVE DATE: The bill would become effective when it becomes law.

HOUSE BILL 1065

Page 2

§ 160A-279. Sale of property to entities carrying out a public purpose; procedure.

- (a) Whenever a city or county is authorized to appropriate funds to any public or private entity which carries out a public purpose, the city or county may, in lieu of or in addition to the appropriation of funds, convey by private sale to such an entity any real or personal property which it owns; provided no property acquired by the exercise of eminent domain may be conveyed under this section; provided that no such conveyance may be made to a for-profit corporation. The city or county shall attach to any such conveyance covenants or conditions which assure that the property will be put to a public use by the recipient entity. The procedural provisions of G.S. 160A-267 shall apply. Provided, however, that a city or county may convey to any public or private entity, which is authorized to receive appropriations from a city or county, surplus automobiles without compensation or without the requirement that the automobiles be used for a public purpose. Provided, however, this conveyance is conditioned upon conveyance by the public or private entity to Work First participants selected by the county department of social services under the rules adopted by the local department of social services. In the discretion of the public or private entity to which the city or county conveys the surplus automobile, when that entity conveys the vehicle to a Work First participant it may arrange for an appropriate security interest in the vehicle, including a lien or lease, until such time as the Work First participant satisfactorily completes the requirements of the Work First program. This subsequent conveyance by the public or private entity to the Work First participant may be without compensation. The participant may be required to pay for license, tag, and/or title.
- Notwithstanding any other provision of law, this section applies only to cities and counties and **(b)** not to any other entity which this Article otherwise applies to.
 - Repealed by Session Laws 1993, c. 491, s. 1. (c)
- This section does not limit the right of any entity to convey property by private sale when that right is conferred by another law, public, or local. (1987, c. 692, s. 1; 1993, c. 491, s. 1; 1998-195, s. 1.)

§ 160A-267. Private sale.

When the council proposes to dispose of property by private sale, it shall at a regular council meeting adopt a resolution or order authorizing an appropriate city official to dispose of the property by private sale at a negotiated price. The resolution or order shall identify the property to be sold and may, but need not, specify a minimum price. A notice summarizing the contents of the resolution or order shall be published once after its adoption, and no sale shall be consummated thereunder until 10 days after its publication. (1971, c. 698, s. 1; 1979, 2nd Sess., c. 1247, s. 24.)

GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2003

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HOUSE BILL 1065 PROPOSED COMMITTEE SUBSTITUTE H1065-CSRU-27 [v.1]

4/22/2003 5:35:49 PM

Short Title: R	Redevelopment Comm. Property Conveyance.	(Public)
Sponsors:		
Referred to:		
	April 10, 2003	
A BILL TO BE ENTITLED AN ACT TO MODIFY THE AUTHORITY AND PROCEDURE FOR A REDEVELOPMENT COMMISSION TO CONVEY CERTAIN PROPERTY IN A DESIGNATED REDEVELOPMENT AREA. The General Assembly of North Carolina enacts: SECTION 1. G.S. 160A-514(c) reads as rewritten: "(c) A commission may sell, exchange, or otherwise transfer the fee or any lesser interest in real property in a redevelopment project area to any redeveloper for any public or private use that accords with the redevelopment plan, subject to such covenants, conditions and restrictions as the commission may deem to be in the public interest and in furtherance of the purposes of this Article. In the sale, exchange, or transfer of property, the commission shall follow the exercise the authority and procedure set out in G.S. 160A-268, G.S. 160A-269, G.S. 160A-270 or G.S. 160A-271 160A-271, or 160A-279 for the disposition of property by a city council. Provided, however, that all sales, exchanges, or other transfers of real property from July 9, 1985, to December 31, 1987, in accordance with the provisions of this section prior to its revision on July 9, 1985, shall be and are valid in all respects." SECTION 2. G.S. 160A-514(e) reads as rewritten: "(e) In carrying out a redevelopment project, the commission may: (1) With or without consideration and at private sale convey to the municipality in which the project is located such real property as, in accordance with the redevelopment plan, is to be laid out into streets, alleys, and public ways; ways. (2) With or without consideration, convey at private sale, grant, or dedicate easements and rights-of-way for public utilities, sewers, streets and other similar facilities, in accordance with the		

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- (3) With or without consideration and at private sale convey to the municipality, county or other appropriate public body such real property as, in accordance with the redevelopment plan, is to be used for parks, schools, public buildings, facilities or other public purposes.
- After In addition to other authority contained in this section, after a (4) public hearing advertised in accordance with the provisions of G.S. 160A-513(e), and subject to the approval of the governing body of the municipality, convey to a nonprofit association or corporation organized and operated exclusively for educational, scientific, literary, cultural, charitable or religious purposes, no part of the net earnings of which inure to the benefit of any private shareholder or individual, such real property as, in accordance with the redevelopment plan, is to be used for the purposes of such associations or corporations. Such conveyance shall be for such consideration as may be agreed upon by the commission and the association or corporation, which shall not be less than the fair value of the property agreed upon by a committee of three professional real estate appraisers currently practicing in the State, which committee shall be appointed by the commission. All conveyances made under the authority of this subsection shall contain restrictive covenants limiting the use of property so conveyed to the purposes for which the conveyance is made."

SECTION 3. This act is effective when it becomes law.

Audubon North Carolina • Brunswick Environmental Action Team
Carteret County Crossroads • Conservation Council of NC
NC Coastal Federation • NC Environmental Defense
NC Public Interest Research Group • NC Wildlife Federation
Neuse River Foundation • Neuse RiverKeeper • PenderWatch
Southern Environmental Law Center • Sunset Beach Taxpayers' Association

February 22, 2001

Dear Representative:

During the past few months, the question of how North Carolina should respond to sea level rise and increasingly intense coastal storms has received much debate. Several proposals to address these concerns may come before the General Assembly this session.

Beach towns have lobbied for the creation of a special state fund to pay the cost of pumping sand in front of oceanfront structures. A recent legislative study committee on Coastal Beach Movement, Beach Renourishment and Storm Mitigation recommended proposed legislation that would create a special state fund for beach engineering projects of \$1 million in 2001-2002 and rise to \$12 million in 2005-2006 and each year thereafter. The proposed legislation would also create an independent commission that would promote beach engineering projects along the coast and establish policies for their implementation.

The proposed legislation would needlessly duplicate programs and policies that are already in place to address beach erosion. In 1979 the General Assembly created a mechanism within the Department of Environment and Natural Resources (DENR) to fund beach engineering projects through the Water Resources Development Projects grant program. The General Assembly authorized DENR to use this fund to provide up to 75 percent of the non-federal cost of beach engineering projects (G.S 143-215.71). It is our understanding that since the fund's inception, every beach engineering project that has met project criteria has been awarded money. Indeed, despite the current budget shortfall, the budget for Water Resources Development Projects in the current fiscal year is \$25,747,000 of which \$10,655,000 is funding beach engineering projects.

In addition, the proposed legislation would create a new North Carolina Beach Preservation and Restoration Commission that would duplicate the authority the General Assembly has already granted to the Coastal Resources Commission (CRC) to regulate development and protect natural resources in the coastal region. The CRC has in place a balanced policy on coastal erosion that permits beach engineering projects (NCAC 15A: 7M .0202). Further, the Division of Coastal Management has never denied a permit for a public or private beach engineering project. Given this history, creation of a whole new commission for the sole purpose of addressing oceanfront erosion is a waste of taxpayer dollars.

Finally, the proposed legislation would promote beach engineering projects in areas that, for geologic or economic reasons, are simply inappropriate. For instance, in areas where the US Army Corps of Engineers has determined that beach engineering is not feasible due to inadequate sand resources or a negative cost/benefit ratio, the proposed legislation could nonetheless force the state to pick up 90 percent of beach engineering project costs.

Most taxpayers do not want their tax dollars to pay for beach engineering. The Conservation Council of North Carolina conducted a public opinion poll in June 2000 that showed the majority of North Carolinians oppose taxpayer funding for beach renourishment projects. The survey further showed that people are *twice* as likely to strongly oppose taxpayer funding for beach engineering, as they are to strongly support it.

While no bill has yet been introduced to implement the legislative study committee's report, we urge you not to support the legislation if and when it emerges. We also urge you to oppose the creation of a special state fund for beach engineering projects through the appropriations process.

Thank you for your consideration of these concerns,

Sincerely,

Todd Miller

NC Coastal Federation

Chris Canfield

Audubon North Carolina

Jan Harris

Brunswick Environmental Action Team

Bruce McCutcheon

Carteret County Crossroads

Nathaniel Mund

Conservation Council of NC

Jane Preyer

NC Environmental Defense

Elizabeth Ouzts

NC Public Interest Research Group

Chuck Rice

NC Wildlife Federation

Marion Smith

Neuse River Foundation

Tom Jones

Neuse RiverKeeper

Dave Richie

PenderWatch

Derb Carter

Southern Environmental Law Center

Minnie Hunt

Sunset Beach Taxpayers' Association

Jagi derman

S.L. 2000-67 House Bill 1840

Requested by: Representatives Fox, Owens, Warren, Easterling, Redwine, Smith, Senators Martin of Pitt, Weinstein, Plyler, Perdue, Odom

BEACH MANAGEMENT PLAN/FEDERAL FUNDS Section 13.9.(a) The General Assembly makes the following findings:

- (1) North Carolina has 320 miles of ocean beach, including some of the most pristine and attractive beaches in the country.
- (2) The balance between economic development and quality of life in North Carolina has made our coast one of the most desirable along the Atlantic Seaboard.
- (3) North Carolina's beaches are vital to the State's tourism industry.
- (4) North Carolina's beaches belong to all the State's citizens and provide recreational and economic benefits to our residents statewide.
- (5) Beach erosion can threaten the economic viability of coastal communities and can significantly affect State tax revenues.
- (6) The Atlantic Seaboard is vulnerable to hurricanes and other storms, and it is prudent to take precautions such as beach nourishment that protect and conserve the State's beaches and reduce property damage and flooding.
- (7) Beach renourishment as an erosion control method provides hurricane flood protection, enhances the attractiveness of beaches to tourists, restores habitat for turtles, shorebirds, and plants, and provides additional public access to beaches.
- (8) Federal policy previously favored and assisted voluntary movement of structures threatened by erosion, but this assistance is no longer available.
- (9) Relocation of structures threatened by erosion is sometimes the best available remedy for the property owner and is in the public interest.
- (10) Public parking and public access areas are needed for use by the general public to enable their enjoyment of North Carolina's beaches.
- (11) Acquisition of high erosion hazard property by local or State agencies can reduce risk to citizens and property, reduce costs to insurance policyholders, improve public access to beaches and waterways, and protect the environment.
- (12) Beach nourishment projects such as those at Wrightsville Beach and Carolina Beach have been very successful and greatly reduced property damage during Hurricane Fran.
- (13) Because local beach communities derive the primary benefits from the presence of adequate beaches, a program of beach management and restoration should not be accomplished without a commitment of local funds to combat the problem of beach erosion.
- (14) The State of North Carolina prohibits seawalls and hardening the shoreline to prevent destroying the public's

beaches.

- (15) Beach nourishment is encouraged by both the Coastal Resources Commission and the U.S. Army Corps of Engineers as a method to control beach erosion.
- (16) The Department of Environment and Natural Resources has statutory authority to assist local governments in financing beach nourishment projects and is the sponsor of several federal navigation projects that result in dredging beach-quality sand.
- (17) It is declared to be a necessary governmental responsibility to properly manage and protect North Carolina's beaches from erosion and that good planning is needed to assure a cost-effective and equitable approach to beach management and restoration, and that as part of a comprehensive response to beach erosion, sound policies are needed to facilitate the ability of landowners to move threatened structures and to allow public acquisition of appropriate parcels of land for public beach access.

Section 13.9.(b) The Department of Environment and Natural Resources shall compile and evaluate information on the current conditions and erosion rates of beaches, on coastal geology, and on storm and erosion hazards for use in developing a State plan and strategy for beach management and restoration. The Department of Environment and Natural Resources shall make this information available to local governments for use in landuse planning.

Section 13.9.(c) The Department of Environment and Natural Resources shall develop a multiyear beach management and restoration strategy and plan that does all of the following:

- (1) Utilizes the data and expertise available in the Divisions of Water Resources, Coastal Management, and Land Resources.
- (2) Identifies the erosion rate at each beach community and estimates the degree of vulnerability to storm and hurricane damage.
- (3) Uses the best available geological and geographical information to determine the need for and probable effectiveness of beach nourishment.
- (4) Provides for coordination with the U.S. Army Corps of Engineers, the North Carolina Department of Transportation, the North Carolina Division of Emergency Management, and other State and federal agencies concerned with beach management issues.
- (5) Provides a status report on all U.S. Army Corps of Engineers' beach protection projects in the planning, construction, or operational stages.
- (6) Makes maximum feasible use of suitable sand dredged from navigation channels for beach nourishment to avoid the loss of this resource and to reduce equipment mobilization costs.
- (7) Promotes inlet sand bypassing where needed to replicate the natural flow of sand interrupted by inlets.
- (8) Provides for geological and environmental assessments to locate suitable materials for beach nourishment.
- (9) Considers the regional context of beach communities to determine the most cost-effective approach to beach

nourishment.

- (10) Provides for and requires adequate public beach access, including handicapped access.
- (11) Recommends priorities for State funding for beach nourishment projects, based on the amount of erosion occurring, the potential damage to property and to the economy, the benefits for recreation and tourism, the adequacy of public access, the availability of local government matching funds, the status of project planning, the adequacy of project engineering, the cost-effectiveness of the project, and the environmental impacts.
- (12) Includes recommendations on obtaining the maximum available federal financial assistance for beach nourishment.
- (13) Is subject to a public hearing to receive citizen input.

Section 13.9.(d) Each plan shall be as complete as resources and available information allow. The Department of Environment and Natural Resources shall revise the plan every two years and shall submit the revised plan to the General Assembly no later than March 1 of each odd-numbered year. The Department may issue a supplement to the plan in even-numbered years if significant new information becomes available.

Section 13.9.(e) The Department of Environment and Natural Resources shall submit the first plan required by this act, no later than May 1, 2001. With the first plan, the Department shall:

- (1) Provide to the General Assembly a report on alternative State and local government sources of funding for beach nourishment.
- (2) Review State, federal, and local policies on enabling and assisting property owners to move structures that are threatened by imminent erosion damage and shall recommend policies, legislative changes, and actions to make moving structures more feasible for landowners.
- (3) Review existing programs for the acquisition and management of public land for beach access areas and open space, including identifying high-hazard, erosion-prone, or unbuildable parcels of land that may be used for this purpose, and shall recommend any policy and legislative changes needed to improve public beach access. The Department shall recommend priorities for land acquisition for public beach access, open space, and hazard-reduction purposes.

Section 13.9.(f) In the event that federal funds become available for planning and developing shore protection projects, the State shall match those funds in accordance with the funding guidelines set out in G.S. 143-215.71.

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HB 1165 Beach Preservation & Restoration Fact Sheet

HB 1165 is identical in content to HB 418 that was introduced during the 2001 Long Session as a result of the LRC Study Committee on Coastal Beach Movement, Beach Renourishment and Storm Mitigation. The bill's purpose: to establish a state policy that beach preservation and restoration projects are in the public interest; to establish a Beach Preservation and Restoration Commission to oversee projects; to establish a dedicated fund for preservation and restoration projects. More than 13 environmental and taxpayer groups opposed HB 418.

- The bill is fiscally irresponsible. The state is in one of the most severe budget crises in recent history. The Department of Environment and Natural Resources is being forced to cut enforcement and technical assistance positions that are critical to the protection of natural resources. Almost every state agency is being forced to make critical spending cuts. Asking taxpayers across the state to fund 90% of the costs of beach fill projects is frivolous.
- The bill would duplicate authority already delegated to the Coastal Resources Commission (CRC) and the Division of Coastal Management (DCM). The purpose of the Beach Preservation and Restoration Commission would be "to administer the laws relating to beach preservation and restoration." The CRC already performs this function. Furthermore, the CRC directs the Division of Coastal Management (DCM) to provide "technical assistance in evaluating beach access needs and erosion problems and in developing public beach access, beach preservation, and beach restoration plans".
- Most taxpayers are unwilling to pay for beach nourishment projects. In a public opinion survey conducted by the Conservation Council of NC in 2000, the majority of the respondents indicated that they are opposed to taxpayer funding for beach renourishment projects. The survey further showed that people are twice as likely to strongly oppose taxpayer funding for beach engineering, as they are to strongly support it.
- The bill duplicates programs already in place to address beach erosion. The Division of Coastal Management already has comprehensive programs in place to address beach access, coastal erosion, oceanfront development, and rebuilding after storms. The Division of Water Resources already has a grant program to provide state funds to match federal funds for beach nourishment projects and closely coordinates with the Army Corps of Engineers in all federally co-sponsored projects.
- The legislation duplicates ongoing efforts by the Department of Environment and Natural Resources to develop a statewide Beach Management Plan. House Bill 1840, the Session 2000 Appropriations bill, mandated that DENR develop a statewide Beach Management Plan with assistance from the Divisions of Coastal Management, Water Resources and Land Resources. As it was an unfunded mandate, the plan is not yet complete, but already includes all of the elements proposed in HB 418.
- The bill's premise is faulty and unsustainable. The legislation recognizes the dynamic nature of the state's coastline and the threat of erosion to public and private property, yet promotes a policy of maintaining a shoreline in a fixed position rather than the policy of comprehensive and sustainable land-use planning that is currently held by the CRC.

House Pages

1.	Name: Britary Matthews)
	County: Harnett	
	Sponsor: Lewis	
2.	Name: Summer Green	
	County: Mcclenburg	
	Sponsor Milson	
3.	Name: Elizabeth Brim	:
	County: Randolph	
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Sgt-	At-Arms	
1.	Name: Duszy Phodes	
2.	Name: Bill FREEMAN	
3.	Name: FRANCIS Poole	· : •.
4.	Name:	

VISITOR REGISTRATION SHEET

Ecomomic Growth & Community Development

April 23, 2003

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Mlly Dirani	MC Siena Chil
And Komenit	NCLM
JOHN MORRIS	DENR
Ster Well	Conservation Council
John Peterson	NCEDA
Michelle Duval	Environmental beforse
Jim Stephenson	NG Coastal Federation
Frank Johnson	private texpayer
DUT- 14 AMET	private texpayer
Caroli Lande	ECHS
Jim Hobs	Nehla
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VISITOR REGISTRATION SHEET

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Ecomomic Growth & Community Development

April 23, 2003

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Gody M'Edin	N.L. Commoti Worker
Larry Beerley	LBI
Mirshuth Ousts	NCPIPC
Steph Simpson	NCAR
Rick Zechini	NCAR
-	

MINUTES

HOUSE COMMITTEE ON COMMERCE

May 14, 2003

The House Committee on Commerce met on Wednesday, May 14, 2003 in Room 1228 of the Legislative Building at 1:00 P.M. The following members were present: Rep. Connie Wilson, Chair, Vice-Chair Jim Harrell, Representatives Blust, England, Frye, Goforth, Hunter, Parmon, Rhodes, and West. The Visitor Registration sheet indicates visitors present and is attached as a part of the record.

Representative Wilson opened the meeting by welcoming members and guests. Having a quorum, the meeting was called to order at 1:05 P.M. by Rep. Connie Wilson, Chair. She recognized the pages, Chris Rodriguez of Cumberland County sponsored by Rep. McAllister, Anthony Marshall of Mecklenburg Co., David Silcox from Henderson and Timothy Cleveland of Mecklenburg Co., sponsored by Rep McMahan. Rep. Wilson announced the names of members appointed to a subcommittee to study HB 1165 Beach Preservation & Restoration Act. The members are Rep. Cole, Chair, Representatives Rayfield, Farmer-Butterfield, Dickson and C. Wilson.

SB 0517 Adjust Eastern Region Commission

Representative Connie Wilson, Chair, recognized Senator A.B. Swindell to explain Senate Bill 0517, A BILL TO BE ENTITLED AN ACT TO REDUCE THE MINIMUM MEMBERSHIP OF THE GLOBAL TRANSPARK DEVELOPMENT COMMISSION, ALSO CALLED THE EASTERN REGION COMMISSION.

Staff counsel, Walker Reagan prepared handouts and gave a summary of the origins of the Global Transpark Development Commission. (See attachment # 1)

Karen Cochran-Brown, staff council, prepared handouts for all members on the "Makeup of Statutorily Created Regional Economic Development Commissions". (See attachment # 2)

After discussion and questions by the committee, Rep. West made a motion for a favorable report. The vote was taken and so moved. There being no further business, Rep. Wilson adjourned the meeting at 1:45 P.M.

Representative Connie Wilson

Chair

Chris Floyd

Committee Assistant

Attachment #1
Attachment #2
Agenda
Meeting Notice
Attendance Record
Visitor Registration List

2003 COMMITTEE REPORT HOUSE OF REPRESENTATIVES

The	e following report(s) from standing committee(s) is/are presented: By Representative Connie Wilson (Chair) for the Committee on Commerce.
_	Committee Substitute for . 0517 A BILL TO BE ENTITLED AN ACT TO REDUCE THE MINIMUM MEMBERSHIP OF THE GLOBAL TRANSPARK DEVELOPMENT COMMISSION, ALSO CALLED THE EASTERN REGION COMMISSION.
V	With a favorable report.
	With a favorable report and recommendation that the bill be re-referred to the Committee on Appropriations
	With a favorable report, as amended.
	With a favorable report, as amended, and recommendation that the bill be re-referred to the Committee on Appropriations Finance .
	With a favorable report as to the committee substitute bill (#), which changes the title, unfavorable as to (the original bill) (Committee Substitute Bill #), (and recommendation that the committee substitute bill #) be re-referred to the Committee on .)
	With a favorable report as to House committee substitute bill (#), \square which changes the title, unfavorable as to Senate committee substitute bill.
	With an unfavorable report.
	With recommendation that the House concur.
	With recommendation that the House do not concur.
	With recommendation that the House do not concur; request conferees.
	With recommendation that the House concur; committee believes bill to be material.
	With an unfavorable report, with a Minority Report attached.
	Without prejudice.
	With an indefinite postponement report.
	With an indefinite postponement report, with a Minority Report attached.
	With recommendation that it be adopted. (HOUSE RESOLUTION ONLY) 03/19/03

AGENDA

HOUSE COMMITTEE ON COMMERCE

May 14, 2003

Room 1228 LB

1:00 P.M.

OPENING REMARKS

Representative Connie Wilson, Chair Commerce

THE FOLLOWING BILL WILL BE CONSIDERED:

SB 517 Adjust Eastern Region Commission Sponsor: Senator Swindell

ADJOURNMENT

GENERAL ASSEMBLY OF NORTH CAROLINA **SESSION 2003**

S

SENATE BILL 517

1

CALLED

Short Title: Adjust Eastern Region Commission. (Public) Senator Swindell. Sponsors: Referred to: State Government, Local Government, and Veterans' Affairs. March 24, 2003

A BILL TO BE ENTITLED

AN ACT TO REDUCE THE MINIMUM MEMBERSHIP OF THE GLOBAL

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TRANSPARK DEVELOPMENT COMMISSION, ALSO EASTERN REGION COMMISSION.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 158-35 reads as rewritten:

"§ 158-35. Commission membership, officers, compensation.

- (a) Commission Membership. The governing body of the Zone is the Global TransPark Development Commission. The members of the Commission must be residents of the Zone and shall be appointed as follows:
 - The board of commissioners of each county participating in the Zone (1) shall appoint three voting members, one of whom shall be a minority person as defined in G.S. 143-128.2(g)(2) and one of whom may be a member of the board of commissioners.
 - (2) The Commission shall appoint at least three but no more than may appoint up to seven voting members. By the appointment of these members, the Commission shall ensure that the voting membership of the Commission includes at least seven women and seven members of a racial minority described in G.S. 143-128.2(g)(2). The Commission shall appoint the fewest number of members necessary to achieve these minimums.
 - (3) Four nonvoting members shall be appointed as follows:
 - One appointed by the Chancellor of East Carolina University to a. represent the University.
 - b. One appointed by a majority vote of the presidents of the community colleges located in the Zone, to represent the community colleges.
 - One appointed by the chair of the State Ports Authority, to c. represent the sea ports of the State.

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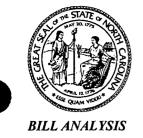
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- d. One member of the board of directors of the Global TransPark Foundation, Inc., appointed by that board.
- (b) Terms. Members of the Commission shall serve for staggered four-year terms. The members appointed by the Chancellor of East Carolina University and by the chair of the State Ports Authority shall serve an initial term of two years. The members appointed by the community colleges located in the Zone and by the board of directors of the Global TransPark Foundation, Inc., shall serve an initial term of four years. The Authority shall designate at least one half of its appointees to serve an initial term of two years; its remaining appointees shall serve an initial term of four years. Each board of commissioners shall designate one of its appointees to serve an initial term of four years, one to serve an initial term of two years, and one to serve an initial term to be determined at the first meeting of the Commission. One-half of the appointees designated to serve an undetermined initial term shall serve an initial term of two years, as determined by lot at the first meeting of the Commission. The remainder of the appointees designated to serve an undetermined initial term shall serve an initial term of four years. Initial terms begin upon approval by the Secretary of State of the articles of incorporation.
- (c) Removal; Vacancies. A member of the Commission may be removed with or without cause by the appointing body. In addition, a majority of the Commission members may, by majority vote, remove a member of the Commission if that member does not attend at least three-quarters of the regularly scheduled meetings of the Commission during any consecutive 12-month period of service of that member on the Commission, except that absences excused by the Commission due to serious medical or family circumstances shall not be considered. If the Commission votes to remove a member under this subsection, the vacancy shall be filled in the same manner as the original appointment. Appointments to fill vacancies shall be made for the remainder of the unexpired term by the respective appointing authority. All members shall serve until their successors are appointed and qualified, unless removed from office.
- (d) Dual Office Holding. Service on the Commission may be in addition to any other office a person is entitled to hold.
- (e) Officers. The Commission shall annually elect from its membership a chairperson and a vice-chairperson, and shall annually elect a secretary and a treasurer. After the Commission has been duly organized and its officers elected as provided in this section, the secretary of the Commission shall certify to the Secretary of State the names and addresses of the officers as well as the address of the principal office of the Commission.
- (f) Compensation. The members of the Commission shall receive no compensation other than travel, subsistence, and reasonable per diem expenses determined by the Commission for attendance at Commission meetings and other official Zone functions."

SECTION 2. This act is effective when it becomes law. This act does not affect the term of any current member of the Commission.





SENATE BILL 517:

Adjust Eastern Region (Global Transpark **Development) Commission.**

Date:

Committee: House Commerce

May 14, 2003

Version:

1st Edition

Summary by:

Introduced by: Senator Swindell O. Walker Reagan,

Committee Co-Counsel

SUMMARY: Senate Bill 517 would amend the statutory provisions for membership on the Global Transpark Development Commission by reducing the minimum number of members of the Commission.

CURRENT LAW: G.S. 158-35 sets out the membership of the Global Transpark Development Commission. The statute provides that the county commissioners of each member county of the Global Transpark Development Zone shall appoint 3 voting members to the Commission. The Zone consists of 13 counties: Carteret, Craven, Duplin, Edgecombe, Greene, Jones, Lenoir, Nash, Onslow, Pamlico, Pitt, Wayne and Wilson. In turn, these Commissioners appoint at least 3 and up to 7 additional voting members so as to ensure that the voting membership of the Commission includes at least 7 women and 7 members of a racial minority (as defined in G.S. 143-128.2(g)(2), attached). The statute also provides for the appointment of 4 nonvoting members by specified entities in the Zone, including the Chancellor of East Carolina University, a majority of the community college presidents in the Zone, the chair of the State Ports Authority, and the Global Transpark Foundation, Inc.

BILL ANALYSIS: Senate Bill 517 removes the requirement in G.S. 158-35 (a)(2) that the Commission appoint at least 3 voting members, providing instead that the Commissioners may appoint up to 7 voting members. The bill retains the provision of the current law that the Commission ensure that the voting membership of the Commission includes at least 7 women and 7 members of a racial minority. The bill also deletes outdated language in G.S. 158-35(b) that initially established the staggered terms for the Commission.

The Global Transpark Development Commission is one of the seven regional economic development commissions recognized by the General Assembly. The other regional commissions include the Northeastern North Carolina Regional Economic Development Commission, the Western North Carolina Regional Economic Development Commission, the Southeastern North Carolina Regional Economic Development Commission, the Research Triangle Regional Commission, the Piedmont Triad Partnership and the Carolinas Partnership, Inc.

The act is effective when it becomes law, but it does not affect the term of **EFFECTIVE DATE:** any existing member of the Commission.

This summary was substantially contributed to by Barbara Riley, Counsel to the Senate State Government Committee.

SENATE BILL 517

Page 2

§ 143-128.2. Minority business participation goals.

- (g) As used in this section:
 - (2) The term "minority person" means a person who is a citizen or lawful permanent resident of the United States and who is:
 - a. Black, that is, a person having origins in any of the black racial groups in Africa;
 - b. Hispanic, that is, a person of Spanish or Portuguese culture with origins in Mexico, South or Central America, or the Caribbean Islands, regardless of race;
 - c. Asian American, that is, a person having origins in any of the original peoples of the Far East, Southeast Asia and Asia, the Indian subcontinent, or the Pacific Islands:
 - d. American Indian, that is, a person having origins in any of the original Indian peoples of North America; or
 - e. Female.

MAKEUP OF STATUTORILY CREATED REGIONAL ECONOMIC DEVELOPMENT COMMISSIONS

Northeastern North Carolina Regional Economic Development Commission (G.S. 158-8.2)

16 Counties (Beaufort, Bertie, Camden, Chowan, Currituck, Dare, Gates, Halifax, Hertford, Hyde, Martin, Northampton, Pasquotank, Perquimans, Tyrrell, and Washington)

18 Members:

6 appointed by Governor

6 appointed by General Assembly on recommendation of the Speaker

6 appointed by General Assembly on the recommendation of the

President Pro Tempore

Southeastern North Carolina Regional Economic Development Commission (G.S. 158-8.3)

11 Counties (Bladen, Brunswick, Columbus, Cumberland, Hoke, New Hanover, Pender, Richmond, Robeson, Sampson, and Scotland)

15 Members

3 appointed by Governor

2 appointed by Lieutenant Governor

5 appointed by General Assembly on recommendation of the Speaker

5 appointed by General Assembly on the recommendation of the President

Pro Tempore

Western North Carolina Regional Economic Development Commission (G.S. 158-8.1)

15 Counties (Buncombe, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, McDowell, Macon, Madison, Polk, Rutherford, Swain, Transylvania, and Yancey)

19 Members

3 appointed by Governor

2 appointed by Lieutenant Governor

7 appointed by General Assembly on recommendation of the Speaker

7 appointed by General Assembly on the recommendation of the President Pro Tempore

House Pages

1.	Name: Chris Rodriguez
	County: Cumberland
	Sponsor: Ms. Mc Allister
2.	Name: Anthony Marshall
	County: Mechlenburg
	Sponsor:
3.	Name: Dowle Silcox
	County: Henderson
	Sponsor:
4.	Name: Linothy Cleveland
	County: Mecklen burg
	Sponsor: McMahan
5.	Name:
	County:
٠.	Sponsor:
	• • • • • • • • • • • • • • • • • • • •
Sgt-	At-Arms
1.	Name: Bill Freemon
2.	Name: Dury Rhody
3.	Name: Jim Brener
4.	Name: Aaron Woodlief

VISITOR REGISTRATION SHEET

COMMERCE	11147 1 1, 2005	
COMMERCE	May 14, 2003	

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Meredith Norris	NCPED
JOHN WITHROW	NC STATEURTEH
Jam John	NW North Cadna
:	

NORTH CAROLINA HOUSE OF REPRESENTATIVES COMMITTEE MEETING NOTICE AND BILL SPONSOR NOTIFICATION 2003-2004 SESSION

You are hereby notified that the Committee on Commerce will meet as follows:

DAY & DATE:	Wednesday, May 14, 2003	
-------------	-------------------------	--

TIME: 1:00 PM

LOCATION: ROOM 1228 LB

The following bills will be considered (Bill # & Short Title & Bill Sponsor):

SB 517 ADJUST EASTERN REGION COMMISSION Primary sponsor: Sen. Swindell

Respectfully, Representative Connie Wilson Chair

i hereby certify this notice was filed by the co	ommittee assistant at the following offices at
1:00 on May 8, 2003.	
Principal Clerk	
Reading Clerk - House Chamber	

Chris Floyd (Committee Assistant)

MINUTES

HOUSE COMMITTEE ON COMMERCE

May 20, 2003

The House Committee on Commerce met on Tuesday, May 20, 2003, in Room 643 of the Legislative Office Building at 6:00 P.M. The meeting was preceded by a catered dinner. The following members were present: Rep. Connie Wilson, Chair, Vice-Chair's, Jim Harrell and John Sauls, Representatives Blust, Cole, Decker, Farmer-Butterfield, Goforth, Hunter, Rayfield, Rhodes, Stam. In addition to members of the Commerce Committee, there were other members of the General Assembly present. The Visitor Registration sheet indicates visitors present and is attached as a part of the record.

Representative Wilson opened the meeting by welcoming members and guests to a special economic development briefing. Having a quorum, the meeting was called to order at 6:10 P.M. by Rep. Connie Wilson, Chair. She recognized the guest speakers: Tom Hamer, Ernie Pearson, and David Clegg, Dr. Ed Feser, Jim Haag and Dale Carroll.

Tom Hamer of Moran, Stahl & Boyer of Chicago prepared handouts that gave an update and findings of recent consultant studies of North Carolina's tax and incentive structure. (See attachment # 1)

Ernie Pearson of Sanford Holshouser law firm explained his handout on Improving Industrial Recruitment Results and Local Program Needs. (See attachment # 2)

David Clegg, Deputy Chairman for Communications, Employment Security Commission, spoke about North Carolina's labor and economic outlook and North Carolina's changing economy. (See attachments # 3-8) Dr. Feser reported on a study done by Fluor Corp.'s Global Location Strategies Group. This study ranks North Carolina as a high-tax state. Fluor also gave North Carolina 's economic development incentives a mixed review. "The program has no unique strength or [differentiators.] On the other hand, the study did not identify any major weaknesses or flaws." (See attachment # 9)

Jim Haag reported on the analysis and findings of a study performed last year for the N.C. Department of Commerce, Commerce Finance Center, by Ernst & Young. In a six state comparison study, North Carolina consistently ranked lowest or last in overall incentive value over one, five and ten year time frames. The study further demonstrated that other states which have a mix of statutory (credit) and discretionary (property tax abatements and grants) incentives tend to provide the greatest benefit to the greatest number of industries across all years. (See attachment # 10)

Dale Carroll, President, North Carolina Economic Developers Association thanked Rep. Wilson for her work in putting together this very informative meeting.

After some time for questions by members, Rep. Wilson adjourned the meeting at 8:15 P.M.

Rep. Connie Wilson

Chair

Chris Floyd

Committee Assistant

Attachment #1 - #10 Agenda Meeting Notice Attendance Record Visitor Registration List

AGENDA

HOUSE COMMITTEE ON COMMERCE

May 20, 2003

Room 643 LOB

Dinner 5:30, presentation 6:00 P.M.

<u>Welcome and Introductions</u> – Rep. Connie Wilson, Chair of Commerce Committee and Dale Carroll, President, NC Economic Developers Association

North Carolina's Competitiveness Panel – A Consultant's Viewpoint, 1) Tom Hamer of Moran, Stahl & Boyer of Chicago, 2) Ernie Pearson, Sanford Holshouser Law Firm. 3) David Clegg, Deputy Chairman for Communications, ESC

Study Recommendations

Ernst and Young Tax Liability 2001 Study
KPMG Economic Development Best Practices Study for North
Carolina 2002
Presented by Dr. Ed Feser
Mr. Jim Haag

North Carolina's Fax and Incentive
Structure

Update and Findings
of Recent Consultant Studies

Division of Policy, Research & Strategic Planning North Carolina Department of Commerce May 2003

Overview

- Marginal tax rates
- Tax burden
- Incentives
- Three recent consultant studies
- Industry location imperatives

Rates & burden vs. neighbors

	Notes	North Carolina	Georgia	South Carolina	Tennes- see	Virginia	U.S.
State income taxes		2.6					
Individual income tax							
Top bracket	1	\$120,000	\$7,000	\$12,000	n/a	\$17,000	n/a
Marginal rate (percent)		8.25	6.00	7.00	6.00	5.75	n/a
Corporate income tax (percent)	2	6.90	6.00	5.00	6.00	6.00	n/a
Sales taxes: maximum state/local rate (%))	7.50.	7.00	7.00	9.75	4.50	n/a
State and local tax revenues by source, 20	00						
Property		21.5	25.4	28.1	23.2	19.6	28.6
Sales		33.6	40.0	36.5	58.9	42.1	35.5
Individual income		33.6	27.4	25.6	1.5	22.1	24.3
Corporate income		5.6	3.1	2.4	4.9	5.0	4.1
Other		5.7:	4.1	7.4	11.5	11.2	7.6
Tax burden, 2002							
State/local revenues, % personal income	e	10.1	10.2	10.0	8.4	9.4	10.2
Rank		29	25	30	49	40	
Including federal taxes		30.4	31.4	30.2	29.2	31.3	32.1
Rank		35	22	40	46	25	

1th Tennessee, applies to all interest and dividend income. 2th South Carolina, 4.5 percent for banks; 6 percent for savings and loans. Source: Federation of Tax Administrators and TaxFoundation.Org.

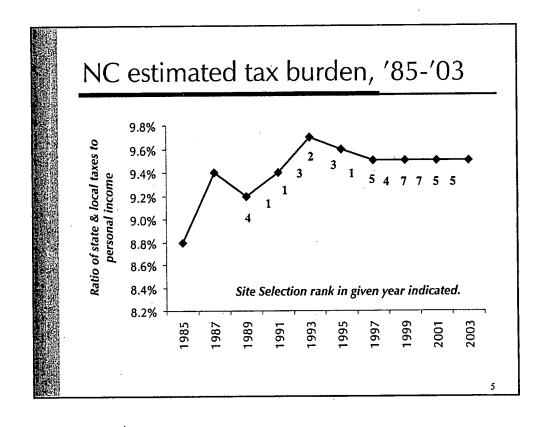
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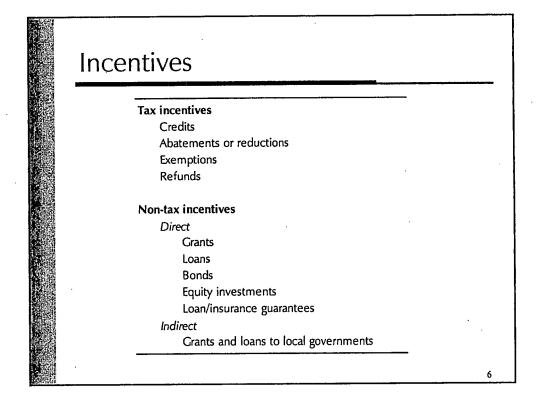
Versus New Economy states...

	Notes	North Carolina	Cali- fomia	Colorado	Mary- land	Massa- chusetts	U.S.
State income taxes		22,000					
Individual income tax							
Top bracket	1	\$120,000	\$38,291	r√a	\$3,000	flat	n/a
Marginal rate (percent)	2	8.25	9.30	4.63	4.75	5.00	n/a
Corporate income tax (percent)	3	€ 6.90	8.84	4.63	7.00	9.50	n/a
Sales taxes: maximum state/local rate (%))	7.50	8.50	7.90	5.00	5.00	n/a
State and local tax revenues by source, 20	00						
Property		21.5	21.9	27.8	26.3	31.8	28.6
Sales		33.6	33.1	36.7	25.3	21.4	35.5
Individual income		33.6	33.0	27.5	39.0	37.6	24.3
Corporate income		5.6	5.5	2.6	2.4	5.4	4.1
Other		5.7	6.5	5.4	7.0	3.8	7.6
Effective tax burden, 2002							
State/local revenues, % personal income	e	10.1	10.3	9.1	9.7	9.5	10.2
Rank		29	24	45	37	39	
Including federal taxes		30.4	32.7	31.3	31.1	32.6	32.1
Rank		3.35	10	24	29	12	

¹Colorado's rate applied to all federal taxable income. ²In Massachusetts, 12 percent on short-term capital gains, long- and short term capital gains on collectables, and pre-1996 installment sales classified as capital gains income. ³In California, 10.

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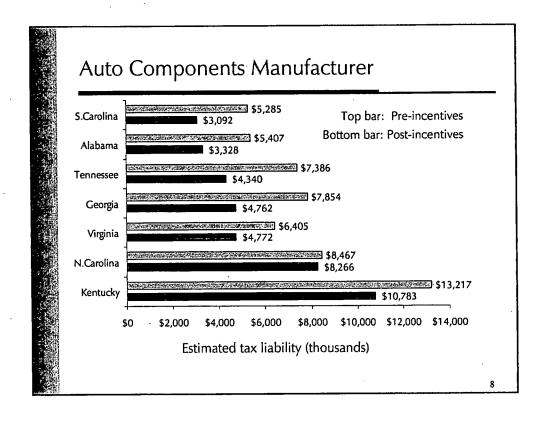


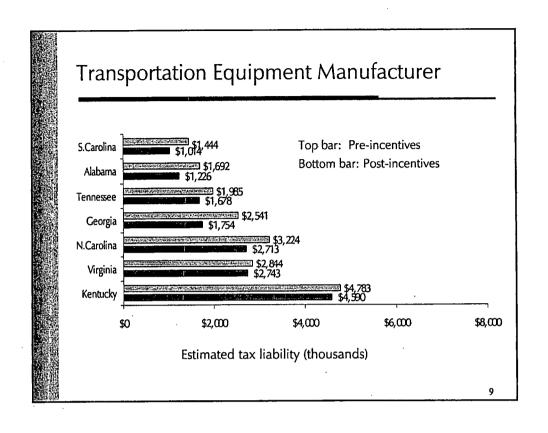


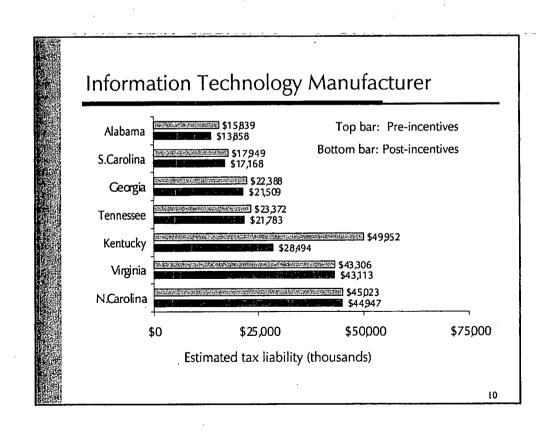
Ernst & Young (2001)

- Hypothetical firm method
 - Existing publicly traded firms
- Five scenarios
 - Auto, R&D, information, chemicals, transport equip
- Six comparison states
- ◆ Tax liability versus available incentives
- Focus: Net tax liability

7







General findings (E&Y)

- Note:
 - Study focused solely on financial aspects of incentives
 - Did not include North Carolina county and municipal incentives
- North Carolina has fewer discretionary incentives than other states, hurting its competitiveness
- Recommended state establish a job development grant-type program

11

KPMG (2002)

- A best practices economic development study
- Viewed economic development narrowly, chiefly as recruitment
- Evaluated North Carolina's incentives, recruitment, marketing, and general economic development system relative to ten competitor states
- Included survey of NC EDA membership

General findings (KPMG)

- Only 36 percent of respondents indicated state needs more cash grants to be competitive, but...
- 60 percent of respondents report state's incentives are somewhat effective or ineffective
- Criticized worker training tax credit
- Recommended elimination of W.S. Lee wage standard
- Argued for stronger tourism incentives
- Argued for better R&D tax credit

13

Fluor (2003)

- Compared North Carolina's taxes and incentives to those of 12 southern states
- Quantified investment and operating costs, and offsetting incentives to construct "bottom line"
- Compared three hypothetical projects:
 - R&D
 - General manufacturing
 - Super project

14

General findings (Fluor)

- R&D
 - NC posted fifth highest value among competing states, but sixth highest 20 year operating cost
- General manufacturing
 - Highest total incentive package and sixth lowest 20 year operating cost
- Super project
 - Second highest incentives package and sixth lowest 20 year operating cost

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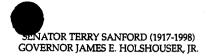
By way of summary...

- Corporate tax liabilities are higher in NC, in general, than most other Southern states
- Competitiveness of NC incentives is increasing
- NC still lacks credibility and resources/tools to recruit very large projects
- All studies are based on hypothetical firm scenarios and can be idiosyncratic
- Neither taxes nor incentives can be considered in isolation from the public services financed
 - NC's success in economic development is in part due to the quality of the "North Carolina product"

16

THE SANFORD HOLSHOUSER LAW FIRM

PLLC



ONE EXCHANGE PLAZA 219 FAYETTEVILLE STREET SUITE 1000 RALEIGH, NORTH CAROLINA 27601

MAILING ADDRESS: POST OFFICE BOX 2447 RALEIGH, NORTH CAROLINA 27602

TELEPHONE 919/755-1800 FACSIMILE 919/829-0272

IMPROVING INDUSTRIAL RECRUITMENT

RESULTS

LOCAL PROGRAM NEEDS

PRODUCT

- -Acceleration of Highway Trust Fund projects
- -Provision of financial resources for infrastructure expansions/improvements
- -Passage of Project Development Finance legislation
- -Passage of legislation on joint efforts for industrial parks
- -State funding to control strategic mega sites
- -State funding to support shell buildings

PROJECTS

- -Full funding for vigorous state advertising program (image development and prospect development)
- -Legislative mandate for coordinated regional/state marketing efforts
- -Concentrate and increase funding in One North Carolina Fund and Job Development Investment Grant Program as offset to eliminating William S. Lee Tax Credits
- -Better funding for Community Colleges

THE SANFORD HOLSHOUSER LAW FIRM

PLLC

SENATOR TERRY SANFORD (1917-1998) GOVERNOR JAMES E. HOLSHOUSER, JR. ONE EXCHANGE PLAZA
219 FAYETTEVILLE STREET
SUITE 1000
RALEIGH, NORTH CAROLINA 27601

MAILING ADDRESS: POST OFFICE BOX 2447 RALEIGH, NORTH CAROLINA 27602

TELEPHONE 919/755-1800 FACSIMILE 919/829-0272

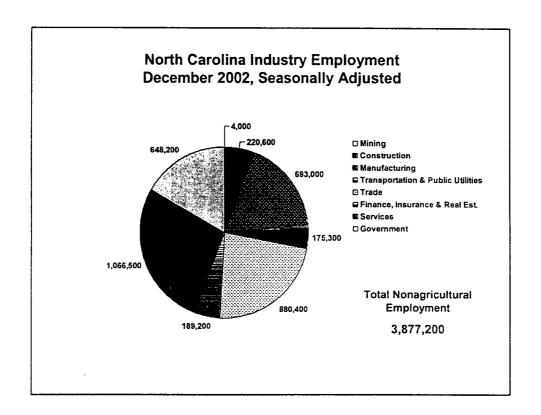
North Carolina's Changing Economy

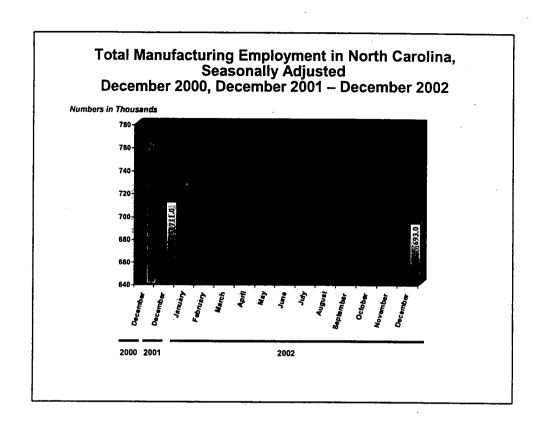


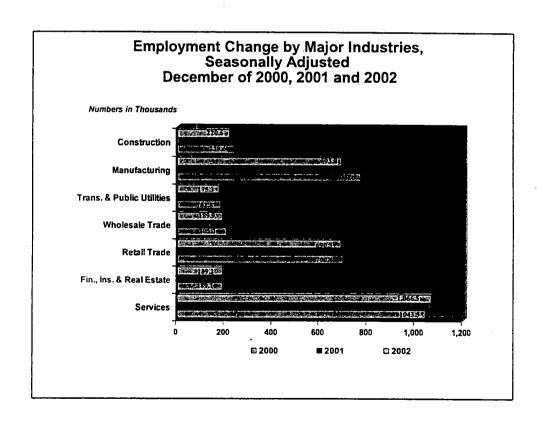
Prepared for the House Committee on Economic and Community Development

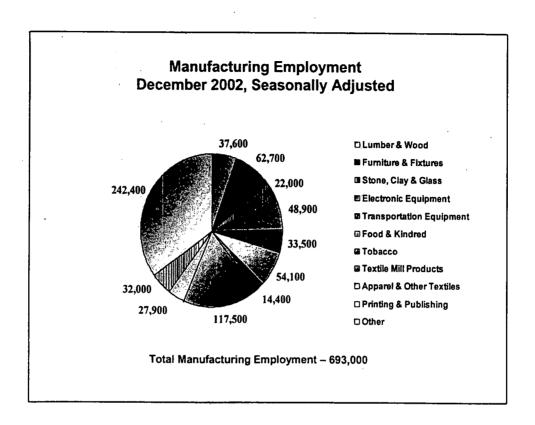


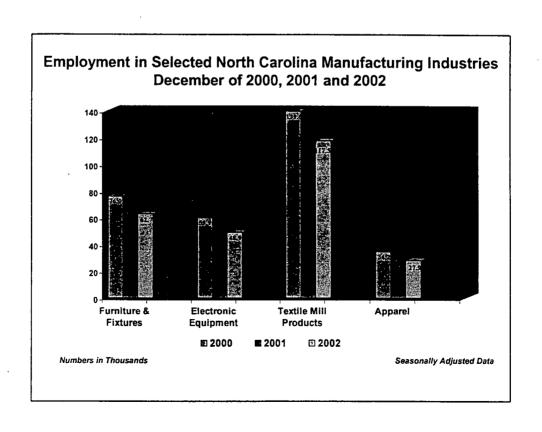
David Clegg, Deputy Chairman of Communications
Employment Security Commission of North Carolina

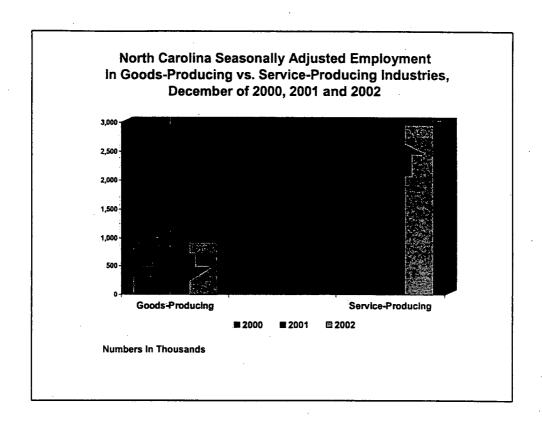


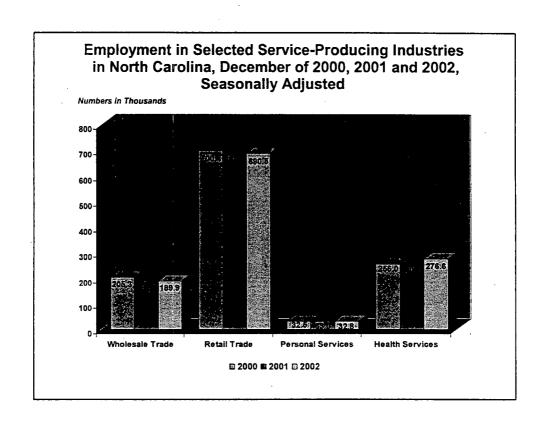


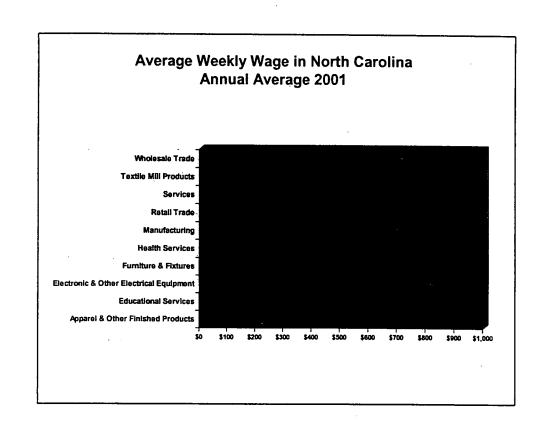


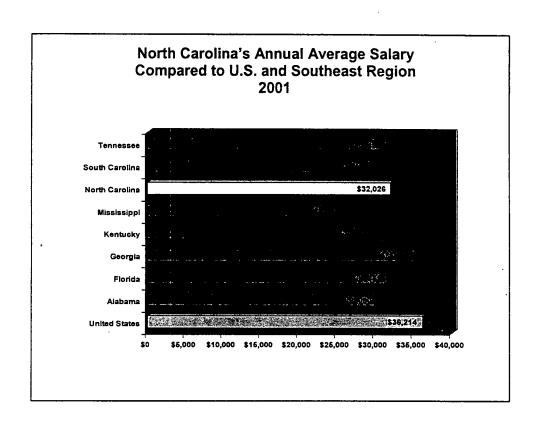


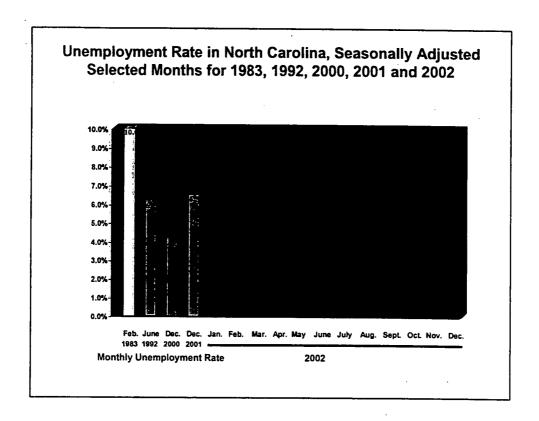


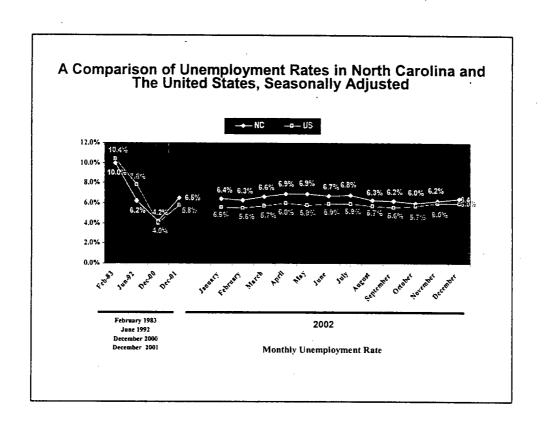


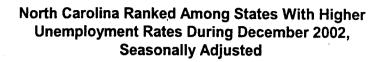


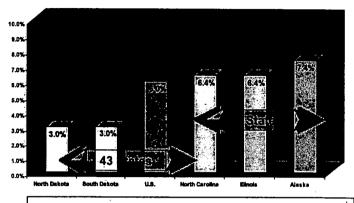








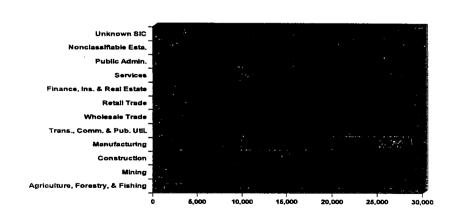




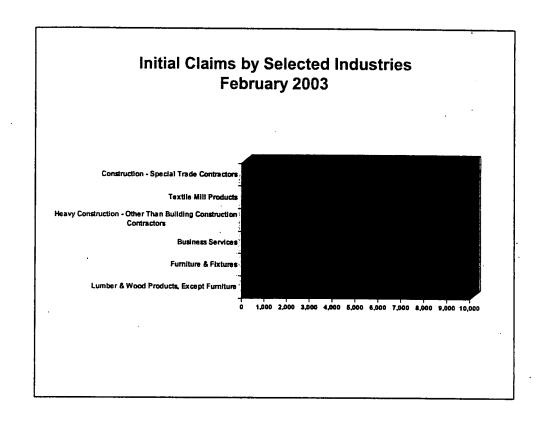
States With Rates Higher Than North Carolina

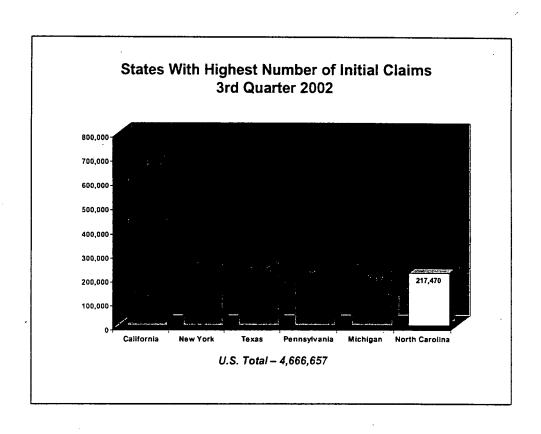
~ California 8.8% ~ Mississippi 8.7% ~ Washington 8.8% ~ Oregon 7.0% ~ Alaska 7.4% ~

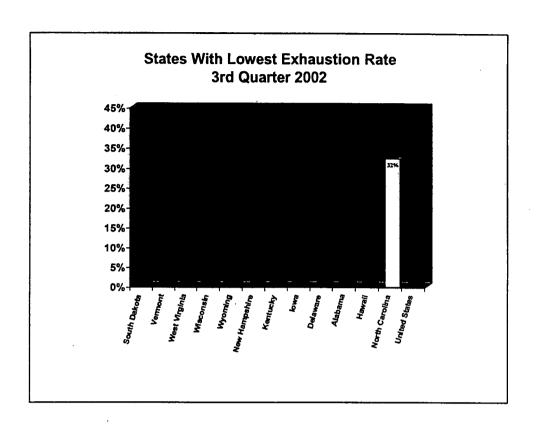
February 2003 Initial Claims

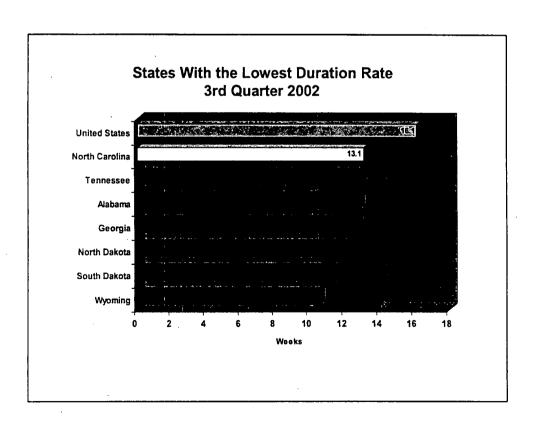


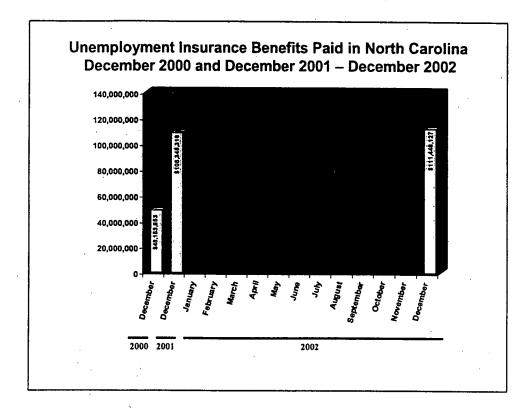
February 2003 Statewide – 72,103 Initial Claims









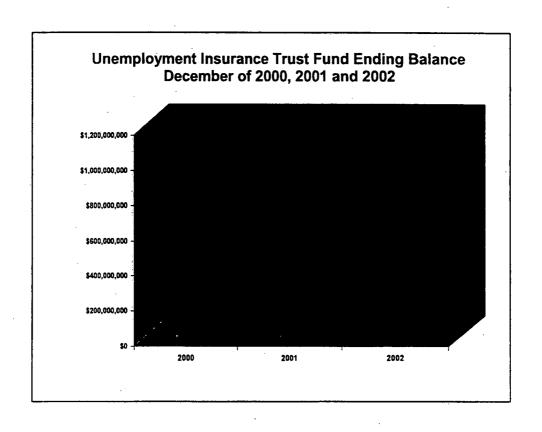


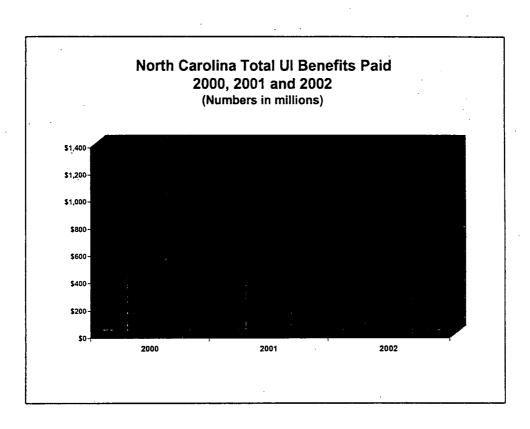
Unemployment Insurance Claims Comparison For Years 2000, 2001, 2002

<u>2002</u> <u>2001</u> <u>2000</u>

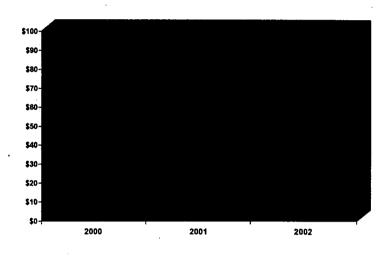
INITIAL CLAIMS 1,032,295 1,169,536 781,556

WEEKS CLAIMED 5,649,506 4,762,100 2,826,003





North Carolina Average UI Benefit Cost per Week 2000, 2001 and 2002 (Numbers in millions)



ESC Services Provided To Customers 2002 and 2001

	2002	2001
Total Applicants Registered	889,464	845,267
Unemployment Recipients Registered	468,504	406,410
Applicants Provided a Service	752,400	717,022
Job Openings Listed	231,919	245,673
Applicants Entering Employment	205,662	199,701

FOR MORE INFORMATION CONTACT

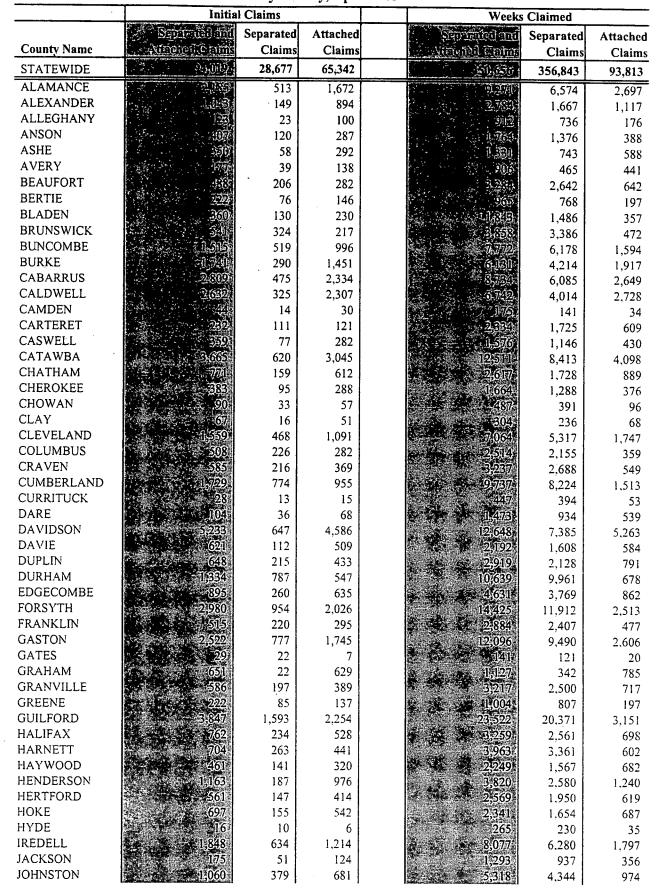
David Clegg Deputy Chairman of Communications Telephone: (919) 733-4636

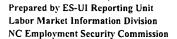
Labor Market Information Division
Employment Security Commission of North Carolina
Post Office Box 25903
Raleigh, North Carolina 27611-5903

Telephone: (919) 733-2936

www.ncesc.com

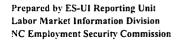
Initial Claims and Weeks Claimed Analysis By County, April 2003





Initial Claims and Weeks Claimed Analysis By County, April 2003

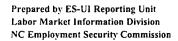
Initial Claims			Weeks Claimed			
	Supraviland	Separated	Attached	September of the septem	Separated	Attached
County Name	Attended Course	Claims	Claims	a bricheil Chine	Claims	Claims
STATEWIDE	(मिन्नुस्ति	28,677	65,342	450666	356,843	93,813
JONES	100	16	88	 488	323	135
LEE		179	273	3112	2,604	508
LENOIR	7(0)	238	551	1,000	2,678	1,244
LINCOLN	HARF.	231	830	4.36	3,269	1,167
MCDOWELL	September 1	135	1,349	3 3782	1,786	1,776
MACON	1.63	35	127	1,073	692	382
MADISON	(49)	39	101	3776	493	184
MARTIN	100	95	344	15 m 15 m	1,190	481
MECKLENBURG	3,200	2,585	1,411	27/703	35,903	1,895
MITCHELL	18i	49	132	31,002	555	467
MONTGOMERY	3/3/2017 3/20	91	649	206	1,741	874
MOORE	300	223	- 586	3302	3,132	. 730
NASH	3.73	365	483	5,0377	4,285	752
NEW HANOVER	3.6	635	280	7.338	7,093	295
NORTHAMPTON		88	111	1089	894	195
ONSLOW	3911	294	397	4230	3,720	563
ORANGE		210	154	2,123	2,586	237
PAMLICO		24	86	- 47	268	179
PASQUOTANK	2007	90	97	4 GHA 14 E LUI 32	1,004	128
PENDER		148	185	全主发展 秦 2073	1,767	306
PERQUIMANS		29	88	40年至10年4日 10年1日	317	124
PERSON		133	478	* **** *******************************	1,864	708
PITT	14 (192)	472	683	生活 45年 4752/87	6,281	997
POLK	1924	36	116	电影 4490	343	147
RANDOLPH	22.87/41	479	2,395	李海南南北8652	5,719	2,638
RICHMOND	(2.00)	200	443	3,552	2,791	761
ROBESON ROCKINGHAM	070	550 413	1,165	* * * 4 4 2 7 3 7 5	5,549	1,826
ROWAN	27.030	524	1,465 2,334	事表 ♥ ₩ ▲ 6:949	4,822	2,127
RUTHERFORD	7.7030 11.2202	273	959	8 147 4 2 4 030	5,434	2,713
SAMPSON	401	165	256	4 4 030 4 4 24583	2,720 2,141	1,310 442
SCOTLAND	7921 1881 - Standard 1992	205	519	3704	2,804	900
STANLY	**************************************	211	622	* A 4 044	3,073	971
STOKES	673	127	546	· · · · · · · · · · · · · · · · · · ·	1,596	801
SURRY	· 美格鲁美 107	230	967	¥ → × × 5 649	4,066	1,583
SWAIN	全学教育 (20)	40	80	▲*** * ***990	622	368
TRANSYLVANIA	139	51	88	A A 2 2 2 016	1,864	.152
TYRRELL	4 4 4 4 4 4 5 2 4 7 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	6	41	************	181	283
UNION	建合企 类有而4	359	755	♠ ♣ ♠ 6:030	4,964	1,066
VANCE	可能等等等 为717	353	364	5 9 7 € N 3.755	3,279	476
WAKE	3.573	2,217	1.356	* * * * * * 30!959	29,156	1,803
WARREN	<u>223</u>	84	139	A * 1:037	828	209
WASHINGTON	162	41	121	李春年後日李832	633	199
WATAUGA	239	51	188	1,400	852	548
WAYNE	900	385	515	4 4 4 4 839	4,077	762
WILKES	1.097	208	889	4.134	2,811	1,323
WILSON	1,059	584	475	* * 6.958	6,163	795
YADKIN	773	113	660	2,332	1,343	989
YANCEY	223	28	195	909	522	387
ALL OTHER	299	143	156	 916	666	250



Initial Claims and Weeks Claimed Analysis By SIC, April 2003

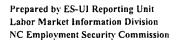


STATEWIDE		Initial Claims Weeks Claimed						
STATEWIDE	SIC				44 . 1			
STATEWIDE		Doggarination						
Online	Coue	Description	6.370 01 (4.130 / 1.100 01)	Claims	Claims	William Chine	Claims	Claims
Agricultural production-crops		<u> </u>	2900			N.355	356,843	93,813
Agricultural services 114 282 10 1,899 641		†	32.6	· ·	2,065	* 20L	17,107	2,794
animal specialities 7			10 10 to the said	1	24	374	445	126
1899 641 282 30 1,899 641 64	02			45	9	\$48	536	12
Forestry								
Fishing, hunting and trapping		,	396	114	282	7.540	1,899	641
Metal mining		1	2.	3	- 1	12	91	41
12 Coal mining				4	23	125;	11	114
13 Oil and gas extraction 1				.1	-		-	-
Mining and quarrying of nonmetallic minerals, except fuels 10 88 25 181 117			医线型性检查]			-	-
minerals, except fuels Building construction-general 2150 529 1,623 1,623 1,625 3,067				1	4		- 1	
15 Building construction-general contractors and operative builders 16 Heavy construction other than building construction-contractors 17 278 7,009 12,620 4,063 8,557 18 Construction-special trade contractors 17 Construction-special trade contractors 18 1,487 8,054 10,556 18,012 12,544 19 Construction-special trade contractors 1,539 400 873 4,655 4,634 2,135 19 Construction-special trade contractors 1,539 244 1,345 1,530 3,068 1,328 10 Construction-special trade contractors 1,539 244 1,345 1,530 3,068 1,328 10 Construction-special trade contractors 1,539 244 1,345 1,530 3,068 1,328 10 Construction-special trade contractors 1,539 244 1,345 1,530 3,068 1,328 10 Construction-special trade contractors 1,539 2,441 1,345 1,530 3,068 1,328 10 Construction-special trade contractors 1,539 2,441 1,798	14			10	88	1.00	181	117
Contractors and operative builders Heavy construction other than building construction other than building construction-special trade contractors Food and kindred products Food and kindred p	1.5				1.622			
Heavy construction other than building construction-contractors	15		4.24	529	1,623		7,225	3,067
Duilding construction-contractors Construction-special trade Construction Construction-special trade Construction-special		•						
Construction-special trade contractors	16		7.27	278	7,009	2/020	4,063	8,557
Contractors	1.7							
Food and kindred products	17	-		1,487	8,054	新州 (1955)	18,012	12,544
Tobacco products	20			400	070	140-2		
Textile mill products				1		67/69	-	
Apparel and other finished products made from fabrics and similar materials Lumber and wood products, except furniture Electronic and other finished products Paper and allied products Chemicals and allied products Chemicals and allied products Apparel and other finished products Apparel and other finished products Apparel and fixtures Apparel and wood products, except furniture Apparel and commercial furniture Apparel and wood products, except furniture Apparel and wood products furniture Apparel and furniture Apparel and commercial furniture Apparel and			The state of the s			# 9 5 4 396		
made from fabrics and similar materials Lumber and wood products, except furniture Lumber and wood products, except furniture 2.5 Furniture and fixtures 9.927 531 9,396 19,840 9,436 10,404 26 Paper and allied products 467 137 330 43458 2,640 818 27 Printing, publishing and allied industries 28 Chemicals and allied products 4667 262 204 4,533 4,268 265 28 Chemicals and allied products 4667 262 204 4,533 4,268 265 29 Petroleum refining and related 500 3 47 1135 62 73 20 Rubber and miscellaneous plastics products 4510 269 1,241 6,164 4,228 1,936 21 Leather and leather products 655 20 45 204 137 67 22 Stone, clay, glass and concrete products 888 234 654 5,154 4,368 786 23 Primary metal industries 645 153 492 5,235 4,355 680 24 Fabricated metal products, except machinery and transportation equipment 1,206 317 889 5,961 4,307 1,654 25 Electronic and other electrical equipment and components, except computer equipment 2,456 594 1,862 11,722 9,340 2,382 26 10,404 105 378 378 378 1,671 1,672 1,672 1,674 1,67			4 4 4 4			45.45		
materials Lumber and wood products, except 1,42,049 378 1,671 1,67	23		2 - 2 - 2 - 2 - 2 - 2 - 2 - 2 - 2 - 2 -	289	1,/98		4,251	2,546
Lumber and wood products, except furniture 2,049 378 1,671 2,7021 4,439 2,582			1778	-		本学家政策 集》		
furniture Furniture and fixtures Paper and allied products Printing, publishing and allied industries Chemicals and allied products Petroleum refining and related industries Rubber and miscellaneous plastics products Rubber and miscellaneous plastics products Leather and leather products Stone, clay, glass and concrete products Primary metal industries 30 Primary metal industries 31 Leather and leather products Stone, clay, glass and concrete products Primary metal industries 32 Primary metal industries 33 Primary metal industries 34 Fabricated metal products, except machinery and transportation equipment 35 Industrial and components, except computer equipment 36 Electronic and other electrical equipment and components, except computer equipment 36 Electronic and other electrical equipment and components, except computer equipment	24		2000	378	1 671	タリテ新教会。 7001	4.430	2 582
Furniture and fixtures 91927 531 9,396 319,840 9,436 10,404				370	1,071	- 1	4,437	2,302
Paper and allied products A67	25	Furniture and fixtures	***** 9.927	531	9.396	119.840	9 436	10 404
Printing, publishing and allied industries 346 241 105 3,159 3,001 158	26	Paper and allied products		Į.				
industries Chemicals and allied products 466 262 204 4,533 4.268 265 267	27	· -	Programme and the second secon	i i	- 1			
Petroleum refining and related industries 1,510 269 1,241 1,6164 4,228 1,936 1,241 1				-		100	-,	,,,,
Petroleum refining and related industries Rubber and miscellaneous plastics products Leather and leather products Stone, clay, glass and concrete products Primary metal industries Primary metal industries Fabricated metal products, except machinery and transportation equipment Industrial and computer equipment Relectronic and other electrical equipment and components, except computer equipment Rubber and miscellaneous plastics 1.510 269 1.241 269 1.241 269 1.241 269 1.241 269 204 204 204 204 207 204 204 204	28	Chemicals and allied products	466	262	204	4,533	4,268	265
Industries Rubber and miscellaneous plastics 1,510 269 1,241 1,6164 4,228 1,936	29	Petroleum refining and related	50	3	47	135	T I	
products Leather and leather products Stone, clay, glass and concrete R88 234 654 5,154 4,368 786			711			7.4		
Leather and leather products Stone, clay, glass and concrete Sto		·	1,510	269	1,241	:: 6,164	4,228	1,936
Stone, clay, glass and concrete products 888 234 654 5;154 4,368 786	ľ	•						
products Primary metal industries Fabricated metal products, except machinery and transportation equipment Industrial and commercial machinery and computer equipment 36 Electronic and other electrical equipment and components, except computer equipment 37 Electronic and components, except computer equipment 38 Electronic and components, except computer equipment	- 1			1				
Primary metal industries Fabricated metal products, except machinery and transportation equipment Industrial and commercial machinery and computer equipment Electronic and other electrical equipment and components, except computer equipment The primary metal industries Fabricated metal products, except and transportation 1,206 1,206 317 889 5,235 4,555 680 1,654 4,307 1,654 7,675 2,013 2,382		· -	888	234	654	5,154	4,368	786
Fabricated metal products, except machinery and transportation equipment Industrial and commercial machinery and computer equipment Electronic and other electrical equipment and components, except computer equipment Electronic and components, except computer equipment and components, except computer equipment			CAF	152	402	in the second	4.555	600
machinery and transportation equipment Industrial and commercial machinery and computer equipment Electronic and other electrical equipment and components, except computer equipment Electronic and components, except computer equipment								
equipment 1,273 500 1,273 7,675 2,013 2,382 1,862 2,382 1,86			-1,200	317	009	9,901	4,307	1,054
Industrial and commercial machinery and computer equipment 36 Electronic and other electrical equipment and components, except computer equipment		•		İ				
machinery and computer equipment 36 Electronic and other electrical equipment and components, except computer equipment 2,456 594 1,862 115,722 9,340 2,382			1 773	500	1 273	9.688	7 675	2.013
Electronic and other electrical equipment and components, except computer equipment					1,210		1,075	2,015
equipment and components, except computer equipment		,						
equipment and components, except computer equipment	36	Electronic and other electrical	2,456	594	1,862	in,722°	9,340	2,382
computer equipment	1							
37 Transportation equipment 967 314 653 4,903 3,661 1.242								
	37	Transportation equipment	967	314	653	4,903	3,661	1.242



Initial Claims and Weeks Claimed Analysis By SIC, April 2003

	Initial Claims Weeks Claimed							
SI		EV Separated and	Separated Separated	Attached				444 1 1
)	le Description	Amedicans	Claims			Melinicación Mariadobina	Separated Claims	Attached
=	Description		Claims	Cialilis	\vdash	Carrelative Commit	Ciainis	Claims
-	STATEWIDE	2/4/10	28,677	65,342		50550	356,843	93,813
38	, , , ,	201	126	165		3.977	1,743	224
	controlling instruments;							
	photographic, medical and optical							
	goods; watches and clocks							
39	1	3.15	56	260		4.02	1,129	353
40	industries		_					•
40	•	4	2	-		40	40	-
41			42	2		4.11	434	7
	interurban highway passenger	A STATE OF THE PARTY OF THE PAR						
42	transportation Motor freight transportation and	52.20	740	1 211			0.400	1.022
42	warehousing		740	1,311		10.37/11	8,499	1,872
43	United States Postal Service		12	_ }			235	
44	i		11	2		100	164	28
45	Transportation by air		183	25		TO THE TAKES	3,425	26 24
46	Pipelines, except natural gas	· · · · · · · · · · · · · · · · · · ·	1			S. C.	15	24
47	Transportation services	130	79	91		166	1,037	129
48	Communications	260	248	12		4.454	4,425	29
49	Electric, gas and sanitary services	129	75	54		* * 4 * 1162	1,111	51
50	Wholesale trade-durable goods		773	606		12,016	10,991	1,125
51	Wholesale trade-nondurable goods	8.00	521	314		7,281	6,577	674
	1	30.00			l		ŕ	
52	Building materials, hardware, garden	AT ALL YEAR OLD AND AN ARRANGED HAVE A STREET AND A STREE	175	91		o mark # #43 292	2,793	499
	supply and mobile home dealers			Ī		**************************************		
						DO 4		
53	General merchandise stores	205	933	272		7/330	6,494	836
54 55	Food stores	2 7 WAR 20	580	102		0.245	6,038	307
23	Automotive dealers and gasoline service stations	# 도쿄를 중입기	551	59		1.14.5.02.12	6,788	131
56	Apparel and accessory stores	173	138	35		* 7 * 2 1 2 2	1.766	120
57	Home furniture, furnishings and	8-1-10 A & 3773	244	78		3392	1,765	130
37	equipment stores	SY HURST	274	76	200		. 3,113	279
58	Eating and drinking places	760	1,371	398		A STATE AND THE STATE AND A	12,453	1,190
59	Miscellaneous retail	465	360	105		41870	4,417	454
60	Depository institutions	2)13	207	6		2.897	2,889	8
61	Nondepository credit institutions	124	115	9		1385	1,363	22
62	Security and commodity brokers,	含素基準查養39	33	6		- H - 4, 1 7010	678	23
	dealers, exchanges and services	* + * * * * * * *		}		+ 44 444		
63	Insurance carriers	164	163	. 1		学 文章 等2. 413*	2,412	1
64	Insurance agents, brokers and	82	76	6		1,047	1,025	22
	service	1.00				11072		
65	Real estate	277	196	81		3,421	3,275	146
67	Holding and other investment offices	2 6 8 4 2 4 16	. 16	-		為中華有435。	435	-
50		7.7.5		2		A Take P.		
70	Hotels, rooming houses, camps and	489	271	218	100	4,132	3,347	785
70	other lodging places	348 300	227		200	*****	2.00	
72 73	Personal services Business services	380 2 5 116	327	59	107.700	2,525	2,408	117
75	1	55,116 788	4,126 185	990 103		40,892	44,993	1,899
13	Automotive repair, services and parking	* ** ** ** .288	193	103		2,058	2,446	212
	Iberying		ŀ	1	Į.			



Initial Claims and Weeks Claimed Analysis By SIC, April 2003

-		Initial Claims		Weeks Claimed			
SIC		s some colond	Separated	Attached	New September 1970	Separated	Attached
Code	Description	A indicated and	Claims	Claims	Mesical chains	Claims	Claims
	STATEWIDE	n name	28,677	65,342	ANNO DE	356,843	93,813
76	Miscellaneous repair services	(6)	98	77	10.00	990	219
78	Motion pictures	100	104	3	F 703	704	4
79	Amusement and recreation services		108	1,219	32.72	2,148	1,211
80	Health services	State 1946	1,292	118	The state of	13,619	226
81	Legal services		82	6	1,000	1,044	16
82	Educational services		326	18	34343	4,317	18
83	Social services		570	61		6,234	121
84	Museums, art galleries and botanical		12	-		117	7
	and zoological gardens						
86	Membership organizations	4.50	53	9	3500 042	988	54
87	Engineering, accounting, research, management and related services	3444	663	168	28.88B	8,460	353
88	Private households	167	33	34	702	649	53
89	Miscellaneous services	1.183831.903	1,780	123	17.681	17,451	230
91.	Executive, legislative and general government, except finance	195	191	4	7.260	2,601	10
92	Justice, public order and safety	9	9	_	193	193	_
93	Public finance, taxation, and monetary policy	4 1	1	-	1	-	-
94	Administration of human resource programs	9.	9	-	54	54	- 1
95	Administration of environmental	24	24	-	296	296	-
96	quality and housing programs Administration of economic	44	36	8	491	489	2
97	programs National security and international affairs	n 146。 	1	-		•	-
99	Nonclassifiable establishments	804	546	258	5,069	4,480	589



Ranked Initial Claims, Weeks Claimed and Benefits Paid By County, April 2003

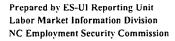
County	Initial Claims	County	Weeks Claimed	County		Fotal Benefits
STATEWIDE	94,019	STATEWIDE	450,656	STATEWIDE	\$	103,104,130
DAVIDSON		E PATE CIRCLE METOTROS E	37798	MEGKLENBURG :	\$ S	8,848,235
MEGKILD (IT UT/O)			3094V (4)		\$ S.	8.217.188
(GOILIECTO)		consolation (e leviniagradic est.	, S	\$5,016,367
O'AUFAWA	21.700			A ROMONINE	S	31196530
WAKE		10 VA VA DA O S		No J CANDANNO:	$\langle \cdot \hat{\mathbf{y}} \rangle$	12635,516
FORSYIE	/ R. Carry R. S. P. Mary S. P. Ma	GALCALOW SALES AND		G/(3/(0)/()	S - S	2,572,997
RANDOLPH	2,874	GASTON	12,096	DAVIDSON	\$	2,525,551
ROWAN	2,858	DURHAM	10,639	DURHAM	\$	2,515,936
CABARRUS	2,809	CUMBERLAND	9,737	ALAMANCE	\$	1,869,793
CALDWELL	2,632	ALAMANCE	9,271	CABARRUS	\$	1,825,015
GASTON	2,522	CABARRUS	8,734	CUMBERLAND	\$	1,756,341
ALAMANCE	2,185	RANDOLPH	8,357	IREDELL	\$	1,725,185
ROCKINGHAM	1,878	ROWAN	8,147	NEW HANOVER	\$	1,698,316
IREDELL	1,848	IREDELL	8,077	ROWAN	\$	1,695,520
BURKE	1,741	BUNCOMBE	7,772	RANDOLPH	\$	1,669,863
CUMBERLAND ROBESON	1,729	NEW HANOVER	7,388	BUNCOMBE	\$	1,571,085
	1,715	ROBESON	7,375	UNION	\$	1,369,384
CLEVELAND	1,559	PITT	7,278	ROCKINGHAM	\$	1,368,459
BUNCOMBE	1,515	CLEVELAND	7,064	PITT	\$	1,363,544
MCDOWELL DURHAM	1,484	WILSON	6,958	ROBESON	\$	1,317,328
RUTHERFORD	1,334	ROCKINGHAM	6,949	CLEVELAND	\$	1,311,058
SURRY	1,232	CALDWELL BURKE	6,742	CALDWELL	\$	1,253,820
HENDERSON	1,163	UNION	6,131	JOHNSTON	\$	1,206,093
PITT	1,155	SURRY	6,030	BURKE	\$	1,184,595
UNION	1,114	JOHNSTON	5,649	WILSON	\$	1,180,902
WILKES	1,097	NASH	5,318	SURRY	\$	1,124,170
LINCOLN	1,061	WAYNE	5,037 4,839	NASH	\$	984,226
JOHNSTON	1,060	EDGECOMBE	4,631	LINCOLN	\$	955,385
WILSON	1,059	LINCOLN	4,436	STANLY WAYNE	\$	907,876
ALEXANDER	1,043	ONSLOW	4,283	WILKES		868,232
NEW HANOVER	937	WILKES	4,134	EDGECOMBE	\$	822,903
WAYNE	900	STANLY	4,044	RUTHERFORD	\$	809,996
EDGECOMBE	895	RUTHERFORD	4,030	HARNETT	\$ \$	804,900
NASH	848	HARNETT	3,963	HENDERSON	\$	785,482
STANLY	833	LENOIR	3,922	SCOTLAND	1 1	768,471
MOORE	809	MOORE	3,862	MOORE	\$	765,071 736,587
LENOIR	789	BRUNSWICK	3,858	LENOIR	\$	730,387
YADKIN	773	HENDERSON	3,820	BRUNSWICK	\$	720,490
CHATHAM	771	VANCE	3,755	ONSLOW	\$	704,608
HALIFAX	762	SCOTLAND	3,704	MCDOWELL	\$	686,656
MONTGOMERY	740	MCDOWELL	3,562	ORANGE	\$	681,757
SCOTLAND	724	RICHMOND	3,552	RICHMOND	\$	676,888
VANCE	717	BEAUFORT	3,284	VANCE	\$	665,018
HARNETT	704	HALIFAX	3,259	GRANVILLE	\$	660,438
HOKE	697	CRAVEN	3,237	TRANSYLVANIA	\$	635,620
ONSLOW	691	GRANVILLE	3,217	BEAUFORT	\$	625,945
STOKES	673	LEE	3,112	LEE	\$	618,187
GRAHAM	651	DUPLIN	2,919	CRAVEN	\$	596,968
DUPLIN	648	FRANKLIN	2,884	PERSON	\$	577,651
RICHMOND	643	ORANGE	2,823	DUPLIN	\$	561,164
DAVIE	621	ALEXANDER	2,784	СНАТНАМ	\$	552,360
PERSON	611	СНАТНАМ	2,617	STOKES	\$	549,719

Prepared by ES-UI Reporting Unit Labor Market Information Division NC Employment Security Commission

Ranked Initial Claims, Weeks Claimed and Benefits Paid By County, April 2003

County	Initial Claims	County	Weeks Claimed	County	T	Total Benefits
STATEWIDE	94,019	STATEWIDE	450,656	STATEWIDE	\$	103,104,130
CRAVEN	589	MONTGOMERY	2,615	HALIFAX	\$	542,271
GRANVILLE	586	SAMPSON	2,583	ALEXANDER	\$	533,253
HERTFORD	561	PERSON	2,572	FRANKLIN	s	517,399
BRUNSWICK	554	HERTFORD	2,569	DAVIE	\$	506,008
FRANKLIN	515	COLUMBUS	2,514	COLUMBUS	\$	489,591
COLUMBUS	509	STOKES	2,397	YADKIN	\$	486,427
BEAUFORT	488	HOKE	2,341	MONTGOMERY	\$	486,309
HAYWOOD	461	CARTERET	2,334	SAMPSON	\$	472,919
LEE	452	YADKIN	2,332	CARTERET	\$	434,730
MARTIN	439	HAYWOOD	2,249	ноке	\$	430,500
SAMPSON	421	DAVIE	2,192	HAYWOOD	\$	413,921
ANSON	407	PENDER	2,073	PENDER	\$	400,872
CHEROKEE	383	TRANSYLVANIA	2,016	BLADEN	\$	368,044
ORANGE	364	BLADEN	1,843	DARE	\$	315,955
BLADEN	360	ANSON	1,764	ANSON	\$	315,074
CASWELL	359	MARTIN	1,671	MARTIN	\$	309,913
ASHE	350	CHEROKEE	1,664	CASWELL	\$	293,723
PENDER	334	CASWELL	1,576	CHEROKEE	\$	271,351
ALL OTHER	257	DARE	1,473	WATAUGA	\$	267,692
WATAUGA	239	WATAUGA	1,400	ASHE	\$	245,483
CARTERET	233	ASHE	1,331	JACKSON	\$	243,483
YANCEY	223	JACKSON	1,293	MACON	\$	
WARREN	223	PASQUOTANK	1,132	GRAHAM	\$	216.696
BERTIE	222	GRAHAM	1,127	MITCHELL	\$	212,358 205,006
GREENE	222	NORTHAMPTON	1,089	ALLEGHANY	\$	199,661
NORTHAMPTON	199	MACON	1,074	YANCEY	\$	186,958
PASQUOTANK	187	WARREN	1,037	WARREN	\$	184,274
MITCHELL	181	MITCHELL	1,022	NORTHAMPTON	\$	177,642
AVERY	177	GREENE	1,022	SWAIN	\$	177,042
JACKSON	175	SWAIN	990	AVERY	\$	
WASHINGTON	162	BERTIE	965	PASQUOTANK	\$	172,676
MACON MACON	162	ALL OTHER	916	WASHINGTON	\$	170,029
POLK	152	ALLEGHANY	912	GREENE		165,749
MADISON	140	YANCEY	909	BERTIE	\$	154,207
TRANSYLVANIA	139	AVERY	906	MADISON	\$	143,000
ALLEGHANY	123	WASHINGTON	832)	\$	141,601
SWAIN	120	MADISON	677	HERTFORD JONES	\$	93,801
	117	POLK	490	1	\$	88,167
PERQUIMANS	1	1		ALL OTHER POLK	\$	85,467
PAMLICO	110	CHOWAN	487	t L	\$	85,291
DARE	104	TYRRELL	464	CHOWAN	\$	78,598
JONES	104 90	JONES	458	CURRITUCK	\$	75,911
CHOWAN	1	CURRITUCK	447	TYRRELL	\$	75,479
CLAY	67	PAMLICO	447	PAMLICO	\$	74,017
TYRRELL	47	PERQUIMANS	441	CLAY	\$	46,471
CAMDEN	44	CLAY	304	HYDE	\$	45,624
GATES	29	HYDE	265	PERQUIMANS	\$	41,194
CURRITUCK	28	CAMDEN	175	CAMDEN	\$	27,202
HYDE	16	GATES	141	GATES	\$	18,419
				INTERSTATE LIABLE	\$	4,600,151

Note: 'Total Benefits Paid' represent intrastate and interstate liable related benefits. Due to UI benefits accounting practices, county monetary amounts do not reconcile with the statewide total.



Ranked Initial Claims and Weeks Claimed By SIC, April 2003

	By SIC, April 2003							
SIC		Total	SIC		Total			
Group	Description	Initial Claims	Group	Description	Weeks Claimed			
	Statewide	94,019		Statewide	450,656			
222	एक्ट कार्म कर्मान्ड	160.00	7/2	Businesaserokes	46,892			
	Fundament francis	9,500	222	Textile influencing to	39,434			
2.7	Consumerior especial limits	· 2000年期	1077	Consideration (entry	30996			
70.16	। हिन्द्र कार्यमान्त्र होते होते होते । कार्यस्थान	730	00	Controlled				
	heavy same more and a series with the control of th			This opinion of the state of th	:10901			
7/3	Busines datalies	5/10	. 35	estimated the contents of the	10 o/fo			
00	र्मा जारू जा जो र राही	3,345	39	Misseallamagissenadom	17.681			
36	Electronic and other electrical	2,456	80	Health services	13,845			
	equipment and components, except				15,615			
	computer equipment							
15	Building construction-general	2,152	58	Eating and drinking places	13,643			
	contractors and operative builders							
23	Apparel and other finished products	2,087	16	Heavy construction other than	12,620			
	made from fabrics and similar materials			building construction-contractors				
42	Motor freight transportation and	2,051	50	Wholesele trade durable				
72	warehousing	2,051	30	Wholesale trade-durable goods	12,116			
24	Lumber and wood products, except	2,049	36	Electronic and other electrical	11,722			
	furniture	_,		equipment and components, except	11,722			
			İ	computer equipment				
89	Miscellaneous services	1,903	42	Motor freight transportation and	10,371			
		ł		warehousing	ŕ			
35	Industrial and commercial machinery	1,773	15	Building construction-general	10,292			
	and computer equipment			contractors and operative builders				
58	Eating and drinking places	1,769	35	Industrial and commercial	0.600			
•	and and an an an an an an an an an an an an an	1,707		machinery and computer equipment	9,688			
				and compater equipment				
21	Tobacco products	1,589	87	Engineering, accounting, research,	8,813			
]		management and related services				
20		. [İ					
30	Rubber and miscellaneous plastics	1,510	53	General merchandise stores	7.330			
80	products Health services	1.410	5,	Whatest and				
80	ricalui services	1.410	51	Wholesale trade-nondurable goods	7,251			
50	Wholesale trade-durable goods	1,379	24	Lumber and wood products, except	7,021			
	3.1.1.	3,3.7		furniture	7,021			
79	Amusement and recreation services	1.327	55	Automotive dealers and gasoline	6,919			
				service stations	-,,			
20	Food and kindred products	1.273	23	Apparel and other finished products	6,797			
	İ		Ì	made from fabrics and similar				
34	Fabricated metal products, except	1.206	20	materials				
1	machinery and transportation	1.206	20	Food and kindred products	6,769			
	equipment							
53	General merchandise stores	1,205	83	Social services	6,355			
37	Transportation equipment	967	54	Food stores	6,345			
32	Stone, clay, glass and concrete	888	30	Rubber and miscellaneous plastics	6,164			
	products			products				
51	Wholesale trade-nondurable goods	835	34	Fabricated metal products, except	5,961			
				machinery and transportation				
ŀ	!	1	1 1	equipment				

Ranked Initial Claims and Weeks Claimed By SIC, April 2003

		i	, April 20	703	
SIC	·	Total	SIC		Total
Group	Description	Initial Claims	Group	Description	Weeks Claimed
	Statewide	94,019		Statewide	450,656
87	Engineering, accounting, research,	831	33	Primary metal industries	5,235
	management and related services				,-,-
99	Nonclassifiable establishments	804	32	Stone, clay, glass and concrete	5,154
				products	5,15
54	Food stores	682	99	Nonclassifiable establishments	5,069
33	Primary metal industries	645	37	Transportation equipment	4,903
83	Social services	631	59	Miscellaneous retail	4,871
55	Automotive dealers and gasoline	610	28	Chemicals and allied products	4,533
	service stations				,,,,,
70	Hotels, rooming houses, camps and	489	48	Communications	4,454
	other lodging places			·	,,,,
26	Paper and allied products	467	21	Tobacco products	4,396
28	Chemicals and allied products	466	82	Educational services	4,335
59	Miscellaneous retail	465	70	Hotels, rooming houses, camps and	4,132
				other lodging places	,,,,,,
07	Agricultural services	396	26	Paper and allied products	3,458
72	Personal services	386	45	Transportation by air	3,449
27	Printing, publishing and allied	346	65	Real estate	3,421
	industries	ŀ			
82	Educational services	344	57	Home furniture, furnishings and	3,392
	.]			equipment stores	
57	Home furniture, furnishings and	322	. 79	Amusement and recreation services	3,359
	equipment stores		1		
39	Miscellaneous manufacturing	316	52	Building materials, hardware,	3,292
	industries	İ		garden supply and mobile home	
		ļ		dealers	
38	Measuring, analyzing and controlling	291	27	Printing, publishing and allied	3,159
	instruments; photographic, medical	-		industries	
	and optical goods; watches and clocks				
		ł	Ì		
75	Automotive repair, services and	288	60	Depository institutions	2,897
	parking				
65	Real estate	277	75	Automotive repair, services and	2,658
		ļ		parking	
52	Building materials, hardware, garden	266	91	Executive, legislative and general	2,611
	supply and mobile home dealers	. [government, except finance	
48	Communications	260	07	Agricultural services	2,540
60	Depository institutions	213	72	Personal services	2,525
45	Transportation by air	208	63	Insurance carriers	2,413
91	Executive, legislative and general	195	38	Measuring, analyzing and	1.967
	government, except finance			controlling instruments;	
				photographic, medical and optical	
				goods: watches and clocks	
76	Miscellaneous repair services	175	56	Apparel and accessory stores	1,895
56	Apparel and accessory stores	<i>j</i> 173	39	Miscellaneous manufacturing	1.482
			ļ	industries	
47	Transportation services	170	61	Nondepository credit institutions	1.385
	[
63	Insurance carriers	164	76	Miscellaneous repair services	1,209
49	Electric, gas and sanitary services	129	47	Transportation services	1,166
61	Nondepository credit institutions	124	49	Electric, gas and sanitary services	1,162
78	Motion pictures	107	81	Legal services	1.060

Ranked Initial Claims and Weeks Claimed By SIC, April 2003

	· · · · · · · · · · · · · · · · · · ·	By SIC,	 		
SIC		Total	SIC		Total
Group	Description Statewide	Initial Claims 94,019	Group	Description	Weeks Claimed
	<u> </u>			Statewide	450,656
14	Mining and quarrying of nonmetallic	98	64	Insurance agents, brokers and	1,047
	minerals, except fuels	•		service	
81	Legal services	88	86	Membership organizations	1,042
64	Insurance agents, brokers and service	82	78	Motion pictures	708
88	Private households	67	88	Private households	702
31	Leather and leather products	65	62	Security and commodity brokers, dealers, exchanges and services	701
86	Membership organizations	62	01	Agricultural production-crops	571
02	Agriculture production livestock and	54	02	Agriculture production livestock	548
	animal specialties			and animal specialties	
29	Petroleum refining and related	50	96	Administration of economic	491
	industries			programs	
01	Agricultural production-crops	44	41	Local and suburban transit and interurban highway passenger	441
96	Administration of economic	44	67	transportation	. 425
90	programs	44	67	Holding and other investment offices	435
41	Local and suburban transit and	44 .	14	Mining and quarrying of	298
	interurban highway passenger transportation			nonmetallic minerals, except fuels	
62	Security and commodity brokers,	39	95	Administration of environmental	296
	dealers, exchanges and services			quality and housing programs	,
09	Fishing, hunting and trapping	27	43	United States Postal Service	235
95	Administration of environmental	24	31	Leather and leather products	204
67	quality and housing programs Holding and other investment offices	16	92	Justice, public order and safety	193
44	Water transportation	13	44	Water transportation	102
84	Museums, art galleries and botanical	12	29	Petroleum refining and related	192 135
04	and zoological gardens	12	29	industries	133
43	United States Postal Service	12	08	Forestry	132
08	Forestry	12	09	Fishing, hunting and trapping	125
94	Administration of human resource	9	84	Museums, art galleries and	124
, ,	programs			botanical and zoological gardens	127
92	Justice, public order and safety	9	94	Administration of human resource	54
				programs	
13	Oil and gas extraction	5	40	Railroad transportation	40
40	Railroad transportation	2	13	Oil and gas extraction	19
46	Pipelines, except natural gas	1	46	Pipelines, except natural gas	15
10	Metal mining	1	97	National security and international affairs	-
97	National security and international affairs	1	10	Metal mining	•
93	Public finance, taxation, and	1	12	Coal mining	_
~ ~	monetary policy				
12	Coal mining	1	93	Public finance, taxation, and	
_				monetary policy	

Statewide Initial Claims Categorized By SIC Division, April 2003

			Initial Claims	
SIC Division	Description	Separated	Attached	Total
A	Agriculture, forestry and fishing	186	347	533
В	Mining	13	92	105
С	Construction	2,294	16,686	18,980
D	Manufacturing	6,311	39,010	45,321
E	Transportation, communications, electric, gas and sanitary services	1,393	1,497	2,890
F	Wholesale trade	1,294	920	2,214
G	Retail trade	4,352	1,140	5,492
Н	Finance, insurance and real estate	806	109	915
I	Services	10,030	3,206	13,236
J	Public administration	271	12	283
K	Nonclassifiable establishments	546	258	804
L	Unknown SIC	1,181	2,065	3,183
	Total	28,677	65,342	94,019

Gender of Individuals Filing Initial Claims During April 2003

			Gender	
County Name	Total	Female	Male	INA
STATEWIDE	84,694	33,106	51,587	7
ALAMANCE	1,984	868	1,116	
ALEXANDER	888	433	455	
ALLEGHANY	115	31	84	
ANSON	369	182	187	
ASHE	328	88	240	
AVERY	155	53	102	
BEAUFORT	460	205	255	
BERTIE	216	92	124	
BLADEN	350	152	198	
BRUNSWICK	524	166	358	
BUNCOMBE	1,456	518	938	
BURKE	1,552	693	859	
CABARRUS	2,418	946	1,472	
CALDWELL	2,445	950	1,472	
CAMDEN	44	10	34	
CARTERET	216	94	122	
CASWELL	338	149	189	
CATAWBA	3,229	1,267	1	
CHATHAM	596	317	1,962	
CHEROKEE	374	i i	279	
	1	136	238	
CHOWAN	79	20	59	
CLAY	60	20	40	
CLEVELAND	1,439	601	838	
COLUMBUS	495	163	332	
CRAVEN	475	203	271	
CUMBERLAND	1,577	676	901	
CURRITUCK	27	12	15	
DARE	103	49	54	
DAVIDSON	3,932	1.799	2,133	,
DAVIE	548	227	321	
DUPLIN	610	229	381	
DURHAM	1,293	437	856	
EDGECOMBE	831	430	401	
FORSYTH	2.798	1,099	1,699	
FRANKLIN	475	189	286	
GASTON	2,274	861	1,413	
GATES	27	8	19	
GRAHAM	641	221	420	
GRANVILLE	544	208	336	
GREENE	202	77	125	
GUILFORD	3.603	1,434	2,169	
HALIFAX	730	269	461	
HARNETT	668	193	475	
HAYWOOD	444	103	341	
HENDERSON	1.065	380	685	
HERTFORD	537	137	400	
HOKE	599	297	302	
HYDE	15	8	7	
IREDELL	1.697	752	945	
JACKSON	165	72	93	
JOHNSTON	1,004	268	736	

Gender of Individuals Filing Initial Claims During April 2003

	F		Gender	
County Name	Total	Female	Gender Male	INA
STATEWIDE				
	84,694	33,106	51,587	1
JONES	90	23	67	
LEE	435	143	292	
LENOIR	691	248	443	
LINCOLN	936	372	564	
MCDOWELL	1,076	390	686	
MACON	151	35	116	
MADISON	- 135	25	110	
MARTIN	424	152	272	
MECKLENBURG	3,875	1,480	2,395	•
MITCHELL	164	43	121	
MONTGOMERY	630	256	374	
MOORE	674	265	409	
NASH	793	312	481	
NEW HANOVER	898	358	540	
NORTHAMPTON	197	81	116	
ONSLOW	623	200	423	
ORANGE	359	126	233	
PAMLICO	87	57	30	
PASQUOTANK	184	77	107	
PENDER	316	110	206	
PERQUIMANS	109	37	72	
PERSON	564	199	365	
PITT	1,093	434	659	
POLK	140	39	101	
RANDOLPH	2,197	988	1,209	
RICHMOND	603	272	331	
ROBESON	1,574	628	946	
ROCKINGHAM	1,709	701	1,008	
ROWAN	2,451	1,086	1,365	
RUTHERFORD	1,103	415	688	
SAMPSON	401	124	277	
SCOTLAND	635	287	348	
STANLY	772	294	478	
STOKES	599	201	398	
SURRY	1,074	320	754	
SWAIN	114	29	85	
TRANSYLVANIA	126	40	86	
TYRRELL	46	30	16	
UNION	1,042	332	710	
VANCE	692	291	401	
WAKE	3,463	1,163	2,300	
WARREN	213	68	145	
WARREN	160	39	121	
WATAUGA	218	98	120	
WATAGGA WAYNE	861	353	508	
WILKES	984	356	628	
WILKES	896	364	532	
YADKIN	685	247	438	
YANCEY	191	247 57	134	
l I	j.	69		
ALL OTHER	227	[99]	158	

Race of Individuals Filing Initial Claims During April 2003

	ri .			Ra Ra				
				Black or	ce	Native Hawaiian		
		American Indian or		African	More Than			
County Name	Total		Asian			Islander		White
STATEWIDE	84,694	1,168	1,274	24,802	37	18	8,838	48,557
ALAMANCE	1,984	3	17	614	1	70	446	903
ALEXANDER	888		6	45	i	!	57	779
ALLEGHANY	115				•		22	93
ANSON	369	3	2	211			7	146
ASHE	328	1		3			19	305
AVERY	155		2		ĺ		18	135
BEAUFORT	460			211			73	176
BERTIE	216			184			4	28
BLADEN	350	7		157			6	180
BRUNSWICK	524	2	2	92			16	412
BUNCOMBE	1,456	5	12	168	1		101	1169
BURKE	1,552	4	136	122			111	1179
CABARRUS	2,418	. 4	35	615			291	1473
CALDWELL	2,445		6	115			195	2129
CAMDEN	44	1	ŀ	23				20
CARTERET	216	1	3	24			27	161
CASWELL	338	3		196			24	115
CATAWBA	3,229	10	93	333		4	228	2565
СНАТНАМ	596		3	181			120	292
CHEROKEE	374	2		19			23	330
CHOWAN	79		İ	46			12	21
CLAY	60	1	ĺ	2			2	55
CLEVELAND	1,439	2	11	417	1		56	952
COLUMBUS	495	24		186			6	279
CRAVEN	475	3	3	189			27	253
CUMBERLAND	1,577	29	13	865	2	1	116	551
CURRITUCK	27			2			1	24
DARE	103			2			9	92
DAVIDSON	3,932	19	158	742			297	2716
DAVIE	548		2	86			53	407
DUPLIN	610	. 6		258	.i		126	220
DURHAM EDGECOMBE	1,293	. 8	14	622	1		369	279
FORSYTH	831 2,798	اء	23	608		İ	51	171
FRANKLIN	2,798 475	5 7	23	1,159	2		459	1150
GASTON	2,274	5	22	223 424	2		27	218
GATES	2,274	3		8	2	2	200	1619
GRAHAM	641	19	4	12		,	-	19 599
GRANVILLE	544	17	2	218		'	7 56	399 267
GREENE	202	1	-	147	ŀ		15	40
GUILFORD	3,603	40	192	1,508	4	2	429	1428
HALIFAX	730	16	4	464	7	2	13	233
HARNETT	668	2	2	249			100	315
HAYWOOD	444	3	-	8			43	390
HENDERSON	1,065	5	10	100	,		92	857
HERTFORD	537	1	1	156	2		26	351
HOKE	599	73	3	388	-	1	24	110
HYDE	15	, ,	1	10		1	3	2
IREDELL	1,697	4	24	420	į	Ì	97	1152
JACKSON	165	4	1	3	ļ		8	149
JOHNSTON	1,004	2	5	193		2	286	516

Race of Individuals Filing Initial Claims During April 2003

	<u> </u>			Ra	Ce			
				Black or		Native Hawaiian		
		American Indian or		African		or Other Pacific		
County Name	Total	1	Asian	1	One Race	Islander	Other	White
STATEWIDE	84,694	1,168	1,274	24,802	37	18	8,838	48,557
JONES	90	3,233	-,	42			4	44
LEE	435	1	1	113	1		86	233
LENOIR	691	1	1	409	-		59	221
LINCOLN	936	4	4	70			98	760
MCDOWELL .	1,076	4	4	52			107	909
MACON	151	2		5			8	136
MADISON	135			1			6	128
MARTIN	424			274	1		12	137
MECKLENBURG	3,875	25	140	1,850	4	3	475	1378
MITCHELL	164		1	. 1		1	14	148
MONTGOMERY	630	3	7	116			154	350
MOORE	674	3	6	166	2		110	387
NASH	793	5	2	457		1	59	269
NEW HANOVER	898	5	6	269		_	29	589
NORTHAMPTON	197			148			3	46
ONSLOW	623	2	9	174		1	59	378
ORANGE	359	2	2	124			36	195
PAMLICO	87			52			4	31
PASQUOTANK	184	1		84			5	94
PENDER	316	2		98			15	201
PERQUIMANS	109	. 1		48			3	57
PERSON	564	2	1	217			38	306
PITT	1,093	ĺ	1	678		•	112	302
POLK	140			8			11	121
RANDOLPH	2,197	10	27	164			325	1671
RICHMOND	603	9	2	232			37	323
ROBESON	1,574	602	4	558	1	. 3	45	361
ROCKINGHAM	1,709	. 1	3	500			113	1092
ROWAN	2,451	7	73	562			220	1589
RUTHERFORD	1,103	_	9	172	1		54	867
SAMPSON	401	8		170			49	174
SCOTLAND	635	74		305			17	239
STANLY	772	2	22	122	,		48	578
STOKES	599	1	_	48			42	508
SURRY	1,074	27	6	64			169	835
SWAIN	114	27		3			8	76
TRANSYLVANIA	126			20			5	101
TYRRELL	46	2	٠, ١	15 272			21	10
UNION	1,042 692	2	3	466	ا		211	554
VANCE WAKE	3,463	21	118	1,193	2 6	2	64 656	160
WAREN	213	21 11	110	1,193	0	2	10	1467 38
WASHINGTON	160	1.1		103			5	52
WATAUGA	218			2			15	201
WAYNE	861	2	4	483	1		59	312
WILKES	984	2	7	43	1		97	844
WILSON	896	. 2	2	565			133	194
YADKIN	685	-	-	34			71	580
YANCEY	191			2			7 7	182
ALL OTHER	227	1	4				52	104
1 0	1	• 1	'1	ا	!	l	7~1	. 0 1

Age of Individuals Filing Initial Claims During April 2003

				ring Apri		Ranges			
			T		71,50 7	tanges		65	Erroneous
County Name	Total	16-19	20-24	25-34	35-44	45-54	55-64	or Older	Age
STATEWIDE	84,694	889	7,343	20,887	23,560	19,183	10,672	2,119	41
ALAMANCE	1,984	23	180	559	531	382	240	67	2
ALEXANDER	888	9	90	206	207	199	144	33	
ALLEGHANY	115	1	13	41	30	16	13	1	
ANSON	369	9	40	66	107	80	51	16	
ASHE	. 328	4	33	96	73	62	46	14	
AVERY	155	2	15	38	39	33	19	9	
BEAUFORT	460	6	51	113	133	98	40	19	
BERTIE	216	3	25	. 43	84	38	18	5	
BLADEN	350	4	27	72	85	103	43	16	
BRUNSWICK	524	4	45	107	160	133	69	6	
BUNCOMBE	1,456	11	100	332	380	415	197	19	2
BURKE	1,552	16	145	360	455	318	220	38	_
CABARRUS	2,418	20	188	455	691	633	357	71	3
CALDWELL	2,445	35	187	552	657	544	392	78	3
CAMDEN	44			8	14	18	4	70	
CARTERET	216	3	13	44	63	55	26	12	
CASWELL	338	2	24	76	102	88	41	.5	
CATAWBA	3,229	27	266	780	893	644	499	118	2
CHATHAM	596	3	33	148	153	122	105	31	1
CHEROKEE	374	8	34	77	98	92	58	7	•
CHOWAN	79	2	13	18	17	17	11	1	
CLAY	60	2		13	13	20	11	1	
CLEVELAND	1,439	32	130	331	395	336	189	26	
COLUMBUS	495	4	44	125	145	111	53	13	
CRAVEN	475	8	50	118	137	104	51	7	
CUMBERLAND	1,577	11	146	435	468	347	138	31	1
CURRITUCK	27	1		2	9	10	3	2	. ,
DARE	103	1	10	28	31	22	10	1	
DAVIDSON	3,932	29	199	748	1,127	1,005	703	121	
DAVIE	548	4	31	120	160	136	90	7	
DUPLIN	610	4	62	173	166	139	56	10	
DURHAM	1,293	14	152	441	316	248	102	20	
EDGECOMBE	831	8	75	192	261	203	. 80	12	
FORSYTH	2,798	29	207	730	866	638	274	53	1
FRANKLIN	475	5	44	120	133	117	48	8	
GASTON	2,274	22	174	567	638	534	276	62	1
GATES	27		5	8	9	3	2		,
GRAHAM	641	9	64	118	152	159	117	22	
GRANVILLE	544	8	52	139	146	131	60	8	
GREENE	202	8	19	46	55	49	13	9	3
GUILFORD	3,603	34	298	923	1,023	812	417	95	1
HALIFAX	730	5	56	161	209	191	94	14	
HARNETT	668	6	67	198	164	161	58	13	1
HAYWOOD	444	4	45	122	127	84	49	13	
HENDERSON	1,065	9	69	220	300	308	143	15	1
HERTFORD	537	1	39	130	155	123	79	10	
HOKE	599	7	64	130	161	142	83	12	
HYDE	15		2	1	1	7	2	2	
IREDELL	1,697	21	148	384	496	387	226	35	
JACKSON	165	5	18	37	34	40	27	4	
JOHNSTON	1,004	14	115	304	280	. 181	89	21	1

Prepared by ES-Ul Reporting Unit Labor Market Information Division NC Employment Security Commission

Age of Individuals Filing Initial Claims During April 2003

		Age Ranges							
		4.5.40						65	Erroneous
County Name	Total	16-19	20-24	25-34	35-44	45-54	55-64	or Older	Age
STATEWIDE	84,694	889	7,343	20,887	23,560	19,183	10,672	2,119	41
JONES	90		4	23	21	30	11	1	
LEE	435	6	49	122	122	75	50	11	
LENOIR	691	7]	71	204	171	151	68	16	3
LINCOLN	936	10	61	210	270	217	142	26	
MCDOWELL	1,076	6	77	324	. 316	214	114	25	
MACON	151	4	18	31	45	28	24	1	,
MADISON	135	1	15	32	36	29	16	6	
MARTIN	424	2	29	110	118	117	41	6	1
MECKLENBURG	3,875	29	340	1,173	1,071	843	369	48	2
MITCHELL	164		17	36	52	34	18	7	
MONTGOMERY	630	5	65	175	168	121	83	13	
MOORE	674	9	74	189	179	123	82	17	1
NASH	793	14	89	188	217	157	107	21	
NEW HANOVER	898	3	73	198	271	220	111	22	
NORTHAMPTON	197	5	18	43	55	52	21	3	
ONSLOW	623	6	. 74	165	192	140	39	7	
ORANGE	359	5	35	88	104	86	33	8	
PAMLICO	87		6	11	25	19	10	16	
PASQUOTANK	184	5	15	23	59	51	21	10	
PENDER	316	2	21	64	97	72	46	13	1
PERQUIMANS	109	2	. 8	25	28	27	16	2	1
PERSON	564	4	50	145	147	126	76	16	
PITT	1,093	16	134	313	266	247	98	18	1
POLK	140		13	27	43	29	24	4	-
RANDOLPH	2,197	32	193	519	594	413	358	87	1
RICHMOND	603	6	70	173	143	131	69	11	
ROBESON	1,574	15	163	430	412	352	183	17	2
ROCKINGHAM	1,709	15	124	357	495	417	244	57	
ROWAN	2,451	31	177	506	677	643	350	65	2
RUTHERFORD	1,103	12	99	258	324	219	171	20	
SAMPSON	401	2	55	82	100	111	42	9	
SCOTLAND	635	14	66	177	156	148	66	7	1
STANLY	772	12	53	149	227	200	106	25	į
STOKES	599	5	51	146	158	146	79	. 12	2
SURRY	1,074	14	102	291	270	209	161	26	1
SWAIN	114	1	10	29	35	21	14	4	ļ
TRANSYLVANIA 🛭	126	1	6	39	39	21	18	2	i
TYRRELL	46	1	5	11	15	8	5	1	
UNION	1,042	14	98	285	300	212	108	25	
VANCE	692	7	66	148	191	176	66	38	
WAKE	3,463	33	337	1,077	1,000	682	288	44	2
WARREN	213	3	22	42	55	56	27	8	·
WASHINGTON	160		15	27	51	45	18	4	İ
WATAUGA	218	3	14	48	47	49	48	9	
WAYNE	861	6	92	220	228	222	79	14	
WILKES	984	8	86	229	255	214	164	28	j
WILSON	896	8	80	210	236	192	107	62	1
YADKIN	685	7	52	156	197	164	101	8	
YANCEY	191		. 20	43	55	46	23	4	
ALL OTHER	227	1	24	61	78	40	21	2	

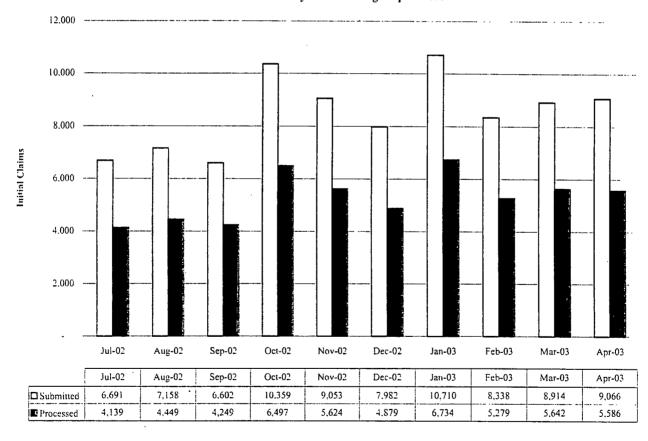
Prepared by ES-UI Reporting Unit Labor Market Information Division NC Employment Security Commission

Analysis of Initial Claims Filed Via The Internet, July 2002 Through April 2003

Internet Initial Claims								
			Percent					
Month	Submitted	Processed	Processed					
Jul-02	6,691	4,139	61.86%					
Aug-02	7,158	4,449	62.15%					
Sep-02	6,602	4,249	64.36%					
Oct-02	10,359	6,497	62.72%					
Nov-02	9,053	5,624	62.12%					
Dec-02	7,982	4,879	61.13%					
Jan-03	10,710	6,734	62.88%					
Feb-03	8,338	5,279	63.31%					
Mar-03	8,914	5,642	63.29%					
Apr-03	9,066	5,586	61.61%					
Total	84,873	53,078	62.54%					

Note: Internet initial claims data represent totally separated initial claims only.

Submitted and Processed Internet Initial Claims, July 2002 Through April 2003



		County and SIC, April 2003	
	SIC		Separated and Attached
County	Group	Description	Claims
ALAMANCE	00	Unknown sic code	98
ALAMANCE	17	Construction-special trade contractors	81
ALAMANCE	22	Textile mill products	1,887
ALAMANCE	37	Transportation equipment	232
ALAMANCE	42	Motor freight transportation and warehousing	163
	'-	motor reign numberation and warehousing	103
ALAMANCE	80	Health services	93
AVAYANER	沙田 類	Taill Crashael De 20 Orlliel	0.271
ALEXANDER	25	Furniture and fixtures	CARL SAN THE S
ALEXANDER	33		427
ZOBZNOER Z	33	Primary metal industries	120
ALL OTHER	200	EXCHANGE THE PROPERTY OF THE PA	2 5 7 Per 6 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2
	00	Unknown sic code	197
AMPOTHER COST		total constants (Bez Calabus)	**************************************
ALLEGHANY	35	Industrial and commercial machinery and	363
AND TO THE PERSON AND ADDRESS OF THE PERSON ADDRESS OF THE PERSON ADDRESS OF THE PERSON ADDRESS OF THE PERSON ADDRESS OF THE PERSON ADDRESS OF THE PERSON ADDRESS OF THE PERSON ADDRESS OF THE PERSON ADDRESS OF THE PERSON ADDRESS OF THE PERSON ADDRESS OF THE PERSON ADDRESS OF THE PERSON ADDRESS OF THE PERSON ADDRESS OF THE PERSON ADDRESS OF THE PERSON ADDRESS OF THE PERSON ADDRESS		computer equipment	
AMMEGHANY	132.48	Foods Constitues (Weeks (Claimed)	7, 912
ANSON	23	Apparel and other finished products made from	78
#11/C/C 11		fabrics and similar materials Fotal Continued Weeks (Glaimed	
ANSON	2200		1,764
ASHE	15	Building construction-general contractors and	149
ASHE		operative builders Notal Continued Weeks Claimed	
	200		1,331
BEAUFORT	00	Unknown sic code	76
BEAUFORT	15	Building construction-general contractors and operative builders	127
BEAUFORT	17	Construction-special trade contractors	155
BEAUFORT	20	Food and kindred products	
		,	189
BEAUFORT	22	Textile mill products	545
BEAUFORT .	34	Fabricated metal products, except machinery and	83
DE ALIFORT	١ , ١	transportation equipment	
BEAUFORT	51	Wholesale trade-nondurable goods	95
BEAUFORT-		Total Continued Weeks Claimed	3,284
BERTIE	00	Unknown sic code	77
BERTIE	2.0	Total Continued Weeks Claimed	. 965
BLADEN	23	Apparel and other finished products made from	157
DIADEN	۱ ,	fabrics and similar materials	
BLADEN	26	Paper and allied products	99
BLADEN		Total Continued Weeks Claimed	1,843
BRUNSWICK	00	Unknown sic code	389
BRUNSWICK	73	Business services	102
BRUNSWICK	89	Miscellaneous services	325
BRUNSWICK		Total Continued Weeks Claimed	3,858
BUNCOMBE	00	Unknown sic code	249
BUNCOMBE	22	Textile mill products	317
BUNCOMBE	25	Furniture and fixtures	300
DID 100: 100]	Electronic and other electrical equipment and	
BUNCOMBE	36	components, except computer equipment	541
BUNCOMBE	48	Communications	90
BUNCOMBE	73	Business services	91
BUNCOMBE	80	Health services	77
BUNCOMBE		Total Continued Weeks Claimed	7,772
BURKE	22	Textile mill products	284
BURKE	25	Furniture and fixtures	245
BURKE	33	Primary metal industries	203

	SIC	County and SIC, April 2003	Separated and Attached
County	Group	Description	Claims
BURKE	36	Electronic and other electrical equipment and	460
		components, except computer equipment	
BURKE ,	37	Transportation equipment	107
BURKE	73	Business services	94
Billia		Total Continued Weeks Claimed	6:131
CABARRUS	00	Unknown sic code	180
CABARRUS	21	Tobacco products	554
CABARRUS	22	Textile mill products	1,102
CABARRUS	32	Stone, clay, glass and concrete products	374
CABARRUS	36	Electronic and other electrical equipment and	170
		components, except computer equipment	
CABARRUS	45	Transportation by air	95
CABARRUS		Total Continued Weeks Claimed	8,734
CALDWELL	22	Textile mill products	120
CALDWELL	25	Furniture and fixtures	2,030
CALDWELL	33	Primary metal industries	171
CALDWELL	73	Business services	76
CALDWELL		Total Continued Weeks Claimed	6,742
CARTERET	00	Unknown sic code	192
CARTERET	23	Apparel and other finished products made from	160
		fabrics and similar materials	100
CARTERET		Total Continued Weeks Claimed	2,334
CASWELL	22	Textile mill products	112
CASWELL		Total Continued Weeks Claimed	1,576
CATAWBA	00	Unknown sic code	141
CATAWBA	22	Textile mill products	329
CATAWBA	25	Furniture and fixtures	. 880
CATAWBA	26	Paper and allied products	174
CATAWBA	30	Rubber and miscellaneous plastics products	206
CATAWBA .	33	Primary metal industries	1,953
CATAWBA	34	Fabricated metal products, except machinery and	204
		transportation equipment	
CATAWBA		Total Continued Weeks Claimed	12,511
СНАТНАМ	22	Textile mill products	583
CHATHAM		Total Continued Weeks Claimed	2,617
CHEROKEE	00	Unknown sic code	121
CHEROKEE	23	Apparel and other finished products made from fabrics and similar materials	405
CHEROKEE	34	Fabricated metal products, except machinery and	163
CHEROREE	"	transportation equipment	103
CHEROKEE		Total Continued Weeks Claimed	1,664
CLEVELAND	00	Unknown sic code	229
CLEVELAND	15	Building construction-general contractors and	. 83
CLEVELAND	.,	operative builders	
CLEVELAND	17	Construction-special trade contractors	192
CLEVELAND	22	Textile mill products	288
CLEVELAND	32	Stone, clay, glass and concrete products	223
CLEVELAND	36	Electronic and other electrical equipment and components, except computer equipment	77
CLEVELAND	53	General merchandise stores	201
	[1		201
CLEVELAND	73	Business services	185
CLEVELAND	- 22	Total Continued Weeks Claimed	7,064
COLUMBUS	00	Unknown sic code	238

		County and SIC, April 2005	
County	SIC Group	Description	Separated and Attached Claims
COLUMBUS	35	computer equipment	113
COLUMBUS	73	Business services	` 99
COLUMNUS !	7/4°	Telatentheral Ved Sehine	2,514
CRAVEN	00	Unknown sic code	162
CRAVEN	22	Textile mill products	246
CRAVEN	27	Printing, publishing and allied industries	75
CRAVEN	37	Transportation equipment	76
GNASA - SECON		Tearl Comment Hyper Calify (1787)	3,237
CUMBERLAND	00	Unknown sic code	626
CUMBERLAND	22	Textile mill products	89
CUMBERLAND	23	Apparel and other finished products made from	106
		fabrics and similar materials	100
CUMBERLAND	26	Paper and allied products	90
CUMBERLAND	28	Chemicals and allied products	202
CUMBERLAND	35	Industrial and commercial machinery and computer equipment	264
CUMBERLAND	53	General merchandise stores	532
CUMBERLAND	58	Eating and drinking places	100
CUMBERLAND	73	Business services	118
CUMBERLAND	80	Health services	
CUMBERLAND	82	Educational services	76
CUMBERLAND		Total Continued Weeks Claimed	94
CURRITUCK	00	Unknown sic code	9,737
CURRITUCK		Total Continued Weeks Claimed	86
DARE	09		447
DARE	1	Fishing, hunting and trapping	86
	00	Total Continued Weeks Claimed	1,473
DAVIDSON	00	Unknown sic code	540
DAVIDSON	25	Furniture and fixtures	3,556
DAVIDSON	28	Chemicals and allied products	91
DAVIDSON	30	Rubber and miscellaneous plastics products	104
DAVIDSON	36	Electronic and other electrical equipment and	93
DAVIDSON	50	Wholesale trade-durable goods	197
DAVIDSON	73	Business services	132
DAVIDSON	33.7	Total Continued Weeks Claimed	12,648
DAVIE	22	Textile mill products	133
DAVIE	25	Furniture and fixtures	567
DAVIE	45	Transportation by air	78
DAVIE		Total Continued Weeks Claimed	2,192
DUPLIN	20	Food and kindred products	327
DUPLIN	22	Textile mill products	355
DUPLIN	51	Wholesale trade-nondurable goods	177
DUPLIN	1 200	Total Continued Weeks Claimed	2,919
DURHAM	00	Unknown sic code	245
DURHAM	32	Stone, clay, glass and concrete products	. 84
DURHAM	35	Industrial and commercial machinery and	325
DOM:		computer equipment	323
DURHAM	36	Electronic and other electrical equipment and	337
		components, except computer equipment	55.
DURHAM	73	Business services	449
DURHAM	82	Educational services	321
DURHAM	89	Miscellaneous services	80
DURHAM	65	Total Continued Weeks Claimed	10,639
EDGECOMBE	16	Heavy construction other than building	76
		construction-contractors	76

		County and SIC, April 2003	
County	SIC Group	Description	Separated and Attached Claims
EDGECOMBE	22	Textile mill products	610
EDGECOMBE	35	Industrial and commercial machinery and computer equipment	140
EDGECOMBE	51	Wholesale trade-nondurable goods	167
EDGECOMBE	73	Business services	193
EDGE COMBIE	STATES.	TOTA CONTRACTOR SCHOOL CONTRACTOR	(163)
FORSYTH	00	Unknown sic code	275
FORSYTH	16	Heavy construction other than building	82
FORSYTH	22	Textile mill products	1,090
FORSYTH	25	Furniture and fixtures	145
FORSYTH	30	Rubber and miscellaneous plastics products	210
FORSYTH	34	Fabricated metal products, except machinery and transportation equipment	97
FORSYTH	35	Industrial and commercial machinery and computer equipment	102
FORSYTH	36	Electronic and other electrical equipment and components, except computer equipment	400
FORSYTH	45	Transportation by air	282
FORSYTH	53	General merchandise stores	126
FORSYTH	60	Depository institutions	219
FORSYTH	73	Business services	374
FORSYTH	80	Health services	94
FORSYTH		Total Continued Weeks Claimed	14,425
FRANKLIN	28	Chemicals and allied products	84
FRANKLIN		Total Continued Weeks Claimed	2884
GASTON	00	Unknown sic code	251
GASTON	16	Heavy construction other than building	87
]	construction-contractors	•
GASTON	22	Textile mill products	922
GASTON	25	Furniture and fixtures	79
		Fabricated metal products, except machinery and	
GASTON	34	transportation equipment	85
GASTON	35	Industrial and commercial machinery and	78
GASTON	37	computer equipment Transportation equipment	20.4
GASTON	45	• • •	304
GASTON	58	Transportation by air	119
GASTON	73	Eating and drinking places Business services	100
	13	Total Continued Weeks Claimed	106
GASTON	00		.12,096
GRAHAM	00	Unknown sic code	445
GRAHAM	16	Heavy construction other than building	76
GRAHAM		Total Continued Weeks Claimed	1,127
GRANVILLE	26	Paper and allied products	81
GRANVILLE	32	Stone, clay, glass and concrete products	204
GRANVILLE	34	Fabricated metal products, except machinery and transportation equipment	315
GRANVILLE	36	Electronic and other electrical equipment and components. except computer equipment	178
GRANVILLE &		Total Continued Weeks Claimed	
GUILFORD	00	Unknown sic code	3,217
GUILFORD	16		454
GUILFURD	16	Heavy construction other than building construction-contractors	157
GUILFORD	22	Textile mill products	250
GUILFORD	25	Furniture and fixtures	542
00.2.00	i I		342

	<u>γ</u>	County and SIC, April 2003	
County	SIC Group	Description	Separated and Attached Claims
GUILFORD	28	Chemicals and allied products	113
GUILFORD	35	Industrial and commercial machinery and	392
		computer equipment	
GUILFORD	36	Electronic and other electrical equipment and	415
		components, except computer equipment	
•			
GUILFORD	37	Transportation equipment	209
GUILFORD	39	Miscellaneous manufacturing industries	115
GUILFORD	43	United States Postal Service	79
GUILFORD	53	General merchandise stores	587
GUILFORD	60	Depository institutions	198
GUILFORD	63	Insurance carriers	205
GUILFORD	67	Holding and other investment offices	81
GUILFORD	73	Business services	367
GUILFORD	80	Health services	
	82	Educational services	
GUILFORD GUILFORD	99	Nonclassifiable establishments	89
	1		131
GUILFORD .		Total Continued Weeks Claimed	23,522
HALIFAX	00	Unknown sic code	128
HALIFAX	22	Textile mill products	236
HALIFAX	27.	Total Continued Weeks Claimed	3,259
HARNETT	22	Textile mill products	77
HARNETT	200	Total Continued Weeks Claimed	3,963
HAYWOOD	00	Unknown sic code	85
HAYWOOD	79	Amusement and recreation services	81
HAYWOOD .	1.5	Total Continued Weeks Claimed	2;249
HENDERSON	00	Unknown sic code	. 138
HENDERSON	25	Furniture and fixtures	321
HENDERSON	26	Paper and allied products	179
HENDERSON	36	Electronic and other electrical equipment and	403
,		components, except computer equipment	103
HENDERSON	38	Measuring, analyzing and controlling	242
		instruments; photographic, medical and optical	
		goods; watches and clocks	
HENDERSON	73	Business services	132
HENDERSON.		Total Continued Weeks Claimed	.3,820
HERTFORD	35	Industrial and commercial machinery and	105
		computer equipment	
HERTFORD		Total Continued Weeks Claimed	2,569
HOKE	22	Textile mill products	• 510
HOKE	23	Apparel and other finished products made from	161
		fabrics and similar materials	
HOKE.		Total Continued Weeks Claimed / France	2,341
IREDELL	00	Unknown sic code	161
IREDELL	22	Textile mill products	494
IREDELL	24	Lumber and wood products, except furniture	153
IREDELL	30	Rubber and miscellaneous plastics products	. 101
IDEBEL!			
IREDELL	33	Primary metal industries	83
IREDELL	35	Industrial and commercial machinery and	76
incheii	77	computer equipment	,,,
IREDELL	37	Transportation equipment	416
IREDELL	45	Transportation by air	114
IREDELL	53	General merchandise stores	. 93
IREDELL	73	Business services	499

	т —	County and SIC, April 2005	
County	SIC Group	Description	Separated and Attached Claims
TIMPH,		ர்குள்(தோர்களி) இது இது இது	30. 480 276 000 8,077.
JACKSON	23	Apparel and other finished products made from fabrics and similar materials	103
AR GOLDING CONTRACTOR	20	To the filling of the second o	11293
JOHNSTON	00	Unknown sic code	113
JOHNSTON	36	Electronic and other electrical equipment and	184
		components, except computer equipment	
CONSTON	00	Transl Continued (Years) Children Unknown sic code	.: <i>9518</i> 79
LEE	20		
LEE	73	Food and kindred products Business services	79 385
THE I SHEET		Trail@milired!!Ved's(GhillieA	3,112
	20		
LENOIR LENOIR	22	Food and kindred products Textile mill products	196 195
LLITOIR		Apparel and other finished products made from	173
LENOIR	23	fabrics and similar materials	108
LENOIR	30	Rubber and miscellaneous plastics products	528
LENOIR	73	Business services	75
LENOIR	5. h.	Total Continued Weeks Claimed	3,922
LINCOLN	22	Textile mill products	274
LINCOLN	25	Furniture and fixtures	76
LINCOLN		Total Continued Weeks Claimed	4,436
MARTIN	22	Textile mill products	229
MARTIN	26	Paper and allied products	96
MARTIN MCDOWELL	22	Total Continued Weeks: Claimed Textile mill products	950
MCDOWELL	24	Lumber and wood products, except furniture	88
MCDOWELL	25	Furniture and fixtures	356
'MCDOWELL		Total Continued Weeks Claimed	3,562
MECKLENBURG	00	Unknown sic code	1,700
MECKLENBURG	16	Heavy construction other than building construction-contractors	86
MECKLENBURG	21	Tobacco products	· 169
MECKLENBURG	22	Textile mill products	76
MECKLENBURG	26	Paper and allied products	89
MECKLENBURG	27	Printing, publishing and allied industries	200
MECKLENBURG	32	Stone, clay, glass and concrete products	115
MECKLENBURG	35	Industrial and commercial machinery and computer equipment	254
MECKLENBURG	36	Electronic and other electrical equipment and components, except computer equipment	531
MECKLENBURG	39	Miscellaneous manufacturing industries	81
MECKLENBURG	42	Motor freight transportation and warehousing	75
MECKLENBURG	45	Transportation by air	1,024
MECKLENBURG	48	Communications	478
MECKLENBURG	49	Electric, gas and sanitary services	159
MECKLENBURG	53	General merchandise stores	128
MECKLENBURG	54	Food stores	76
MECKLENBURG	60	Depository institutions	372
MECKLENBURG	61	Nondepository credit institutions	92
MECKLENBURG	63	Insurance carriers	423
MECKLENBURG	73	Business services	1,997

	T	County and SIC, April 2005			
Country	SIC Group	Description	Separated and Attached		
County			Claims		
MECKLENBURG	82	Educational services	235		
MECKLENBURG	87	Engineering, accounting, research, management and related services	220		
MECKLENBURG	91	Executive, legislative and general government, except finance	85		
MECKLENBURG	99	Nonclassifiable establishments	84		
Magamandur o	Mar 1	Model Configural Mesks Caling Press	37,798		
MITCHELL	25	Furniture and fixtures	212		
अस्तिनाम्	表验	Total Continue (1997) (Continue) (1997)	7,072		
MONTGOMERY	22	Textile mill products	946		
MONTGOMETS?	11:50	Total Continues Vertical and mind in the continues of the	268 St. Treatment 2615.		
MOORE	00	Unknown sic code	100		
MOORE .	20	Food and kindred products	230		
MOORE	22	Textile mill products	219		
MOORE	25	Furniture and fixtures	270		
MOORE	52	Building materials, hardware, garden supply and mobile home dealers	169		
MOORE	37. 6	ipolal(Continued)Weeks Glaimed	3,862.		
NASH	00	Unknown sic code	143		
NASH	35	Industrial and commercial machinery and	143		
	ŀ	computer equipment			
NASH	42	Motor freight transportation and warehousing	91		
NASH	51	Wholesale trade-nondurable goods	100		
NASH	73	Business services	228		
NASH	5,7	Total Continued Weeks Claimed	5,037		
NEW HANOVER	00	Unknown sic code	298		
NEW HANOVER	32	Stone, clay, glass and concrete products	407		
NEW HANOVER	48	Communications	117		
NEW HANOVER	78	Motion pictures	324		
NEW HANOVER	89	Miscellaneous services	144		
NEW HANOVER		Total Continued Weeks Claimed	7;388		
NORTHAMPTON	00	Unknown sic code	128		
NORTHAMPTON	22	Textile mill products	76		
NORTHAMPTON		Total Continued Weeks Claimed	1,089		
ONSLOW	00	Unknown sic code	369		
ONSLOW	73	Business services	83		
ONSLOW		Total Continued Weeks Claimed	4,283		
ORANGE	00	Unknown sic code	89		
ORANGE	82	Educational services	110		
ORANGE	240	Total Continued Weeks Claimed	2,823		
PASQUOTANK	00	Unknown sic code	103		
PASQUOTANK	47	Transportation services	90		
PASQUOTANK		Total Continued Weeks Claimed	1,132		
PENDER	00	Unknown sic code	101		
PENDER	34	Fabricated metal products, except machinery and transportation equipment	84		
PENDER		Total Continued Weeks Claimed	2,07 3		
PERSON	17	Construction-special trade contractors	95		
PERSON	22	Textile mill products	194		
PERSON	32	Stone, clay, glass and concrete products	. 120		
PERSON	73	Business services	105		
PERSON	<u> </u>	Total Continued Weeks Claimed	2,572		
PITT	00	Unknown sic code	139		
PITT	21	Tobacco products	317		
PITT	22	Textile mill products	511		

County	SIC Group	Description	Separated and Attached			
PITT	28	Chemicals and allied products	104			
PITT	35	Industrial and commercial machinery and computer equipment	317			
PITT	37	Transportation equipment	95			
PITT	51	Wholesale trade-nondurable goods	75			
PITT	58	Eating and drinking places	76			
PITT	73	Business services	331			
1966 S. C. S. S.		Trap (Ventila) 2 Wests Gallacel	7,278			
RANDOLPH	00	Unknown sic code	89			
RANDOLPH	22	Textile mill products	239			
RANDOLPH	. 25	Furniture and fixtures	193			
RANDOLPH	36	Electronic and other electrical equipment and components, except computer equipment	107			
RANDOLPH	50	Wholesale trade-durable goods	168			
RANDOLPH	73	Business services	· 125			
RANDOLPH	79	Amusement and recreation services	274			
RANDOLPH	14.3 3	Total Continued Weeks Claimed	8,357			
RICHMOND RICHMOND	22 24	Textile mill products	. 445			
		Lumber and wood products, except furniture	220			
RICHMOND	25	Furniture and fixtures	87			
ROBESON	00	Total Continued Weeks Claimed Unknown sic code	3,552			
ROBESON	16	Heavy construction other than building	316			
NODESON,	10	construction-contractors	. 00			
ROBESON	20	Food and kindred products	382			
ROBESON	22	Textile mill products	485			
ROBESON	23	Apparel and other finished products made from fabrics and similar materials	79			
ROBESON	24	Lumber and wood products, except furniture	129			
ROBESON	25	Furniture and fixtures	81			
ROBESON	28	Chemicals and allied products	163			
ROBESON	53	General merchandise stores	99			
ROBESON	70	Hotels, rooming houses, camps and other lodging places	93			
ROBESON	73	Business services	116			
ROBESON		Total Continued Weeks Claimed	7,375			
ROCKINGHAM	00	Unknown sic code	306			
ROCKINGHAM ROCKINGHAM	22 38	Textile mill products Measuring, analyzing and controlling	1,517			
ROCKINGHAM	36	instruments; photographic, medical and optical goods; watches and clocks	80			
ROCKINGHAM		Total Continued Weeks Claimed	6;949			
ROWAN	21	Tobacco products	309			
ROWAN	22	Textile mill products	1.118			
ROWAN	25	Furniture and fixtures	89			
ROWAN	32	Stone, clay, glass and concrete products	85			
ROWAN	37	Transportation equipment	451			
ROWAN	54	Food stores	196			
ROWAN	73	Business services				
ROWAN		Total Continued Weeks Claimed	8,147			
RUTHERFORD RUTHERFORD	00 16	Unknown sic code Heavy construction other than building	136 80			
		construction-contractors				
RUTHERFORD	20	Food and kindred products	85			

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County	SIC Group	Description	Separated and Attached Claims
RUTHERFORD	22	Textile mill products	373
RUTHERFORD	23	Apparel and other finished products made from fabrics and similar materials	76
RUTHERFORD	25	Furniture and fixtures	86
RUTHERFORD	32	Stone, clay, glass and concrete products	93
RUTHERFORD	35	Industrial and commercial machinery and	279
RUTHERFORD	52	computer equipment Building materials, hardware, garden supply and	
		mobile home dealers	90
RUTHERFORD	53	General merchandise stores	90
RUTHERFORD		Telah sonunuri Meres Chilmed	4,030
SCOTLAND	00	Unknown sic code	181
SCOTLAND	20	Food and kindred products	250
SCOTLAND	- 22	Textile mill products	101
SCOTLAND	25	Furniture and fixtures	90
SCOTLAND	28	Chemicals and allied products	601
SCOTLAND	33	Primary metal industries	
SCOTLAND	73	Business services	163
	7.5		89
SCOTLAND		Total Continued Weeks Claimed	3,704
STANLY	21	Tobacco products	133
STANLY	32	Stone, clay, glass and concrete products	447
STANLY	33	Primary metal industries	357
STANLY	57	Home furniture, furnishings and equipment stores	, 93
STANLY		Total Continued Weeks Claimed	4:044
STOKES	22	Textile mill products	237
STOKES		Total Continued Weeks Claimed	2.397
SURRY	16	Heavy construction other than building	88
SORKI	10	construction-contractors	00
SURRY	22	Textile mill products	1,623
SURRY	39	Miscellaneous manufacturing industries	90
SURRY	73	Business services	
			92
SURRY		Total Continued Weeks Claimed	5,649
TRANSYLVANIA	26	Paper and allied products	787
TRANSYLVANIA	38	Measuring, analyzing and controlling	430
j		instruments; photographic, medical and optical	
		goods; watches and clocks	
TRANSYLVANIA	¥.7¥.34	Total Continued Weeks Claimed	2,016
TYRRELL	20	Food and kindred products	246
TYRRELL		Total Continued Weeks Claimed	_464
UNION	00	Unknown sic code	190
UNION	22	Textile mill products	-79
UNION	23	Apparel and other finished products made from fabrics and similar materials	152
UNION	32	Stone, clay, glass and concrete products	133
		· ·	•
UNION	45	Transportation by air	83
UNION	53	General merchandise stores	93
UNION		Total Continued Weeks Claimed	6,030
VANCE	21	Tobacco products	128
VANCE	22	Textile mill products	511
		Apparel and other finished products made from	
VANCE	23	fabrics and similar materials	. 241
VANCE	32	Stone, clay, glass and concrete products	90
		Electronic and other electrical equipment and	
VANCE	36	components, except computer equipment	86

County and SIC, April 2005					
County	SIC Group	Description	Separated and Attached Claims		
VANCE	42	Motor freight transportation and warehousing			
WWG5	I SECTION	Ter Caronel Vers Glatter	164		
WAKE	00	Unknown sic code	1 10 10 10 10 10 10 10 10 10 10 10 10 10		
WARE	"	Fabricated metal products, except machinery and	963		
WAKE	34	transportation equipment	0.7		
Wille	1	Industrial and commercial machinery and	83		
WAKE	35	computer equipment	550		
		Electronic and other electrical equipment and			
WAKE	36	components, except computer equipment	1,840		
WAKE	48	Communications	271		
WAKE	50	Wholesale trade-durable goods	168		
WAKE	53	General merchandise stores	90		
WAKE	73	Business services	1,313		
WAKE	82	Educational services	280		
		Executive, legislative and general government,	200		
WAKE	91	except finance	83		
TVVIO 3	1.5	Total Continued UZedes Children	30,959		
WARREN	22	Textile mill products	82		
Tizarinini	1533	Total Continued Teetes Collines	7,037		
WASHINGTON	26	Paper and allied products			
WASHINGTON #		TackGommaWeds@hined	162		
34.544.04.04.		Apparel and other finished products made from	832		
WATAUGA	23	Ifabrics and similar materials	163		
WATAUGA 🗸 💉		Total(Continued)Weeks Claimed	1,400		
WAYNE	00	Unknown sic code	139		
WAYNE	21	Tobacco products	105		
WAYNE	22	Textile mill products	1		
WATE		Apparel and other finished products made from	183		
WAYNE	23	fabrics and similar materials	106		
WAYNE	24	Lumber and wood products, except furniture	344		
WAYNE	30	Rubber and miscellaneous plastics products	81		
		Electronic and other electrical equipment and			
WAYNE	36	components, except computer equipment	90		
WAYNE	51	Wholesale trade-nondurable goods	80		
WAYNE	73	Business services	95		
WAYNE.	,,,	Total Continued Weeks Claimed	116		
WILKES	20	Food and kindred products	7,497		
	1	,	108		
WILKES	22	Textile mill products	. 381		
WILKES	25	Furniture and fixtures	233		
WILKES	30	Rubber and miscellaneous plastics products	516		
WILKES	32	Stone, clay, glass and concrete products	109		
WILKES		Total Continued Weeks Claimed	4,134		
WILSON	00	Unknown sic code	119		
		Heavy construction other than building			
WILSON	16	construction-contractors	121		
WILSON	21	Tobacco products	1,851		
WILSON	42	Motor freight transportation and warehousing	1,331		
WILSON	56	Apparel and accessory stores	82		
WILSON		Total Continued Weeks Claimed	6,958		
YADKIN	22	Textile mill products	572		
YADKIN	25	Furniture and fixtures	84		
		· · · · · · · · · · · · · · · · · · ·			

County	SIC Group	Description	Separated and Attached Claims
Manier .		Telefonimentifers Other	22-500
YANCEY	25	Furniture and fixtures	94
PMGN		Continuinal West Childell	2002

Initial Claims, Continued Weeks and Benefits Paid for Temporary Extended Unemployment Compensation (TEUC), April 2003

County Name Initial Claims Continued Weeks Benefits Pair STATEWIDE 18,762 112,863 \$ 27,163,078 ALAMANCE 425 2,121 \$ 466,259 ALEXANDER 125 552 \$ 114,672 ALLEGHANY 61 369 \$ 81,171 ANSON 81 475 \$ 94,460 ASHE 84 369 \$ 67,793 AVERY 45 149 \$ 24,386 BEAUFORT 190 796 \$ 128,060 BERTIE 47 226 \$ 39,922 BLADEN 82 509 \$ 108,963 BRUNSWICK 142 845 \$ 186,292 BUNCOMBE 277 1,673 \$ 387,192 BURKE 230 1,489 \$ 351,247 CABARRUS 321 1,526 \$ 382,432 CALDWELL 273 1,628 \$ 353,431 CAMDEN 7 66 \$ 7,187 CASWELL 62 346	.
ALAMANCE ALEXANDER ALEXANDER ALEGHANY ANSON ASHE AVERY BEAUFORT BUNCOMBE BUNCOMBE BUNCOMBE BUNCOMBE CABARRUS CALDWELL CARTERET CARTERET CARTARBA CHEROKEE CHOWAN CLAY CLEVELAND ALLEGHANY A11 A155 S52 S 114,672 S 466,259 S 114,672 S 114,672 S 114,672 S 114,673 S 114,	=
ALEXANDER ALLEGHANY ALLEGHANY ANSON ASHE ASHE BEAUFORT BERTIE BLADEN BRUNSWICK BUNCOMBE BUNCOMBE CABARRUS CALDWELL CARTERET CARTERET CASWELL CATAWBA CHEROKEE CLAY CLEVELAND BILAGS B1 A475 S 94,460 S 67,793 S 149 S 24,386 S 67,793 S 149 S 24,386 S 67,793 S 149 S 24,386 S 67,793 S 128,060 S 108,963 S 108,963 S 108,963 S 108,963 S 108,963 S 108,963 S 108,963 S 108,963 S 108,963 S 108,963 S 108,963 S 108,963 S 108,963 S 108,963 S 108,963 S 108,992 S 108,963 S 108,963 S 108,963 S 108,963 S 108,963 S 108,963 S 108,963 S 108,969 S 108,96 S 108,96 S 108,96 S 108,96 S 108,96 S 108,96 S 108,96 S 108,96 S 108,96 S 108,96 S 108,96 S 108,96 S 108,96 S 108,96 S 108,96 S	
ALLEGHANY ANSON B1 ANSON B1 A75 S 94,460 ASHE B4 AVERY BEAUFORT BERTIE BLADEN BRUNSWICK BUNCOMBE BUNCOMBE BUNCOMBE BUNCOMBE BUNCOMBE CABARRUS CALDWELL CARTERET CASWELL CATAWBA CHEROKEE CHOWAN CLAY CLEVELAND B1 AVERY B1 A75 S 94,460 S 81,171 S 94,460 S 81,171 S 94,460 S 81,171 S 94,460 S 81,171 S 94,460 S 81,171 S 94,460 S 81,171 S 94,460 S 81,171 S 94,460 S 81,171 S 94,460 S 94,	
ANSON ASHE AVERY AVERY BEAUFORT BERTIE BLADEN BRUNSWICK BUNCOMBE BUNCOMBE BUNCOMBE BURKE CABARRUS CALDWELL CARTERET CASWELL CATAWBA CHEROKEE CHOWAN CLAY CLEVELAND 81 A75 S 94,460 94,60	
ASHE AVERY AVERY AVERY BEAUFORT BERTIE BLADEN BRUNSWICK BUNCOMBE BUNCOMBE BURKE CABARRUS CALDWELL CARTERET CASWELL CATAWBA CHARTHAM CHEROKEE CHOWAN CLAY CLEVELAND AVERY AVER	
AVERY 45 149 \$ 24,386 BEAUFORT 190 796 \$ 128,060 BERTIE 47 226 \$ 39,922 BLADEN 82 509 \$ 108,963 BRUNSWICK 142 845 \$ 186,292 BUNCOMBE 277 1,673 \$ 387,192 BURKE 230 1,489 \$ 351,247 CABARRUS 321 1,526 \$ 382,432 CALDWELL 273 1,628 \$ 353,431 CAMDEN 7 66 \$ 7,187 CASWELL 62 346 \$ 68,415 CATAWBA 539 3,293 \$ 808,396 CHATHAM 92 470 \$ 114,433 CHEROKEE 66 319 \$ 54,973 CHOWAN 29 150 \$ 23,376 CLAY 11 50 \$ 7,757 CLEVELAND 341 1,783 \$ 369,535	
BEAUFORT 190 796 \$ 128,060 BERTIE 47 226 \$ 39,922 BLADEN 82 509 \$ 108,963 BRUNSWICK 142 845 \$ 186,292 BUNCOMBE 277 1,673 \$ 387,192 BURKE 230 1,489 \$ 351,247 CABARRUS 321 1,526 \$ 382,432 CALDWELL 273 1,628 \$ 353,431 CAMDEN 7 66 \$ 7,187 CARTERET 116 676 \$ 129,069 CASWELL 62 346 \$ 68,415 CATAWBA 539 3,293 \$ 808,396 CHATHAM 92 470 \$ 114,433 CHEROKEE 66 319 \$ 54,973 CHOWAN 29 150 \$ 23,376 CLAY 11 50 \$ 7,757 CLEVELAND 341 1,783 \$ 369,535	
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BLADEN 82 509 \$ 108,963 BRUNSWICK 142 845 \$ 186,292 BUNCOMBE 277 1,673 \$ 387,192 BURKE 230 1,489 \$ 351,247 CABARRUS 321 1,526 \$ 382,432 CALDWELL 273 1,628 \$ 353,431 CAMDEN 7 66 \$ 7,187 CARTERET 116 676 \$ 129,069 CASWELL 62 346 \$ 68,415 CATAWBA 539 3,293 \$ 808,396 CHATHAM 92 470 \$ 114,433 CHEROKEE 66 319 \$ 54,973 CHOWAN 29 150 \$ 23,376 CLAY 11 50 \$ 7,757 CLEVELAND 341 1,783 \$ 369,535	
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CATAWBA 539 3,293 \$ 808,396 CHATHAM 92 470 \$ 114,433 CHEROKEE 66 319 \$ 54,973 CHOWAN 29 150 \$ 23,376 CLAY 11 50 \$ 7,757 CLEVELAND 341 1,783 \$ 369,535	
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CLAY 11 50 \$ 7,757 CLEVELAND 341 1,783 \$ 369,535	
CLEVELAND 341 1,783 \$ 369,535	
COLUMBUS 107 699 \$ 142.372	
CRAVEN 120 750 \$ 143,048	
CUMBERLAND 371 2,652 \$ 555,002	
CURRITUCK 14 83 \$ 14,539	
DARE . 86 360 \$ 71,332	
DAVIDSON 365 1,841 \$ 411,889	
DAVIE 79 335 \$ 83,271	
DUPLIN 117 687 \$ 126,620	
DURHAM 456 3,712 \$ 941,526	
EDGECOMBE 192 1,216 \$ 224,983	
FORSYTH 599 3,863 \$ 899,109	
FRANKLIN 106 725 \$ 176,184	
GASTON 524 3,267 \$ 733,650	
GATES 3 30 \$ 8,845	
GRAHAM 59 161 \$ 31,093	
GRANVILLE 104 745 \$ 166,263	
GREENE 48 212 \$ 34,687	
GUILFORD 1,022 6,206 \$ 1,429,890	
HALIFAX 164 810 \$ 141,441	
HARNETT 218 1,351 \$ 282,743	
HAYWOOD 133 557 \$ 103,748	
HENDERSON 170 823 \$ 202,355	
HERTFORD 31 194 \$ 34,261	
HOKE 91 489 \$ 82,016	
HYDE 19 59 \$ 10,852	
IREDELL 267 1,603 \$ 385,156	
JACKSON 68 284 \$ 47,672	
JOHNSTON 249 1,514 \$ 371,046	
JONES 14 114 \$ 22,652	
LEE 125 759 \$ 163,406	

Initial Claims, Continued Weeks and Benefits Paid for Temporary Extended Unemployment Compensation (TEUC), April 2003

County Name		Continued Weeks		Benefits Paid
STATEWIDE	18,762			27,163,078
LENOIR	230		\$	164,945
LINCOLN	173		\$	253,499
MCDOWELL	170	. 643	\$	118,191
MACON	64	258	\$	47,484
MADISON	21	105	\$	24,007
MARTIN	61	343	\$	55,122
MECKLENBURG	1,366	11,475	\$	2,929,959
MITCHELL	55	202	\$	37,246
MONTGOMERY	115	706	\$	152,457
MOORE	128	873	\$	188,731
NASH	264	1,549	\$	312,755
NEW HANOVER	331	2,263	\$	553,915
NORTHAMPTON	50	265	\$	43,512
ONSLOW	170	1,149	\$	211,439
ORANGE	101	927	\$	248,220
PAMLICO	33	121	\$	17,186
PASQUOTANK	32	277	\$.	48,562
PENDER	87	609	\$	154,329
PERQUIMANS	17	86	\$	10,751
PERSON	102	609	\$	141,397
PITT	295	1,893	\$	354,337
POLK	16	110	\$	18,763
RANDOLPH	338	1,724	\$	372,644
RICHMOND	149	964	\$	187,526
ROBESON	344	1,909	\$	371,871
ROCKINGHAM	271	1,443	\$	311,182
ROWAN	290	1,310	\$	282,518
RUTHERFORD	185	916	\$	180,929
SAMPSON	103	672	\$	147,650
SCOTLAND	148	1,084	\$	241,051
STANLY	207	885	\$	188,343
STOKES	111	527	\$	127,976
SURRY	234	1,074	\$	217,890
SWAIN	61	241	\$	38,556
TRANSYLVANIA	223	706	\$	250,693
TYRRELL	29	171	\$	29,254
UNION	237	1,613	\$	392,171
VANCE	149	967	\$	176,582
WAKE	1,336	9,638	\$	2,686,995
WARREN	47	289	\$	53,614
WASHINGTON	. 45	181	\$	29,219
WATAUGA	60	259	\$	50,391
WAYNE	165	1,059	\$	188,832
WILKES	172	819	S	156,216
WILSON	253	1,241	\$	230,340
YADKIN	87	357	\$	77,670
YANCEY	47	187	S	34,039
ALL OTHER	23	110	\$	25,600
INTERSTATE LIABLE			\$	1,615,447

Note: Initial claims and continued weeks data relate to intrastate and interstate agent claims. Initial claims relate to TEUC only and continued weeks relate to TEUC and TEUC-X. Benefits paid relate to intrastate and interstate liable claims.

NORTH CAROLINA PRELIMINARY CIVILIAN LABOR FORCE ESTIMATES* Preliminary Data for March 2003

					•					
	County STATEWIDE	Labor Force 4,126,418	Employment 3,874,779	Unemployment 251,639	Rate 6.1	County	Labor Force	Employment	Unemployment	Rate
	ALAMANCE	71,543	66,749	4,794	6.7	JOHNSTON	68,186	CE 400	2.004	
	ALEXANDER	17,166	15,927	1,239	7.2	JONES	4,742	65,102	3,084	4.5
	ALLEGHANY	4,700	4,149	551	11.7	LEE		4,465	277	5.8
	ANSON	10,767	9,780	987	9.2	LENOIR	26,674	24,781	1,893	7.1
	ASHE	11,558	10,579	979	8.5	LINCOLN	28,733	26,745	1,988	6.9
	AVERY	7,698	7,327	371	4.8	MACON	35,783	33,378	2,405	6.7
	BEAUFORT	18,189	16,376	1,813	10.0	MADISON	14,949	14,262	687	4.6
	BERTIE	7,992	7,432	560			9,498	9,037	461	4.9
	BLADEN	•	-		7.0	MARTIN	11,151	10,332	819	7.3
		19,696	18,460	1,236	6.3	MCDOWELL	16,212	14,710	1,502	9.3
	BRUNSWICK	36,193	34,002	2,191	6.1	MECKLENBURG		389,220	22,099	5.4
	BUNCOMBE	107,568	103,463	4,105	3.8	MITCHELL	6,619	5,954	665	10.0
	BURKE	42,795	39,662	3,133	7.3	MONTGOMERY	12,584	11,302	1,282	10.2
	CABARRUS	74,650	70,593	4,057	5.4	MOORE	31,227	29,055	2,172	7.0
	CALDWELL	38,733	35,684	3,049	7.9	NASH	43,242	40,003	3,239	7.5
	CAMDEN	3,576	3,435	141	3.9	NEW HANOVER	87,098	82,465	4,633	5.3
	CARTERET	28,409	26,745	1,664	5.9	NORTHAMPTON	•	7,256	701	8.8
	CASWELL	12,228	11,405	823	6.7	ONSLOW	50,521	47,652	2,869	5.7
	CATAWBA	76,283	69,902	6,381	8.4	ORANGE	66,070	64,212	1,858	2.8
	CHATHAM	29,115	27,595	1,520	5.2	PAMLICO	5,511	5,282	229	4.2
	CHEROKEE	10,154	9,305	849	8.4	PASQUOTANK	15,912	15,234	678	4.3
	CHOWAN	6,483	6,167	316	4.9	PENDER	18,326	16,876	1,450	7.9
	CLAY	3,572	3,424	148	4.1	PERQUIMANS	5,191	4,995	196	3.8
	CLEVELAND	42,481	38,368	4,113	9.7	PERSON	16,506	15,040	1,466	8.9
)	COLUMBUS	21,616	19,853	1,763	8.2	PITT	72,461	67,983	4,478	6.2
	CRAVEN	36,375	34,479	1,896	5.2	POLK	8,350	8,071	279	3.3
	CUMBERLAND	127,074	120,338	6,736	5.3	RANDOLPH	73,552	69,285	4,267	5.8
	CURRITUCK	10,102	9,727	375	3.7	RICHMOND	18,988	16,870	2,118	11.2
	DARE	19,701	18,083	1,618	8.2	ROBESON	49,052	44,331	4,721	9.6
	DAVIDSON	80,978	76,075	4,903	6.1	ROCKINGHAM	45,125	41,502	3,623	8.0
	DAVIE	19,072	17,895	1,177	6.2	ROWAN	68,605	64,660	3,945	5.8
	DUPLIN	22,816	21,288	1,528	6.7	RUTHERFORD	27,618	25,394	2,224	8.1
	DURHAM	126,036	119,702	6,334	5.0	SAMPSON	25,028	23,389	1,639	6.5
	EDGECOMBE	25,802	22,859	2,943	11.4	SCOTLAND	19,085	16,962	2,123	11.1
	FORSYTH	157,607	149,793	7,814	5.0	STANLY	25,071		2,142	8.5
	FRANKLIN	24,751	23,391	1,360	5.5	STOKES	23,150	21,798	1,352	5.8
	GASTON	103,955	96,722	7,233	7.0	SURRY	32,987	29,972	3,015	9.1
	GATES	4,440	4,324	116	2.6	SWAIN	7,109	6,257	852	12.0
	GRAHAM	4,031	3,645	386	9.6	TRANSYLVANIA	11,379	10,144	1,235	10.9
	GRANVILLE	26,749	25,084	1,665	6.2	TYRRELL	2,021	1,733	288	14.3
	GREENE	9,107	8,587	520	5.7	UNION	71,410	68,015	3,395	4.8
	GUILFORD	230,251	217,332	12,919	5.6	VANCE	18,289	16,299	1,990	10.9
	HALIFAX		19,078	1,959	9.3	WAKE	385,352	367,203	18,149	4.7
	HARNETT	36,819	34,149	2,670	7.3	WARREN .	6,842	6,237	605	8.8
	HAYWOOD		21,554	1,486	6.4	WASHINGTON	5,869	5,287	582	9.9
	HENDERSON	41,240	39,593	1,647	4.0	WASHINGTON	24,426	23,740	686	2.8
	HERTFORD	11,722	11,250	472	4.0	WAYNE	51,767	48,988	2,779	5.4
	HOKE	12,998	11,743	1,255	9.7	WILKES	31,767	29,604	2,779	5.4 7.4
	HYDE	2,739	2,477	262	9.6	WILSON	38,059	34,773	3,286	
			61,644	4,107	6.2	YADKIN	18,582	17,425	3,200 1,157 -	8.6 6.2
•	JACKSON	17,569	16,564	1,005	5.7	YANCEY	5,353	4,812	541	
	UI TOTOON	17,000	10,007	1,000	J.1	MINULI	0,000	7,012	J4 I	10.1

*Not Seasonally Adjusted

MSA AND LMA PRELIMINARY CIVILIAN LABOR FORCE ESTIMATES* Preliminary Data for March 2003

Metropolitan Statistical Area	Labor Force	Employment	Unemployment	Rate
ASHEVILLE MSA	117,066	112,500	4,566	3.9
CHARLOTTE-GASTONIA-ROCK HILL NC/SC MSA	860,062	810,463	49,599	5.8
FAYETTEVILLE MSA	127,074	120,338	6,736	5.3
GOLDSBOROMSA	51,767	48,988	2,779	5.4
GREENSBORO-WINSTON SALEM-HIGH POINT MSA	674,733	636,351	38,382	5.7
GREENVILLEMSA	72,461	67,983	4,478	6.2
HICKORY-MORGANTON-LENOIR MSA	174,977	161,176	13,801	7.9
JACKSONVILLE MSA	50,521	47,652	2,869	5.7
RALEIGH-DURHAM-CHAPEL HILL MSA	699,510	667,206	32,304	4.6
ROCKY MOUNT MSA	69,044	62,862	6,182	9.0
WILMINGTONMSA	123,291	116,467	6,824	5.5
Labor Market Area	Labor Force	Employment	Unemployment	Rate
ELIZABETH CITY-HERTFORD LMA	24,679	23,664	1,015	4.1
HENDERSON-WARRENTON LMA	25,131	22,536	2,595	10.3
KINSTON-NEW BERN LMA	112,875	106,302	6,573	5.8
MURPHY LMA	13,726	12,729	997	7.3
NAGS HEAD LMA	21,722	19,816	1,906	8.8
ROANOKE RAPIDS LMA	28,994	26,334	2,660	9.2
SOUTHERN PINES-RAEFORD LMA	44,225	40,798	3,427	7.7

^{*}Not Seasonally Adjusted

NORTH CAROLINA BENCHMARK CIVILIAN LABOR FORCE ESTIMATES* Revised Data for February 2003

County STATEWIDE	Labor Force 4,124,617	Employment 3,863,524	Unemployment 261,093	Rate 6.3	County	Labor Force	Employment	Unemployment	Rate
ALAMANCE	71,785	66,704	5,081	7.1	JOHNSTON	68,320	65,160	3,160	4.6
ALEXANDER	17,205	15,863	1,342	7.8	JONES	4,687	4,418	269	4.6 5.7
ALLEGHANY	4,675	4,027	648	13.9	LEE	26,733	24,697	2,036	
ANSON	10,684	9,673	1,011	9.5	LENOIR	28,353	26,462	1,891	7.6 6.7
ASHE	11,484	10,300	1,184	10.3	LINCOLN	35,885	33,379		
AVERY	7,758	7,296	462	6.0	MACON	14,943		2,506	7.0
BEAUFORT	17,998	16,213	1,785	9.9	MADISON		14,114	829	5.5
BERTIE		7,407	606	9.9 7.6	MARTIN	9,487	8,997	490	5.2
BLADEN		18,544		6.7	MCDOWELL	11,048	10,201	847	7.7
	19,884		1,340			16,100	14,669	1,431	8.9
BRUNSWICK	36,162	33,594	2,568	7.1	MECKLENBURG	•	389,236	22,258	5.4
BUNCOMBE	107,506	103,012	4,494	4.2	MITCHELL	6,652	5,893	759	11.4
BURKE	42,551	39,502	3,049	7.2	MONTGOMERY	12,579	11,310	1,269	10.1
CABARRUS	74,762	70,596	4,166	5.6	MOORE	31,221	28,857	2,364	7.6
CALDWELL	38,737	35,540	3,197	8.3	NASH	43,106	39,768	3,338	7.7
CAMDEN	3,564	3,411	153	4.3	NEW HANOVER	•	81,476	4,868	5.6
CARTERET	28,508	26,462	2,046	7.2	NORTHAMPTON		·7,227	670	8.5
CASWELL	12,062	11,157		7.5	ONSLOW	50,495	47,463	3,032	6.0
CATAWBA	76,073	69,619	6,454	8.5	ORANGE	66,264	64,268	1,996	3.0
CHATHAM	29,016	27,620	1,396	4.8	PAMLICO	5,484	5,226	258	4.7
CHEROKEE	10,078	9,189	889	8.8	PASQUOTANK	15,905	15,127	778	4.9
CHOWAN	6,445	6,100	345	5.4	PENDER	18,251	16,736	1,515	8.3
CLAY	3,538	3,381	157	4.4	PERQUIMANS	5,168	4,960	208	4.0
CLEVELAND	42,754	38,323	4,431	10.4	PERSON	16,428	14,948	1,480	9.0
COLUMBUS	21,502	19,589	1,913	8.9	PITT	72,178	67,972	4,206	5.8
CRAVEN	36,006	34,115	1,891	5.3	POLK	8,306	8,020	286	3.4
CUMBERLAND	127,386	120,340	7,046	5.5	RANDOLPH	73,685	69,238	4,447	6.0
CURRITUCK	10,176	9,723	453	4.5	RICHMOND	18,902	16,756	2,146	11.4
DARE	19,129	17,020	2,109	11.0	ROBESON	48,879	44,017	4,862	9.9
DAVIDSON	81,279	76,024	5,255	6.5	ROCKINGHAM	45,078	41,313	3,765	8.4
DAVIE	19,034	17,883	1,151	6.0	ROWAN	68,827	64,663	4,164	6.0
DUPLIN	22,759	21,053	1,706	7.5	RUTHERFORD	27,824	25,363	2,461	8.8
DURHAM	126,292	119,807	6,485	5.1	SAMPSON	24,702	23,035	1,667	6.7
EDGECOMBE	25,785	22,726	3,059	11.9	SCOTLAND	19,125	16,923	2,202	11.5
FORSYTH	157,753	149,693	8,060	5.1	STANLY	25,032	22,895	2,137	8.5
FRANKLIN	24,904	23,412	1,492	6.0	STOKES	23,107	21,783	1,324	5.7
GASTON	104,196	96,726	7,470	7.2	SURRY	32,692	29,817	2,875	8.8
GATES	4,418	4,302	116	2.6	SWAIN	7,076	6,048	1,028	14.5
GRAHAM	4,066	3,583	483	11:9	TRANSYLVANIA	11,401	10,072	1,329	11.7
GRANVILLE	26,707	24,918	1,789	6.7	TYRRELL	1,968	1,631	337	17.1
GREENE	8,899	8,497	402	4.5	UNION	71,533	68,018	3,515	4.9
GUILFORD	230,263	217,187	13,076	5.7	VANCE	18,522	16,263	2,259	12.2
HALIFAX	21,036	19,001	2,035	9.7	WAKE	386,160	367,526	18,634	4.8
HARNETT	36,806	34,051	2,755	7.5	WARREN	6,834	6,223	611	8.9
	23,184	21,507	1,677	7.2	WASHINGTON	5,741	5,183	558	9.7
	40,985	39,276	1,709	4.2	WATAUGA	24,880	24,055	825	3.3
HERTFORD	11,666	11,168	498	4.3	WAYNE		48,803	2,810	5.4
HOKE	12,916	11,663	1,253	9.7	WILKES	31,881	29,353	2,528	7.9
	2,681	2,357	324	12.1	WILSON	37,874	35,011	2,863	7.6
	65,614	61,406	4,208	6.4	YADKIN	18,608	17,413	1,195	6.4
JACKSON	17,355	16,241	1,114	6.4	YANCEY	5,308	4,740	568	10.7

*Not Seasonally Adjusted

MSA AND LMA BENCHMARK CIVILIAN LABOR FORCE ESTIMATES* Revised Data for February 2003

,	Metropolitan Statistical Area	Labor Force	Employment	Unemployment	Rate
	ASHEVILLE MSA	116,993	112,009	4,984	4.3
	CHARLOTTE-GASTONIA-ROCK HILL NC/SC MSA	861,725	809,685	52,040	6.0
	FAYETTEVILLE MSA	127,386	120,340	7,046	5.5
	GOLDSBOROMSA	51,613	48,803	2,810	5.4
	GREENSBORO-WINSTON SALEM-HIGH POINT MSA	675,513	635,924	39,589	5.9
	GREENVILLEMSA	72,178	67,972	4,206	5.8
	HICKORY-MORGANTON-LENOIR MSA	174,566	160,523	14,043	8.0
	JACKSONVILLE MSA	50,495	47,463	3,032	6.0
	RALEIGH-DURHAM-CHAPEL HILL MSA	700,955	667,792	33,163	4.7
	ROCKY MOUNT MSA	68,891	62,494	6,397	9.3
	WILMINGTONMSA	122,506	115,070	7,436	6.1
	Labor Market Area	Labor Force	Employment	Unemployment	Rate
	ELIZABETH CITY-HERTFORD LMA	24,637	23,498	1,139	4.6
	HENDERSON-WARRENTON LMA	25,356	22,486	2,870	11.3
	KINSTON-NEW BERN LMA	111,937	105,180	6,757	6.0
MURPHY LMA		13,616	12,570	1,046	7.7
	NAGS HEAD LMA	21,097	18,651	2,446	11.6
	ROANOKE RAPIDS LMA	28,933	26,228	2,705	9.3
	SOUTHERN PINES-RAEFORD LMA	44,137	40,520	3,617	8.2

*Not Seasonally Adjusted

North Carolina Business with 1-10 employees

Units

1997 114,428 2002 119,808

Total Employment

1997 373,268

2002 387,597

Employment Increased 14,329

Total Wages

1997 2,149,291,976 2002 2,704,278,616

North Carolina Business with 1 or more Employees

Units

1997 200,052

2002 236,238

Total Employment

1997 3,656,584

2002 3,750,656

Employment increased 94,072

Total Wages

1997 23,718,144,685

2002 29,857,575,886

• INSIGHT North Carolina's Labor and Economic Outlook

Michael F. Easley, Governor

Employment Security Commission of North Carolina

Harry E. Payne, Jr., Chairman

Volume 3, Number 1

May 2003

NC Quick Stats:	March 2003
Labor Force	4,151,600
Employment	3,902,100
Unemployment	249,500
Unemployment Rat	e 6.0%

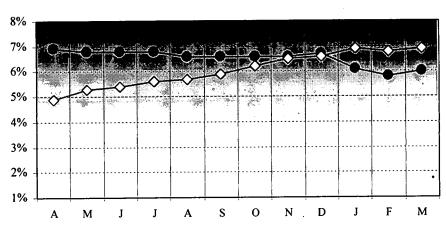
Note: Data are preliminary and are seasonally adjusted.

Economic Indicators in North Carolina

Economic indicators used to predict future economic activity are referred to as leading indicators, while coincident indicators are used to help determine changes in the economy that are concurrent with such indicators. All graphs reflect the most recent monthly statewide data.

→ 2002-2003 → 2001-2002

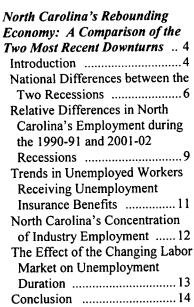
Seasonally Adjusted Unemployment Rates*



Note: Data have recently been benchmarked. January 2003 unemployment rates are not comparable to prior data.

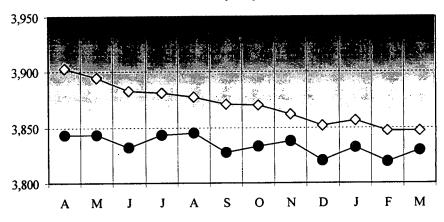
INSIDE Economic

Economic Indica	itors in
North Carolina	1



To a State of

Total Nonagricultural Employment, in Thousands* Seasonally Adjusted

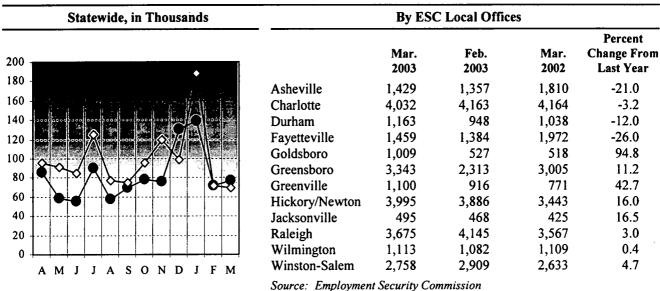


*Source: ESC, Labor Market Information Division

(Continued on Page 2)

→ 2002-2003 **→** 2001-2002

Initial Claims



Average Weekly Hours Worked in Manufacturing

In Selecte	d Metrop	olitan Statisti	ical Areas		Statewide								
	Mar. 2003	Feb. 2003	Mar. 2002	Percent Change From Last Year	42								
Asheville	43.0	43.0	39.8	8.0	41								
Charlotte/Gastonia Greensboro/ Winston-Salem/	39.8	39.3	39.5	0.8	39								
High Point Raleigh/Durham/	39.5	38.9	41.2	-4.1	38								
Chapel Hill	41.0	40.0	39.9	2.8	37								
Source: Employment	Security Co	mmission			36								

Sales and Use Tax Revenues, in Millions

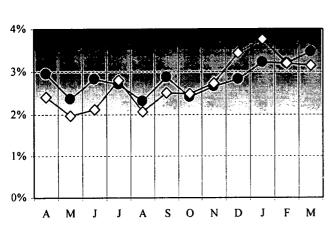
	S	tatewid	е .			In S	elected Cities	}	
\$400				•		Feb. 2003	Jan. 2003	Feb. 2002	Percent Change From Last Year
(_	Something of		1 /	711	Asheville	6.2	7.9	5.5	12.7
1 00				1/2	Charlotte	28.0	28.5	25.6	9.4
. \$300 -					Durham	11.4	10.5	9.8	16.3
2		0-0			Fayetteville	5.9	6.6	4.9	20.4
		~ ` `			Greensboro	13.3	12.8	10.5	26.7
					Greenville	3.6	3.7	2.8	28.6
\$200 -					Hickory	3.7	4.2	3.4	8.8
					Raleigh	18.1	18.4	15.5	16.8
					Wilmington	5.5	6.5	4.8	14.6
					Winston-Salem	8.6	9.5	9.0	-4.4
: \$100 } A	M J J A	S O N	I D	J F M					

Source: N.C. Department of Revenue, Tax Research Division

→ 2002-2003 → 2001-2002

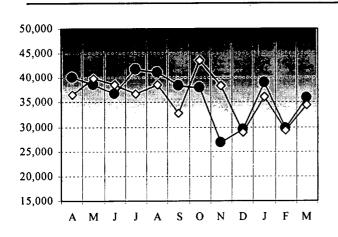
Insured Unemployment Rates*

Housing Units Authorized by Building Permits



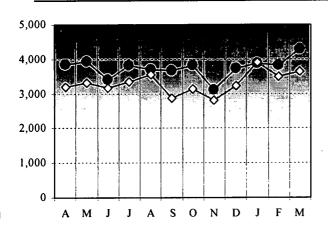
Source: ESC, Labor Market Information Division

New Vehicle Registrations

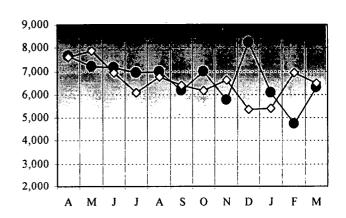


Source: NC Automobile Dealers Association

New Business Incorporations

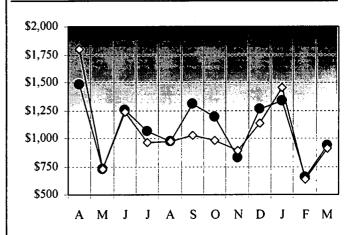


Source: NC Secretary of State, Corporations Division



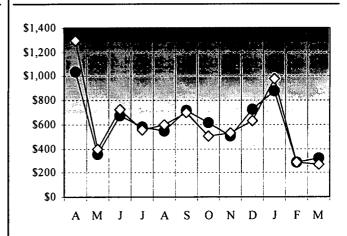
Source: US Census Bureau

Total Tax Revenues, in Millions



Source: NC Department of Revenue

Personal Income Tax Revenues, in Millions



Source: NC Department of Revenue

North Carolina's Rebounding Economy:

A Comparison of the Two Most Recent Downturns

by Robert Bowles, Economist

Despite the persistence of recessions in the economy, there is no conclusive agreement on how they begin, how long they will last or how many workers will be affected. Comparison with the last recession can give us some indication of where we are today.

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Introduction

The economy has been working through the latest downturn for two years. During times like this, economic analysts, along with the general public, question:

- How many workers will be facing permanent layoffs?
- How long will currently laid-off workers have to wait to return to their old jobs?
- When will the recession's effects on the labor market end?

Uncertainties such as these abound in the economy during recessions, making the choices of businesses and laid-off workers that much more difficult. This article compares the current economic downturn to the previous one in the early 1990's. How do they compare; how are they different? This article sheds some light on current events.

Comparisons of prior recessions show that they have dissimilar characteristics. The 1990-91 recession was different from preceding ones for a variety of reasons. A larger downturn occurred in service-producing industries, which were once thought to be recession-proof as compared with the more volatile manufacturing and construction industries.

Although the 1990-91 recession was officially over in eight months (see the table below for the dates), the unemployment rate continued to rise and remained high through 1993. Termed a "jobless recovery," the national unemployment rate continued to rise from 6.8% in March 1991 (the official ending date of the recession), finally peaking at 7.8% in June 1992. It remained above 6% until August 1994.

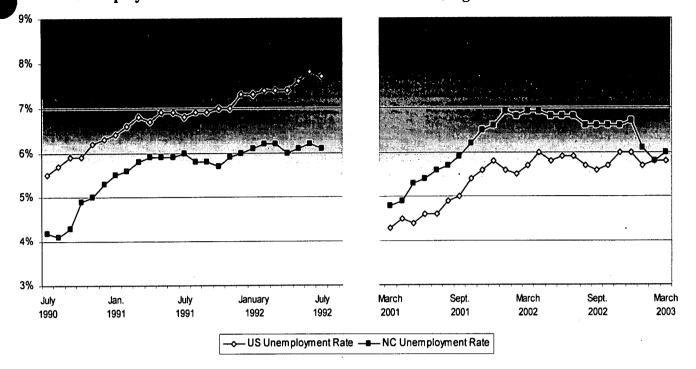
Important Dates for the Last Two National Recessions

	Peak* (Beginning)	Trough*	Manufacturing Downturn**
1990-91 Recession	July 1990	March 1991	March 1989
2001-02 Recession	March 2001	???	August 2000

^{*}These dates reflect official National Bureau of Economic Research business-cycle dating.

^{**}These dates reflect month when manufacturing employment peaked.

Figure 1
Unemployment Rates for U.S. and North Carolina during the Last Two Recessions



Note: State unemployment rates for 2003 are not directly comparable to previous periods.

The most recent recession that began in March 2001 seems to be following the same trend as 1990-91. Although the official ending date has not been set, it is likely from available information that the recession ended in late 2001 or early 2002. However, the unemployment rate continued to remain high throughout 2002, suggesting another jobless recovery. The national unemployment rate peaked at 6.0% in April 2002. After falling below this level for several months, it again hit 6.0% in November and December 2002, and most recently in April 2003, so there is no clear downward trend in unemployment. The possibility still exists that economic conditions may deteriorate significantly, causing a double-dip recession.

Another indicator of a weak national labor market, the level of nonagricultural employment, continued to decrease, reporting 2 million fewer jobs in March 2003 than two years earlier.

Given that the effects of recessions are hard to estimate at the national level, it is even worse for individual states. Labor markets in the states are not as diversified compared with the nation as a whole, so some states will have a worse recession than others, depending on how the industries concentrated in that state are affected.

During the current recession, North Carolina's unemployment rate has consistently been above the national rate, as shown in Figure 1. This is in contrast to the previous recession in 1990-91. North Carolina's unemployment rate rose above the national rate in October 2000, and reached its maximum of 6.9% in April and May 2002. The US and NC rates have come together in the most recent months.

Are there differences between the current recession and the last one that explain North Carolina's different performances? This article will look at three possible answers:

- the industry sectors affected during each of the two recessions have been different;
- the industry make-up in North Carolina has changed to more procyclical industries (that is, industries that increase employment when GDP goes up and decrease employment when GDP goes down); and
- labor markets are behaving differently, possibly due to increased problems laid-off workers face in finding good-paying jobs in the expanding industries.

National Differences between the Two Recessions

The key element of this study is a comparison of how employment in major sectors of the national and North Carolina economies changed after each recession, relative to the employment levels at the beginning of each recession. Seasonally-adjusted data from the Current Employment Statistics (CES) program are used to obtain employment levels for total nonagricultural employment and four key subsectors:

- construction;
- manufacturing;
- trade;
- services.

Figures 2 and 3 show the total nonagricultural employment levels from the CES data for the periods during and immediately following the two most recent recessions. The two graphs clearly show similar trends. However, it is difficult to compare the two in absolute terms because the labor force has grown over the decade.

In order to compare the magnitudes of employment changes during and following the two recessions, relative measures of employment levels were created by comparing each time series to the employment level at the beginning of the respective recession (July 1990 for the 1990-91 recession and March 2001 for the 2001-02 recession).

Figure 2

U.S. Nonagricultural Employment, Seasonally Adjusted July 1990 -- July 1992

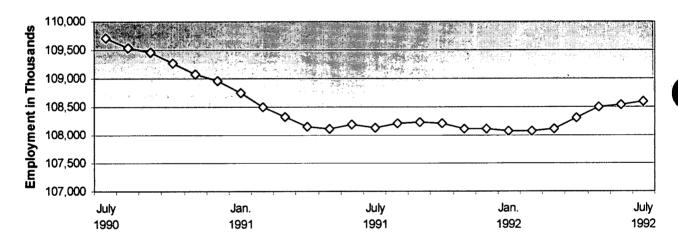


Figure 3

U.S. Nonagricultural Employment, Seasonally Adjusted Mar. 2001 - Mar. 2003

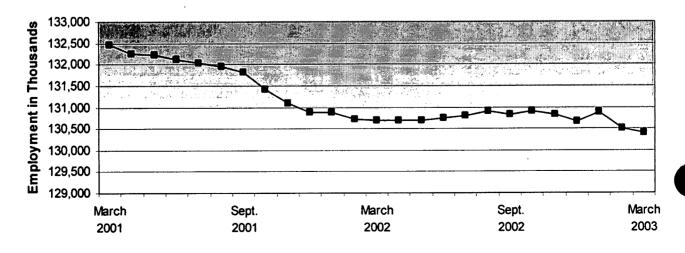


Figure 4 illustrates the relative declines in nonagricultural employment from the beginning on the of the 1990-91 and 2001-02 essions. The graph shows the percentage decline in employment from the beginning month of each recession.

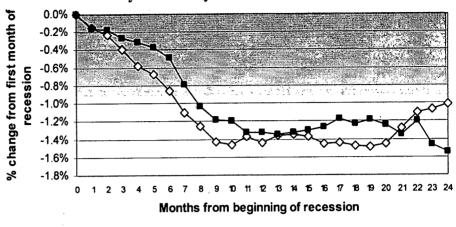
These two periods had roughly similar patterns of employment decline, both in timing and magnitude. Between June 1990 and May 1991, nonfarm employment declined by 1.76 million workers, or 1.4%. (Nonfarm employment would reach its lowest level 19 months after the recession began, in February 1992.) Between March 2001 and April 2002, nonagricultural employment declined by 1.78 million workers, or 1.3%. Both recessions had the steepest declines in the first nine months, followed by slight employment growth for over a year thereafter.

Despite the similarities in overall apployment declines, there were hificant differences in how these declines were distributed across industries. Figures 5-8 show the relative declines in employment in four of the largest sectors: construction; manufacturing; trade; and services.

Construction employment declined more as a result of the 1990-91 recession, as Figure 5 shows. After the first year of the 1990-91 recession, construction employment had declined to 90% of its pre-recession level. However, as a result of the lower interest rates enacted by the Federal Reserve Board that kept homebuilding high, construction employment did not decline much in 2001-03.

Figure 6 reveals the relative declines in manufacturing employment. There has been a greater relative decline in nufacturing employment during the most recent recession. In both recessions, manufacturing

Figure 4
U.S. Relative Nonagricultural Employment
Seasonally Adjusted
July 1990—July 1992 and March 2001—March 2003



→ 1990-91 Recession — 2001-2002 Recession

Figure 5
US Relative Construction Employment, Seasonally Adjusted
July 1990 — July 1992 and March 2001 — March 2003

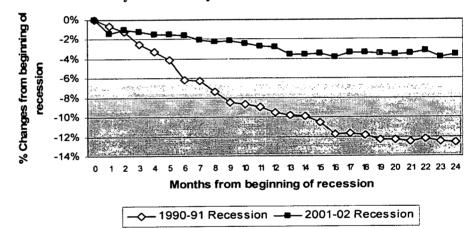
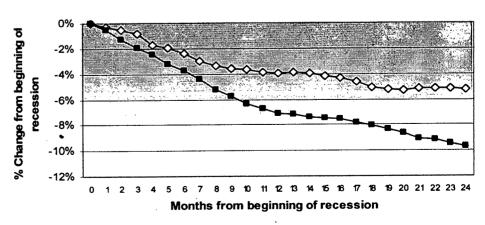


Figure 6
US Relative Manufacturing Employment, Seasonally Adjusted
July 1990 — July 1992 and March 2001 — March 2003



→ 1990-91 Recession - 2001-02 Recession

employment began to decline several months before total employment.

The greater decline in manufacturing employment in 2001-03 may have something to do with the changes in manufacturing industries in the United States: namely, a shift in employment towards the more volatile durable goods (goods that are expected to last three or more years, such as machinery and electronics). Also, increased international competition may be making more US manufacturers vulnerable to short-term declines in demand.

Figure 7 reflects the relative declines in employment in retail and wholesale trade combined. During both recessions, the patterns were similar. The effects on trade employment were relatively much smaller than on the goods-producing industries during both recessions. Trade employment only declined 1.5% to 2%.

Figure 8 shows the relative changes in employment in services industries. Unlike other industries, services

employment tends to be countercyclical. That is, employment in services actually increases during recessions, running counter to the business cycle. Ma services industries, such as health care and education, are largely immune to changes in aggregate demand in the economy. In addition, higher unemployment may allow these industries to fill low-wage jobs that could not be filled during periods of low unemployment. These effects on services employment were greater during the 1990-91 recession than during the 2001-02 recession. Between June 1990 and February 1992, services industries actually added 723,000 jobs.

In summary, the overall employment downturns during the 1990-91 and 2001-02 recessions have been similar in magnitude and timing. However, the effects on the industries have been different. Notably, construction employment declined more during the 1990-91 recession, while manufacturing employment declined more during the 2001-02 recession. During both recessions, employment in services increased, but the increase has not been as great during the 2001-02 recession.

Figure 7

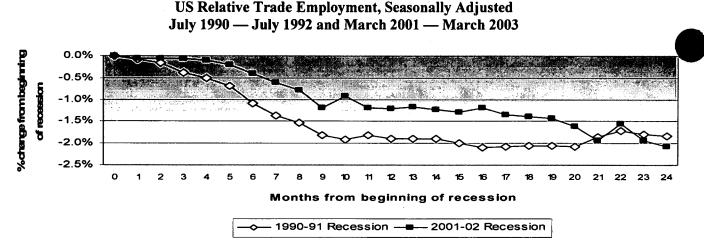
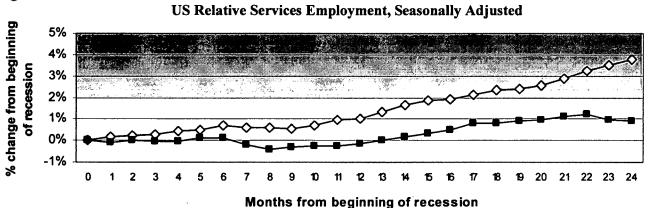


Figure 8



→ 1990-91 Recession — 2001-02 Recession

Relative Differences in North Carolina's Employment during the 1990-91 and 2001-02 Recessions

National data in Figures 4-8 are replicated using North Carolina industry employment data. It should be noted that employment data are based on surveys. Since the sample size for North Carolina is much smaller than that for the United States as a whole, the amount of sampling error is greater. The data in this report reflect year-end benchmarking procedures that increase the precision of the state-level data.

The state-level data are based on a different industry classification code and cannot be directly compared to similarly-named national employment data shown in Figures 4-8. The industries shown in these graphs are from five industry supersectors:

- Construction;
- Manufacturing;

- Trade, Transportation and Utilities;
- Professional and Business Services;
- Educational and Health Services.

Figure 9 shows the relative nonagricultural employment in North Carolina during the 1990-91 and 2001-02 recessions. Consistent with the unemployment rates shown in Figure 1, relative employment has declined much more during the 2001-02 recession. It is especially disturbing that employment levels did not rebound in the second year after the recession began, as was the case following the 1990-91 recession. In fact, relative employment continued falling in the second year of the 2001-02 recession, to 3% below the employment level at the beginning of the recession.

Figure 10 shows the relative employment in manufacturing in North Carolina during the two recessions. There were greater job losses in manufacturing during the 2001-02 recession.

Figure 9

N.C. Relative Nonagricultural Employment, Seasonally Adjusted July 1990 — July 1992 and March 2001 — March 2003

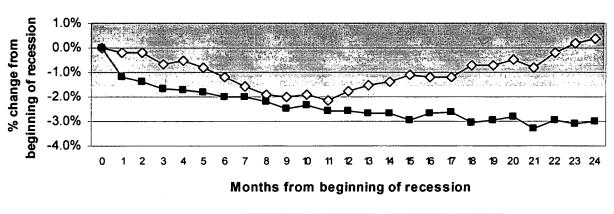
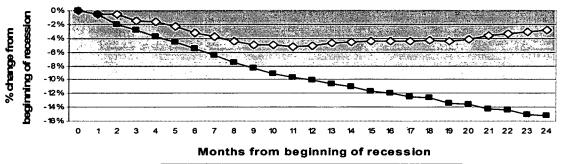


Figure 10

N.C. Relative Manufacturing Employment, Seasonally Adjusted July 1990 — July 1992 and March 2001 — March 2003



→ 1990-91 Recession — 2001-02 Recession

Figures 11-14 show the relative employment levels for selected industry groups from the beginning of the 1990-91 and 2001-02 recessions. The differences follow the national trend described above:

- fewer job losses in construction (Figure 11) in 2001-02, as lower interest rates spurred home construction;
- little change in trade employment (Figure 12);
 and
- smaller job growth in services (Figures 13 and 14). Professional & business services employment has remained below the pre-

Figure 11

N.C. Relative Construction Employment

Seasonally Adjusted

July 1990 — July 1992 and March 2001 — March 2003

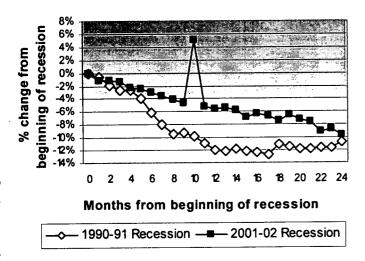
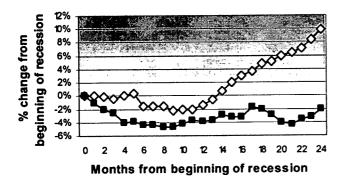


Figure 13
N.C. Relative Professional & Business Services Employment
Seasonally Adjusted
July 1990 — July 1992 and March 2001 — March 2003

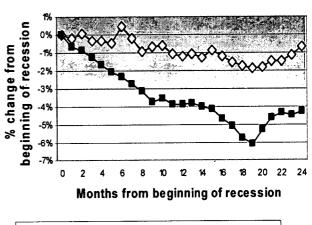


→ 1990-91 Recession — 2001-02 Recession

recession level. These services include management, business support and temporary help services.

None of these industry sectors show a significant increase in employment in the most recent months. Notably, the strong growth in services, especially professional and business services, that occurred in the second year of the 1990-91 recession does not appear to be duplicated in the current downturn. This group includes the very volatile temporary help-supply companies.

Figure 12
N.C. Relative Trade, Trans. and Utilities Employment
Seasonally Adjusted
July 1990 — July 1992 and March 2001 — March 2003



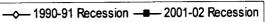
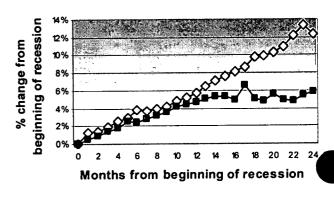
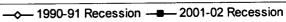


Figure 14
N.C. Relative Education & Health Services Employment
Seasonally Adjusted
July 1990 — July 1992 and March 2001 — March 2003





Trends in Laid-Off Workers Receiving Unemployment Insurance Benefits

The insured unemployment rate (IUR) is another measure of unemployment in a state. Unlike the total unemployment rate, the IUR represents the number of people filing for Unemployment Insurance (UI) benefits. (The IUR is calculated by dividing the number of the insured unemployed by the number of filled jobs in the area covered by unemployment insurance.)

The IUR is generally less than the total unemployment rate because it does not include reentrants to the labor market, laid-off workers who did not seek unemployment insurance payments, or unemployed workers who have exhausted their unemployment benefits (which expire after 26 weeks). Persons receiving any form of extended benefits are also not included in the IUR calculations. Normally, the IUR in North Carolina is between 1.4% and 1.5%.

The IURs for North Carolina during the last two recessions are graphed in Figure 15. It should be bted that some of the differences in the comparison is

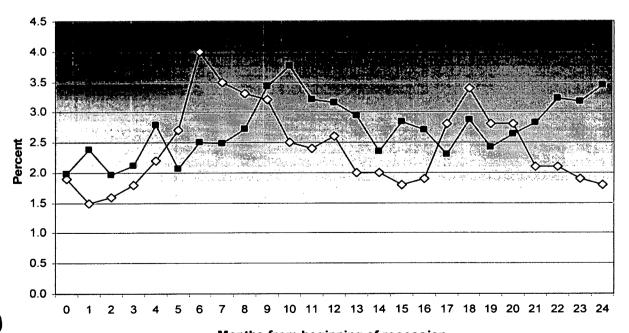
due to seasonal factors (IURs are generally higher in the winter months and in July). Figure 15 shows that the IURs for the two periods are equivalent. However, the 1990-91 recession had noticeably lower IURs in the second year of the recession. The average IUR over the 24 months was 2.4% for the 1990-91 recession and 2.7% for the 2001-02 recession.

Despite similar rates of insured unemployment, the overall cost of Unemployment Insurance (UI) benefit payments was much greater during the recent recession. In the two years from July 1990 to July 1992, a total of \$903 million was paid out in benefits from North Carolina's UI Trust Fund. In a comparable period from March 2001 to March 2003, the total payout was \$2,348 million. (This includes the state's share of extended benefit payments during this period.)

The larger UI payout in 2001-03 is due, in part, to higher average benefit amounts (which are based on a worker's wages before the layoff) and the larger number of workers in the state. Inflation, obviously, can explain some of the difference. In inflationadjusted 2002 dollars, UI payouts in the 1990-92 period were \$1,192 million, compared to \$2,355 million in the 2001-03 period.

Figure 15

N.C. Insured Unemployment Rate During Last Two Recessions
July 1990 — July 1992 and March 2001 — March 2003



Months from beginning of recession

—

UR, 1990-92 —

UR, 2001-03

North Carolina's Concentration of Industry Employment

It is apparent that industries differ in the amount by which their employment responds to economic downturns. Goods-producing industries, such as construction and manufacturing, tend to be more procyclical than service-providing industries. Can these "compositional" effects explain the larger impact of the 2001-02 recession on North Carolina's economy? That is, does North Carolina have a greater share of its work force employed in the more volatile industries today than it had a decade ago?

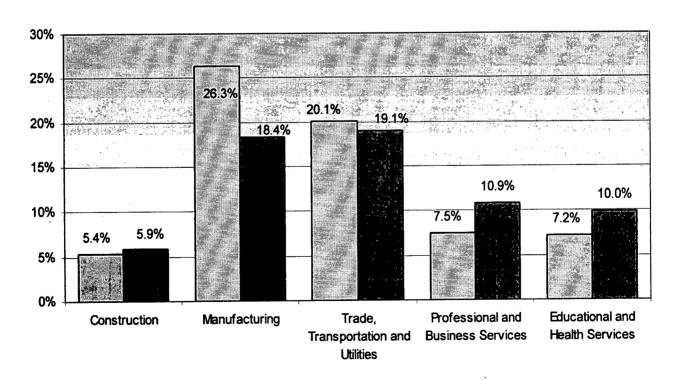
Figure 16 shows the shares of total nonagricultural employment in North Carolina in the industries that we have discussed. At the beginning of the 1990-91 recession, manufacturing was the largest industry in the state, with 26.3% of nonfarm employment. In March 2001, that share had fallen to 18.4%. Given that manufacturing is a very volatile sector, we would

expect the North Carolina economy to be less susceptible to recessions in 2001 than in the past.

Employment in educational and health services became more important in North Carolina's economy between 1990 and 2001, growing from 7.2% to 10% of the state's nonagricultural employment. This is one sector that tends to increase employment during recessions, so this again confirms the idea that North Carolina became more resistant to recessions over the decade of the 1990s.

If the sectors of the economy had been affected by the same degree during the 2001-02 downturn as in the 1990-91 recession, North Carolina's economy would have seen a smaller decrease in overall employment. Unfortunately, there has been greater downward pressure on manufacturing (see Figure 11) and less ability of services to absorb the excess supply of workers (Figures 13 and 14).

Figure 16
Industry Shares of Total Nonagricultural Employment in North Carolina
Based on Seasonally Adjusted Data
July 1990 and March 2001



July 1990 ■ March 2001

The Effect of the Changing Labor Market on Unemployment Duration

Once a recession ends, labor markets must work efficiently to restore full employment in the economy. All of the displaced workers must be recalled to their previous employer or find new careers, if they have been permanently displaced. As seen in the "jobless recovery" after the 1990-91 recession, this can take several years. Companies must create jobs at wages that unemployed workers are willing to accept. And workers must often be willing to accept lower-paying jobs or spend a lengthy period of time retraining for a higher-paying occupation.

In addition, companies must be willing to offer jobs when their production increases. Due to uncertainty about the economy in the near future, many companies prefer to defer hiring and, instead, increase the workloads of their current work forces or use temporary help.

A recent study found that demographic changes in the labor market account for the much longer unemployment durations in the 1990s, compared to the 1960s.³ Significant effects were due to the aging of the baby boomers (now in their 50s) and the greater labor market attachment of women. Older workers have a harder time finding jobs that pay as well as the jobs from which they were

laid off because they generally have more jobspecific skills than younger workers. Women are generally less likely today to withdraw from the labor market after a layoff, so that they continue to be counted as unemployed.

Extended unemployment benefits may play a role in increasing unemployment spells. This may not be a bad thing if, in the end, longer periods of unemployment allowed workers to spend the time

finding a good job match that uses their skills to the greatest amount. Unemployment benefits also give the displaced worker the resources to retrain.

Unemployment benefits have been of longer duration for many unemployed workers in the last year than during the 1990-91 recession. Normally, workers receive up to 26 weeks of benefits. However, Congress passed an extended benefit program known as Temporary Extended Unemployment Compensation (TEUC) for an additional 13 weeks of benefits early in 2002. In addition, because North Carolina met the requirements for receiving extended benefits, many North Carolina workers received an

additional 13 weeks after their TEUC was exhausted. TEUC benefits were briefly cancelled in December 2002, but were later extended again until May 31, 2003. Recently, the Federal government again extended benefits for displaced airline-related workers for an additional 13 weeks.

Many laid-off
manufacturing workers in
North Carolina were also
eligible to receive 26
additional weeks of
unemployment benefits
through the Trade
Readjustment programs
which provide benefits to
workers who were laid off
due to international trade.

North Carolina leads the nation in trade-related layoffs and claims filed. Claimants must exhaust their regular UI benefits before receiving trade-related benefits. Under certain conditions, these individuals must also be enrolled in a retraining program during the recipiency period. (Due to these eligibility criteria, however, only a small proportion of the state's unemployed have received these benefits.)

There are a number of factors that are likely to affect the duration of unemployment. Among these are the following:

- unwillingness of businesses to increase jobs as economy picks up
- age and education level of unemployed workers
- unavailability of goodpaying jobs
- ability of workers to be recalled to previous employers
- length of job-training programs and access to them
- availability of unemployment benefits

Conclusion

This article has compared the employment trends of the latest recession that began in March 2001 to the last recession in 1990-91. The employment trends for the nation show that the total nonagricultural employment has declined by about the same proportion and following the same time line in both recessions. There is clear indication that, like the 1990-91 recession, the most recent downturn is associated with a "jobless recovery."

Despite the similarities in overall nonagricultural employment, a breakdown of employment by industry sectors showed some differences between the 1990-91 recession and the 2001-02 recession. For example, the more recent recession has seen a larger decrease in the relative employment in manufacturing industries, while services employment has not increased as much as during the 1990-91 period. The other significant nongovernmental sector in the economy, trade, showed little change in employment in both recessions.

North Carolina's nonagricultural employment declined more in 2001-02 than during the 1990-91 recession. A year after the 1990-91 recession began, employment in North Carolina began to slowly increase. This has not happened following the 2001-02 downturn.

The share of North Carolina's workforce employed in volatile manufacturing industries was significantly smaller at the beginning of the 2001-02 recession than at the beginning of the 1990-91 recession. This should have reduced the effects of a recession. However, the deeper downturn in manufacturing and the decreased ability of labor markets to shift employment into services during the latest period has caused a larger-than-expected effect on the unemployment rate in the state.

Other changes in the labor market in North Carolina have also likely contributed to longer unemployment spells during the recent recession. The greater emphasis on worker skills makes it more difficult for workers to move between occupations. Also, the extension of benefits for longer periods of time may have allowed some laid-off workers to decline lower-wage job opportunities.

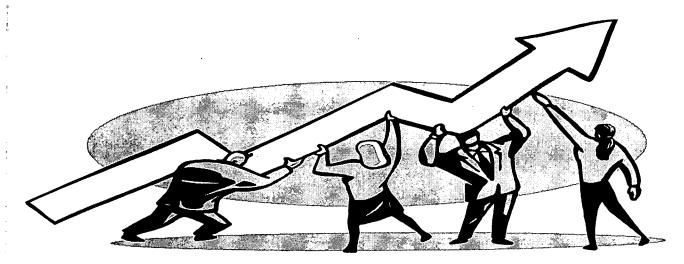
And, even if the unemployed were willing to accept any job, there still are not enough jobs to go around. According to a monthly survey of employers by the Bureau of Labor Statistics, there were only 2.8 million job openings in the nation in January 2003, whereas the number of unemployed was over 8.3 million. This shortage of jobs was worse than one year earlier when there were 140,000 more job openings and 260,000 fewer Americans unemployed.

Endnotes

¹See, for instance, "The 1990-91 recession: how bad was the labor market?" by Jennifer Gardner and "Long term unemployment in recent recessions" by Randy Ilg, both in *Monthly Labor Review*, June 1994.

²For a review of the service sector during recessions, see "Employment in services industries affected by recessions and expansions," by William C. Goodman, *Monthly Labor Review*, October 2001.

³"Changes in Unemployment Duration and Labor Force Attachment," 2001, Katherine G. Abraham and Robert Shimer, NBER working paper #w8513.



Updating the Way Industries Are Categorized: The North American Industry Classification System

Over the past 70 years, the US economy has undergone a major shift from a manufacturing-focused economy to a service-oriented one. As a result of this change, the Bureau of Labor Statistics (BLS) of the US Department of Labor has mandated the nationwide implementation of a new industry classification system, the North American Industry Classification System (NAICS), to replace the old system, the Standard Industrial Classification (SIC) system. The SIC system, developed in the 1930's, is based on a manufacturing-focused economy and is structured around demand-based activities. NAICS classifies each industry solely on the "production function" concept.

There are a number of advantages that NAICS provides:

- emphasis on new and emerging industries: more than 350 new industries have been included to accommodate emerging industries;
- incorporation of the changes which have occurred within the services industries;
- consistency: all industries are based on a single principle, the "production process";
- comparability with other North American countries: the system was developed in cooperation with statistical agencies of the United States, Canada and Mexico, ensuring that it could be utilized by the NAFTA partners;
- flexibility: the six-digit numbering system provides the flexibility to recognize industries specific to a given country and it allows for the addition of new industries;
- updates: unlike SIC, NAICS will be regularly updated and will be revised every five years, with the next scheduled revision in 2007.

However, there is a major disadvantage in the conversion from SIC to NAICS: the industry structures are not comparable, creating a break in time-series data used for trend analysis, seasonal adjustment and economic forecasting. For instance, there are 710

new or revised NAICS industries that have no SIC counterparts and are not directly traceable to previous SIC classifications.

The implementation and availability of data using NAICS varies with data type. The Covered Employment and Wages Report (employment data on those covered by Unemployment Insurance laws) changed to NAICS beginning with data for first quarter 2002 and was released in January 2003. Current Employment Statistics data (an estimate of monthly industry employment used in the calculation of monthly labor force statistics) became NAICS based with January 2003 data, released in March 2003. Occupational Employment/Wage Statistics data (estimated occupational and related wage data within industries) will be NAICS based with the release of the 2003 edition expected to be released this summer. The first NAICS-based occupational and industry projections data will be the 2012 projections series of estimates, available mid-2004.

For more information about NAICS, call the Labor Market Information Division of the Employment Security Commission of NC at (919) 733-2936. You may also visit the US Census Bureau's website at http://www.census.gov/epcd/www/naics.html. The official 2002 US NAICS Manual, North American Industry Classification System—United States, 2002, includes definitions for each industry, tables showing correspondence between 2002 NAICS and 1997 NAICS for codes that changed and a comprehensive index.

NAICS —SIC Comparison of Terminology

NAICS SIC

Sector (2-digit) Division (letter)

Subsector (3-digit) Major Group (2-digit)

Industry Group (4-digit) Industry Group (3-digit)

International Industry (5-digit) Industry (4-digit)

Nation-Specific Industry (6-digit)

At the most detailed level, SIC has 1,004 industries, while NAICS has 1,179 industries.

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INSIGHT North Carolina's Labor and Economic Outlook

Michael F. Easley, Governor Employment Security Commission of North Carolina Harry E. Payne, Jr., Chairman Volume 2, Number 4 September 2002

NC Quick Stats:	July 2002
Labor Force	3,985,900
Employment	3,713,800
Unemployment	272,100

Unemployment Rate 6.8%

Note: Data are preliminary and are seasonally adjusted.

INSIDE

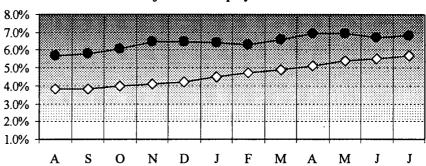
INSIDE
Economic Indicators in
North Carolina1
N d C P l Cl
North Carolina's Changing
Employment Pattern during
1975-2000 and Outlook
through 20084
Introduction4
Employment Growth in Major
Industry Groups5
Changing Pattern of
Employment in Major
Industry Groups6
Changing Pattern of
Occupational Employment7
Rapidly Changing
Occupations 10
Conclusion11
Trade Adjustment Assistance
in North Carolina13
Background of Trade
Adjustment Programs 14
Types of Benefits Offered 14
Interstate Comparisons of TAA
and NAFTA-TAA Coverage 14
TAA Expenditures in North
Carolina between 1998
and 200216
Industry and Geographic
Distribution of North Carolina
Companies Receiving TAA 17
TAA Program Performance
Measures
Conclusion 18
LMI Happenings 19

2 Economic Indicators in North Carolina

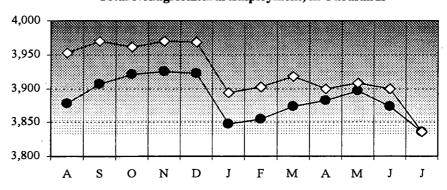
Economic indicators used to predict future economic activity are referred to as leading indicators, while coincident indicators are used to help determine changes in the economy that are concurrent with such indicators. All graphs reflect the most recent monthly statewide data.

→ 2001-2002 **→** 2000-2001

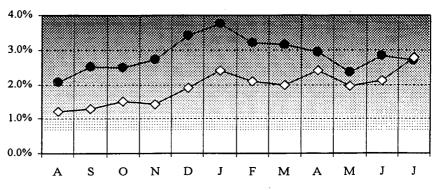
Adjusted Unemployment Rates*



Total Nonagricultural Employment, in Thousands*



Insured Unemployment Rates*



*Source: ESC, Labor Market Information Division

(Continued on Page 2)

Initial Claims

Statewide, in Thousands By ESC Local Offices Percent Jul. Jun. Jul. **Change From** 200 2002 2002 2001 Last Year 180 Asheville 1,342 1,037 1,529 -12.2 160 Charlotte 2,485 3,394 -16.6 2,830 1,149 2.0 140 Durham 964 1,126 Favetteville 1,609 1,310 1,661 -3.1 120 Goldsboro 1,023 378 1,144 -10.6 100 Greensboro 2,675 2,061 2,938 -9.0 80 Greenville 997 798 1,781 -44.0 60 Hickory/Newton 6,948 4,573 10,669 -34.9 40 Jacksonville 323 447 365 -11.5 Raleigh 2,969 3,005 3,408 13.4 20 Wilmington 1,277 1,078 1,200 6.4 Winston-Salem 2,864 2,226 4,837 -40.8 SONDJF Source: Employment Security Commission

Average Weekly Hours Worked in Manufacturing

In Selecte	In Selected Metropolitan Statistical Areas								Statewide										
	Jul. 2002	Jun. 2002	Jul. 2001	Percent Change From Last Year	42														
Asheville	37.8	39.4	38.9	-2.8	41	V		M	V	**						M			
Charlotte/Gastonia	39.3	40.0	38.1	3.1	40				₩		×	Ų.							
Greensboro/					40							\mathbf{V}	Ø		X	M			
Winston-Salem/					39					M	M			W			b١		
High Point	39.5	41.3	37.5	5.3										Q					
Raleigh/Durham/					38				****			- 4444		***		* * * *			
Chapel Hill	42.3	42.7	39.9	6.0															
					37	ļ	_		<u> </u>	<u> </u>		 	-		<u> </u>				
Source: Employment	Security Co	mmission				Α	S	0	N	D	J	F	M	Α	M	J	J		

Sales and Use Tax Revenues, in Millions

Statewide		In Selected Cities				
\$400			Jun. 2002	May 2002	Jun. 2001	Percent Change From Last Year
	// /***	Asheville	213.2	208.6 953.3	211.9 1,024.5	0.6 4.1
\$ 300		Charlotte Durham	1,066.0 324.6	933.3 347.1	252.1	28.6
		Fayetteville	205.4	201.6	197.1	4.2
		Greensboro	519.0	486.5	521.1	-0.4
\$ 200		Greenville	122.7	120.5	141.9	-13.5
\$200		Hickory	129.0	119.1	133.2	-3.2
		Raleigh	632.8	535.5	617.7	2.4
		Wilmington	219.4	204.0	240.4	-8.7
\$100		Winston-Salem	372.1	364.2	359.6	3.5
	ASONDIFMAMII					

Source: N.C. Department of Revenue, Tax Research Division

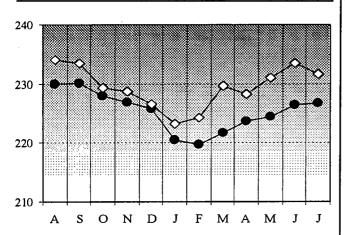
--- 2001-2002 **-->** -- 2000-2001

New Vehicle Registrations

50,000 45,000 40,000 35,000 30,000 25,000 20,000 15,000 S 0 J Ν D J F M

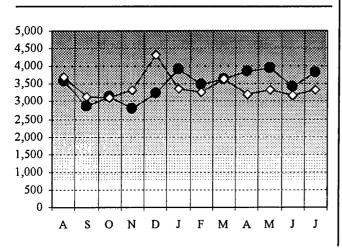
Source: NC Automobile Dealers Association

Unadjusted Construction Employment, in Thousands



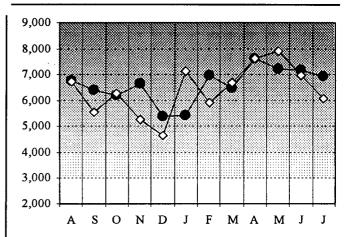
Source: ESC, Labor Market Information Division

New Business Incorporations



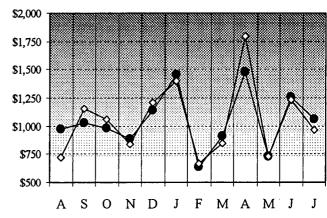
Source: NC Secretary of State, Corporations Division

Housing Units Authorized by Building Permits



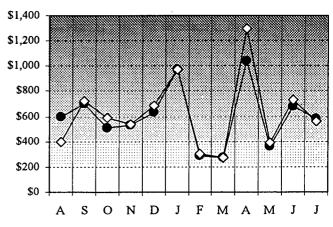
Source: US Census Bureau

Total Tax Revenues, in Millions



Source: NC Department of Revenue

Personal Income Tax Revenues, in Millions



Source: NC Department of Revenue

North Carolina's Changing Employment Pattern during 1975–2000 and Outlook through 2008

By Sajid Hussain, Statistician I-LMI Division Arif Mahmood, Labor Market Analyst-LMI Division Manzoor Choudry, Labor Market Analyst-LMI Division

Introduction

Following the recession of the early 90s, North Carolina's economy witnessed a remarkable expansion for almost nine consecutive years, probably the longest period of uninterrupted economic growth in five decades. The Gross State Product (GSP), during this period, increased by 5.5 percent annually due to expansion in most sectors of the state economy, increasing to \$230.4 billion in 2000, a 49 percent increase over \$154.5 billion in 1990.1 This impressive economic growth was also accompanied by an enormous expansion in employment opportunities during the period. Employment increased to a little over 4.2 million in 2000 (almost 2.0 million more people on the job compared to employment in 1975).

The downturn, which began in late 2000, led to an increase of more than unemployment rate from 1999 to

However, beginning the second half of 2000 and continuing through the first quarter of 2002, the state economy was mired in an economic downturn, with recessionary trends pushing the unemployment rate to a level higher than it had been in the past seventeen years. Economic performance suffered a further set-back by the September 11th terrorist attack on the World Trade Center and the Pentagon. This adversely affected the economy, particularly travel, tourism and retail, as well as influencing the other sectors of the state economy. As a result, the Economic Activity Index, a composite measure of the economy, declined to 156.8, or a decrease of 1.9 percent during 2001², preceded by a similar decline in the previous year. The economic down-turn led to widespread layoffs in numerous North Carolina industries, pushing the unemployment rate from a 25-year low of 3.2 percent in 1999 to 6.8 percent by July 2002.

In the beginning of the year, Federal Reserve Chairman Greenspan gave a cautious note about the nation's economic recovery, holding back on further lowering of the prime-rate: "Although there are ample reasons to be cautious about the economic outlook, the recuperative powers of the U.S. economy ... have been remarkable...."3

Economists are cautiously optimistic that the U.S. economy is recovering.

North Carolina's economic growth

was substantial during the 90s.

three percentage points in the

July 2002.

Consumers' spending, particularly on big-ticket items such as automobiles, and housing has, to date, been encouraging. Businesses are clearing their excess stocks of unsold goods, a pre-requisite to full-scale production, and investments in high-tech equipment is also picking up. Productivity keeps inflation tame, so that even smaller gains in pay can yield increased buying power. Declines in the stock market are usually associated with tightening monetary conditions. This time around, though, the Federal Reserve is exceptionally accommodating and a similar policy is likely to remain for the months to come. That's partly why, despite recent stock market woes, economists and financial forecasters believe that the recovery remains on solid ground and will revive in the coming year4.

Emerging from the downturn of 2001, the U.S. economy now appears to be limping towards recovery, though still overwhelmed with problems such as growing budget deficit, falling stock market, troubled corporate America, growing trade deficits and unemployment hovering around 6.0 percent. During the first half of 2002, the real GDP recorded a growth around 4.0 percent, an impressive comeback despite all these adverse factors⁵. Continued consumer spending, though slowed down during recent months, together with a steady growth in housing, auto sales, and turnaround in industrial production, particularly non-defense goods production, contributed to this growth. However, some economists are worried that growing budget deficits, uncertain stock market situations and bulging foreign trade gap could adversely affect capital investments and economic recovery, as well as growth in the short-run. This may deter both domestic and foreign investments. Domestic consumers are holding back spending in favor of savings, a sort of cushion against job loss and stock market declines. Foreign investors and multitudes of domestic traders, losing trust in corporate America because of accounting scandals and the highly unstable stock market situation, are reluctant to invest, as noted by the Federal Reserve in a recent policy statement.

On August 14, the Federal Reserve again held back any further decrease in the interest rate for the time being, noting that the slowdown in total spending that began "this spring has been prolonged ... by weakness in financial markets and heightened uncertainty related to problems in corporate reporting and governance". They appear to believe that falling stock prices and rising corporate-bond yields along with corporate-governance scandals could be holding back recovery, by making consumers more reluctant to spend and businesses to invest in buildings and equipment. It was also suggested that a rate cut should be unnecessary at this point, as the current low interest rate and robust growth in workers' output per hour "should foster an improving business climate over time". Several Federal Reserve officials are of the view that chances of a "double-dip", a return to recession, are extremely low.

However, the strength of the economy remains in continuing consumer spending, improvements in capital spending, increases in production of manufacturing including high-tech industries, monetary and fiscal policies geared towards encouraging investments because of low interest rates, tax cuts, and increases in wages. The U.S economy is poised to grow and generate employment once the measures are in place to provide stability to the stock market and reforms are implemented for the corporate sector, vital elements to rebuild consumer confidence.

Employment Growth in Major Industry Groups

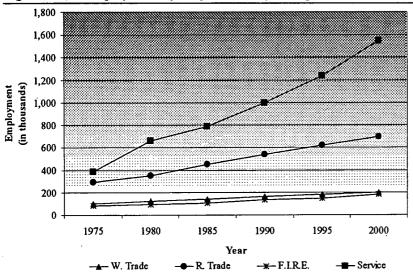
North Carolina created enormous employment opportunities during the last quarter of the 20th century. Employment nearly doubled to a little over 4.2 million in 2000 compared to 2.17 million in 1975 (see figure 1). Expansion in employment was more brisk during 1985-1998, as about 1.28 million jobs were added during this period. This sharp growth in employment was primarily due to an enormous expansion in economic activity, particularly in Services, Wholesale and Retail Trade, Finance, Insurance & Real Estate, (FIRE), as well as in Construction.

4,500
4,000
3,500
2,500
1,500
1,000
1,000
1,000
1,975
1980
1985
1990
1995
2000
Year

Figure 1: North Carolina Total Employment for 1975-2000

Significant growth in employment during this period was also evident in Transportation, Communication and Utilities (TCU) and Government jobs. Employment growth in the Manufacturing sector remained sluggish, while it actually declined in the Mining and Agriculture sectors. Overall employment in the State is projected to increase to about 4.86 million by the year 2008, with the Services sector as the biggest contributor; its share

Figure 2: NC Employment by Major Industry Groups 1975-2000



is expected to swell from 17.8 percent in 1975 to approximately 40 percent of total employment in 2008.

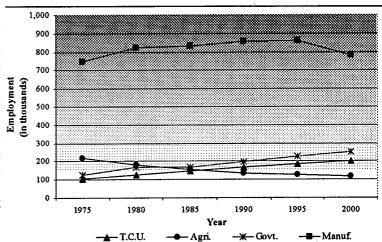
Employment in the Services industry more than quadrupled to 1.55 million in 2000, or a 303.6 percent increase from 1975. Employment in Retail Trade, FIRE and Construction doubled to 693,000, 182,000 and 232,000 respectively in 2000.

Government employment also increased during 1975-2000, as government needed more manpower to extend its administrative and fiscal control and to provide education, security, and other

– Manuf.

services for the growing population. More government jobs were generated in order to handle emerging new challenges created by the expanding economic activity. Employment in this sector experienced an average annual growth of 2.78 percent for the 25-year period. Government jobs are expected to continue to grow, but at a declining annual growth rate of 2.3 percent. Employment in TCU industries had increased by 92.2 by the year 2000, or 98,000 more people on the job as compared to 1975.

The agriculture sector employed 216,900 Figure 3: NC Employment by Major Groups 1975-2000 people in 1975, but had 45 percent fewer people working in 2000. Nonetheless, there were significant increases in agricultural production during this period. Continuing genetic improvements in crops and animal production, increasing automation in largescale mechanized farming, together with onimprovements in production management practices led to increased productivity (per man-hour output) reduced employment. Employment in this sector is projected to further decline to about 96,100 by the year 2008.



– Agri

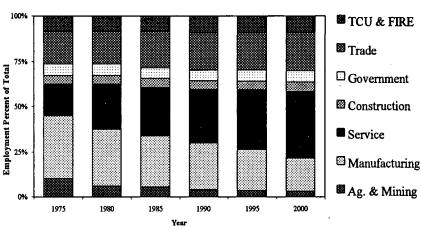
Changing Pattern of Employment in Major **Industry Groups**

In 1975, the Manufacturing sector was the State's largest industry sector, employing a little more than onethird of the total employment, followed by Services, Trade and Agriculture. This job situation greatly changed by the end of the century because of the expansion of the Services sector, even though substantial increases occurred in some manufacturing industries (hi-tech and computer related industries). The increasing automation and application of robot technology in the production process also contributed to reduced employment. As a result, employment growth in manufacturing during the period remained dismally slow, a total growth of merely 4.6 percent during 1975-2000. The share of manufacturing jobs thus dropped to about 18.5 percent of total employment in 2000. Actual employment in the manufacturing sector marginally increased to 783,000 by 2000, compared to 748,800 in 1975 (see figure 4). Manufacturing's share of employment is expected to further decline to about 17 percent by 2008. In contrast, employment in the Services sector reflects a phenomenal growth, creating almost 1.2 million jobs during the 25-year period. Employment in the Services sector grew to 36.7 percent of total employment compared to its share of only 18 percent in 1975, primarily because of the strong demand for labor in computer related industries, food

services, packaging and handling industries, engineering services, accounting services, health care and numerous other services industries. Employment in this sector is expected to further expand to about 40 percent of total employment (4.86 million) by 2008.

Employment in Trade (Wholesale and Retail) reflects a significant annual average growth of 3.37 percent during 1975-2000. However, its share of total employment increased only marginally from 18 percent in 1975 to 21 percent in 2000. The Trade—

Figure 4: NC Percent Distribution of Employment by Major Industry Groups 1975-2000

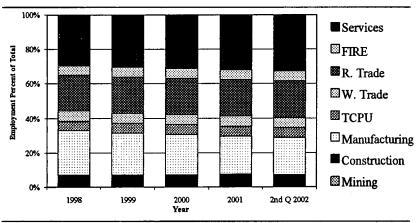


sector's employment is projected to increase to a little over a million people on the job by the year 2008, though its share of total employment is expected to remain unchanged at about 21 percent. Employment in retail trade constituted a little over three-fourths of total employment in the trade sector, and 16.4 percent of total employment in North Carolina. Increasing at an annualized growth rate of 1.9 percent, employment in this industry is projected to reach about 798,000 in 2008. The share of Wholesale trade is also projected to stay around 4.7 percent of total employment during 1998-2008.

From 1975-2000 employment in FIRE increased at 3.4 percent annually. Its share to the total employment increased slightly from 3.7 in 1975 to 4.3 percent in 2000. The share of employment in TCU, growing at 2.6 percent annually during 1975-2000, declined marginally from 4.9 percent of total employment in 1975 to 4.8 percent in 2000, while its actual employment increased from 105,900 to 203,600 for the respective years. Employment in TCU as a percent of total is projected to further decline to about 4.0 percent by the year 2008.

While employment in Construction almost doubled during 1975-2000, its share of total employment increased only marginally, from 4.8 percent in 1975 to 5.5 percent in 2000.

Figure 4a: NC—CES Percent Distribution of Employment by Major Industry Groups 1998-2nd Quarter 2002



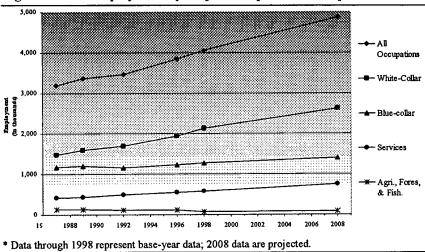
The most recent employment estimates developed by the Current Employment Statistics (CES) program on major industrial groups for 1998 through the 2nd quarter of 2002 present comparable employment distribution trends as reflected in the 1975-2000 historical data series. In terms of employment, Services continues to be the fastest growing sector of the economy followed by Trade, mainly Retail Trade. Employment in TCU, FIRE, Mining and Construction also reflects very similar patterns in employment growth as shown in the historical data.

Changing Pattern of Occupational Employment

A continuous series of historical data on occupational employment going back to 1975 is not available. Therefore, the information and analysis in this section of the article is limited to employment data for selected years going back only as far as 1987. Although available occupational employment data covers only the past

11 years, it can enable valuable observations and analysis regarding trends and changes in the pattern of occupational employment over this period that is useful for policy makers, both in government as well as in the private sector.

Figure 5*: NC Employment by Major Occupational Groups 1987-2008



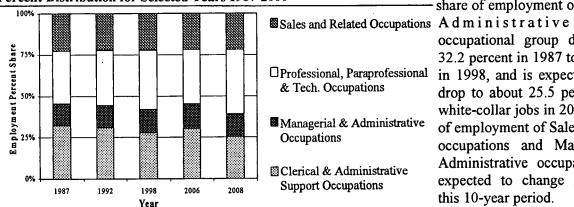
Among the four major occupational groups, white-collar (managerial, administrative, professional, technical and sales) occupations constitute the largest share of total employment, followed by the bluecollar (production, construction, operator and material handling) and services (fire department, police, health workers, cooks and cleaners, etc.) occupations. A little over half (52.3 percent) of the total employment of 4.0 million were working in white-collar jobs in 1998 (see figure 5). Increasing at an annual average growth rate of about 3.3

percent, the share of employment in white-collar occupations increased significantly during the 11-year period, from 46 percent of the total employment in 1987 to 2.1 million in 1998. Employment in white-collar occupations is projected to increase to approximately 2.63 million by the year 2008, further raising its share to about 54 percent of total employment.

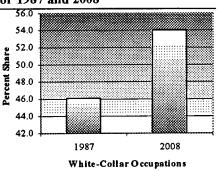
Professional, Clerical and Sales

Professional, Paraprofessional and Technical occupations, Clerical and Employment Percentage Distribution Administrative Support occupations and Sales related occupations provided most employment (86.0 percent) within the white-collar occupational group. In aggregate, these three occupational groups employed around 1.83 million people in 1998. However, the share of Professional, Paraprofessional and Technical occupations by itself increased from 32.4 percent of total white-collar employment in 1987 to 36.2 percent in 1998 (see figure 6). The share of employment of this professional group is projected to further increase to about 39.3 percent by 2008, with actual employment in this occupational group projected to increase to a little over a million jobs by 2008. On the other hand, the

Figure 6: NC Employment Within White-Collar Occupational Groups, Percent Distribution for Selected Years 1987-2000



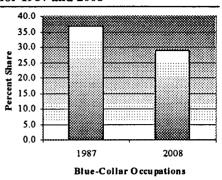
for 1987 and 2008



share of employment of Clerical and Support occupational group dropped from 32.2 percent in 1987 to 27.9 percent in 1998, and is expected to further drop to about 25.5 percent of total white-collar jobs in 2008. The share of employment of Sales and Related occupations and Managerial and Administrative occupations is not expected to change much during this 10-year period.

Blue Collar Occupations⁷

Contrary to the sharp growth and expansion in jobs of white-collar Employment Percentage Distribution occupations, the share of employment in blue-collar occupations to for 1987 and 2008 total employment decreased from 36.9 percent in 1987 to 31.5 percent in 1998, despite a slight increase in actual employment during this period. The share of employment in blue-collar occupations declined because the employment in these occupations during 1987-1998 was increasing only at a marginal rate of 0.73 percent annually, whereas Services and white-collar occupations were growing at a much faster pace. Employment in blue-collar occupations is projected to increase to 1:4 million by 2008, further pulling down its share of total employment to about 28.8 percent. The primary reasons for the declining trend of employment in blue-collar jobs during this period were an increase in from technological advancements productivity resulting

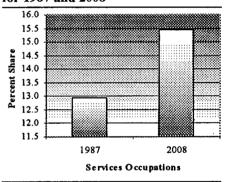


automation of production processes in manufacturing industries. Furthermore, the high production cost of some industrial products at home is making it difficult for U.S products to compete with foreign goods. The corporate sector, therefore, is either moving these industries overseas or is importing cheaper products from Mexico, China and other Asian countries. Unable to compete with foreign products, some industries are closing down. Attracted by higher wages in some occupations and expanding employment opportunities in Services, more people with high school diplomas and college educations are opting for employment in these occupations rather than looking for blue-collar jobs, thus further contributing to declining employment.

Services Occupations

Employment in Services occupations reflected a sharp annual growth of Employment Percentage Distribution 3.0 percent during 1987-1998 with its share of employment increasing to 14.3 percent of the total in 1998. Employment in the Services occupations is projected to continue to grow during 1998-2008, but at a slower pace with annual increases of about 2.76 percent. With this growth rate, the share of Services occupations is expected to increase to approximately 15.5 percent of total employment in 2008. It appears that the growth rate for some of these occupations, mainly hi-tech and computer related jobs, has peaked; the industries heavily invested in these occupations are adjusting to meet the new challenges and ever emerging demand for new products. This could be the reason why employment in these occupations is expected to grow at a slightly declining rate during 1998-2008.

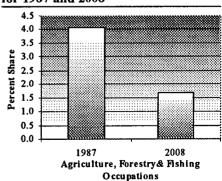
for 1987 and 2008



Agriculture, Forestry and Fishing

Employment in Agriculture, Forestry, Fishing and Related occupations showed a persistent declining trend during 1987-1998, with employment for these occupations decreasing at an annual average rate of 4.5 percent. As a consequence, the share of employment for agricultural occupations dropped significantly from 4.0 percent of total employment in 1987 to 1.9 percent in 1998, and this trend is expected to continue through 2008, dropping to a new low of about 1.7 percent of total employment. The downward trend has occurred because of the improvements in agricultural production technologies and resulting increases in productivity, thus reducing the number of people needed to do the same job. Also, because of the relatively lower wages in agriculture compared to earnings from some of the manufacturing, transport, construction and services jobs, some farmers and farm workers are lured away to more attractive jobs.

Employment Percentage Distribution for 1987 and 2008



Rapidly Changing Occupations

In such a changing job market situation, employment in some occupations is growing at a much faster pace, while in others it is rapidly declining (see table 1). Employment in Home Health Aide Workers and Child Care Workers increased many-fold (5-11 times) during 1987-1998. It appears that the aging population in North Carolina required more health aide workers to care for the elderly; while more child-care workers were needed for the growing child-care industry. Increasing female participation in the labor force is making it difficult for working women to look after their children themselves as they struggle to earn their day-to-day living. Employment of Systems Analysts increased 2-1/2 times during 1987-1998. Employment of Hand Packers and Packagers more than doubled during this period because of the expansion of the packaging industry, both for agricultural and industrial products. As the Service Industry grew, employment for Food Service and Lodging Managers also increased 2-1/2 times, while employment for Cooks for restaurants doubled in 1998.

Table 1: Employment in Selected Increasing Occupations

0	1987-1998	1998-2008	
Occupations	Percent Increase	Percent Increase	
Home Health Aide Workers	1,038.3	49.0	
Child Care Worker	441.6	51.0	
Systems Analyst	148.4	87.0	
Hand Packers and Packagers	103.9	23.4	
Food Service and Lodging Managers	142.7	33.9	
Cooks for Restaurants	108.2	29.9	
Registered Nurses	84.9	38.6	
Nursing Aides & Orderlies	80.5	42.0	
Teachers Pre-school & Kindergarten	110.3	37.1	
Cașhiers	74.2	24.4	
Marketing Sales Supervisors	70.8	20.6	
Maids & Housekeeping Cleaners	66.0	30.9	

There are some occupations which are declining rapidly, because either the businesses in which such occupations existed are closing, or the need for such occupations is disappearing altogether. Employment in some textile related occupations is fast declining, as manufacturers of U.S. textile products are facing great difficulty competing with cheaper imported products from developing countries. This situation is created because of the relatively higher cost of labor (labor and benefits) at home. As a result, employment of Textile Draw-Out Machine Operators, Textile Machine Setters/Operators and Textile Machine Operators/Tenders decreased by 26-54 percent during 1987-1998. Employment of Sewing Machine Operators Garment/Non-Garment is also quickly disappearing because of the cheaper imports from overseas. In some cases, U.S suppliers of these products are either out-sourcing or are contracting to manufacture these garments in countries where the cost of labor is cheap and workers do not receive many benefits.

Table 2: Employment in Selected Declining Occupations

Occupations	1987-1998 Percent Decrease	1998-2008 Percent Decrease	
Textile Draw-out Mach Operators/Tenders	54.4	29.3	
Textile Machine Setters/Operators	36.6	17.0	
Textile Machine Operators/Tenders	26.5	26.1	
Sewing Mach. Operators Garments	58.4	21.9	
Woodworking Machine Setters Excluding Sawing	20.5	20.9	
Woodworking Machine Operator/Tenders Ex. Saw	11.9	21.6	
Computer Operators Ex. Peripheral Equipment	22.2	24.6	

As more furniture manufacturing moves outside the United States, jobs of Woodworking Machine Setters/ Operators and Tenders are also disappearing. Demand for employment in Computer Operators/ Ex. Peripheral occupations decreased by 22.2 percent during 1987-1998. Employment is also declining for some agricultural occupations, as 51,800 fewer people were working in Agricultural, Fisheries and Forestry jobs in 1998 versus in 1987.

Conclusion

North Carolina witnessed remarkable economic growth for most of 1975-2000, with the exception of two medium level recessions during 1981-1982 and 1990-1991, and until the recent slow-down of economic activity in early 2001 and 2002. Other than that, a steady economic growth led to an enormous expansion in employment in the state, nearly doubling to about 4.2 million in 2000 compared to 2.16 million in 1975. Aggregate employment is projected to further expand to about 4.86 million by 2008. During this period the unemployment rate in North Carolina dropped from a peak of 9.0 percent in 1982 to 3.2 percent in 1999, the lowest level in 25 years. Following cyclical business patterns, the latest unemployment rate hovers around 6.0 percent.

There have been some significant changes in employment patterns during this 25-year period. Employment in the Services industry, which provided 19 percent of the jobs in 1975, more than quadrupled to 1.55 million in 2000, or a little over 35 percent of total employment. Its share to total employment is further expected to increase to approximately 40 percent of the total by 2008. A significant growth in employment was also witnessed in Trade, FIRE, Construction, Government and TCU. In contrast, the share of employment in Manufacturing dropped sharply from 34.0 in 1975 to only 18.5 percent in 2000. Increasing automation both in manufacturing and agriculture, in contrast to the expanding Services sector, contributed to this decrease in the share of total employment in manufacturing. Employment in Agriculture reflected a declining trend, reducing its share of total employment from 10 percent in 1975 to 2.8 percent in 2000, as more attractive wages lured many workers to other sectors of the economy.

Noticeable changes in employment patterns in various occupational groups also occurred during 1987-1998. The share of total employment of white-collar occupations significantly increased from 46.1 percent in 1987 to 52.3 percent in 1998, while the employment of blue-collar occupations reflected a decline from 36.9 percent of total employment in 1987 to 30.6 percent in 1998. Employment in Agricultural occupations also dropped from 4.0 percent of total employment in 1987 to 1.9 percent in 1998.

In this changing employment situation, some occupations are growing faster than others. Employment for Home Health Aides, Child Care Workers, System Analysts, Hand Packers, Cooks, Nurses and Teachers, etc. is growing at an increased pace, while the demand for Textile Machine Operators/Tenders, Sewing Machine Operators, Woodworking Machine Setters/Operators and Agricultural Workers is steadily disappearing. This changing pattern of employment is expected to continue through 2008, though at declining rates.

Both short-term and long-term adjustments should encourage economic growth.

Education and training programs need to be aimed at occupations experiencing a shortage of skilled workers.

In view of the changing job situation, the economy is likely to undergo some adjustments. In the short-run, slow but steady economic recovery resulting from monetary, fiscal and budgetary policies of the Federal government (low prime rate and tax cut etc.) will encourage consumer spending and investments, and should create jobs and alleviate the current unemployment situation. In the long-run, a strong investment climate should stimulate economic and employment growth on a long-term basis, resulting in increased productivity and personal incomes, and contributing to the overall improvement and growth in most sectors of the state economy. However, some policy changes will be needed, both in private and public sectors, to create more job opportunities for the growing population and to absorb laid-off workers.

Likewise some changes will also be required in current educational and training programs to provide appropriate training and education for laid-off workers and others in the labor force to prepare them for the changing job market. Education and training programs need to be geared to provide greater opportunities for training of occupations which are expected to grow at a fast pace in the future. Severe shortages are currently felt for trained teachers, nurses, nursing aides, security related jobs and many other occupations. The demand for computer related jobs is also likely to re-emerge once the economy is back on a growth track.

The United States and North Carolina economies, in time, will adjust and expand to provide healthy employment growth and continued prosperity. However, the challenge is for those in positions of responsibility to assure the workforce that training is available to attain the job skills necessary to be productive in the changing job market situation of the future.

¹ RIS Release (25 years Outlook).

² Dr. Michael L. Walden, North Carolina State University.

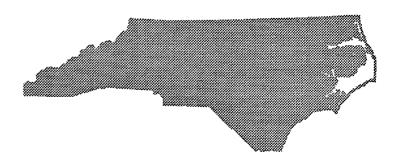
³ The News & Observer, February 28, 2002.

⁴ Economist, July 2002.

⁵ Business Outlook, Business Week, July 15, and July 15, 2002.

⁶ The Wall Street Journal, August 14, 2002.

⁷ Includes precision production, craft, and repair occupations; machine operators and inspectors; transportation and moving occupations; handlers, equipment cleaners, helpers, and laborers; and service occupations.



Trade Adjustment Assistance in North Carolina

By Robert Bowles, Economist II—LMI Division

Congress has recently approved "trade promotion authority" to the President. This power, formerly known as "fast track" authority, allows the President to negotiate trade agreements that cannot be amended by Congress. The administration hopes to complete a Western Hemisphere pact by 2005, which would effectively extend NAFTA to the rest of Latin America. The bill includes a large expansion of aid to workers who are expected to be adversely affected by new trade agreements.

NAFTA may be extended to the rest of Latin America.

The debate over free trade in the United States has often pitted the winners from free trade against the losers. Those who benefit include:

- exporters
- businesses that use imported goods as inputs
- consumers, who pay lower prices for many products

The losers from trade include:

- companies and their employees who are forced out of business from foreign competition
- workers at plants that move overseas to take advantage of lower labor costs

Job losses in North Carolina's manufacturing industry have been North Carolina's manufacturing substantial in recent years. In June 2002, manufacturing employment industries have been adversely comprised 18% of total nonagricultural employment in the state; just affected by NAFTA. seven years earlier, manufacturing employed 25% of the state's nonagricultural workers. The traditional manufacturing base in textiles and apparel has been particularly hard-hit, but other industries such as furniture, transportation equipment, electrical and electronic equipment and industrial machinery have also experienced job losses. Many of the high-paying service jobs being created in North Carolina's economy today to replace those jobs require some formal educational training.

Most economists agree that the total value of the gains from free trade is much greater than the losses. However, the losses from trade are often more visible because they are concentrated on small groups of workers, while the benefits are distributed among a large number of individuals.

Ideally, some of the gains from trade can be used to compensate the losers, so that everyone is made better off. The federal government has created programs to provide job retraining and income support to those who have been adversely affected by such trade activities. programs, known as Trade Adjustment Assistance (TAA), are the subject of this article.

Trade Adjustment Assistance was created to offset the negative effects of free trade on workers and employers.

In this article, several issues related to federal TAA programs are reviewed, such as:

- types of programs offered
- amounts of funding provided to North Carolina's workers in recent years
- comparisons of program participation across states, and
- analysis of the types of companies that have received adjustment assistance in North Carolina in recent months.

Background of Trade Adjustment Programs

TAA, NAFTA-TAA and WIA provide federal funds for retraining of laid-off workers.

The Federal Trade Act of 1974 initiated TAA to help workers who were laid off or had their hours or wages reduced because their employer was adversely affected by increased imports. Further aid was provided under NAFTA: NAFTA-TAA (Transitional Adjustment Assistance) was extended to workers who had been affected specifically by increased import competition from, or production shifts to, Mexico or Canada. The benefits provided under TAA and NAFTA-TAA are similar.

For other workers who have been laid off and need retraining, federal funds are provided through the Workforce Investment Act (WIA). For example, workers who have been "indirectly" affected by NAFTA may receive WIA funds.

Types of Benefits Offered

There are three main types of benefits under TAA. The most important of these are direct unemployment compensation, called Trade Readjustment Allowances (TRA), that can be received for up to 52 weeks while eligible workers are attending approved training programs. Such programs include occupational development, basic skills and "English as a second language" classes.

Trade adjustment programs offer a variety of benefits to eligible workers.

TRA benefits are equal to the weekly benefits allowed in the state's unemployment insurance (UI) program. Currently, in North Carolina the weekly benefit is one-half of the individual's highest quarterly earnings in either the first four of the last five quarters or the last four quarters divided by 13, up to \$408 per week. A worker becomes eligible for TRA after s/he has exhausted UI benefits, which generally last for 26 weeks.

Eligible workers may also receive the cost of up to two years of a training program, including tuition, books and fees. Job search and relocation expenses are also available.

All these services are provided through North Carolina's Employment Security Commission offices. However, no state unemployment insurance funds are used to pay TAA or NAFTA-TAA benefits.

Apart from the above programs, the federal government also provides financial assistance to manufacturers affected by import competition. Under this program, the federal government pays half the cost of consulting projects that improve a manufacturer's competitiveness, such as new production techniques, marketing and information system investments. Companies in North Carolina can receive these services from the Southeastern Trade Adjustment Assistance Center, which is operated by Georgia Tech.

Interstate Comparisons of TAA and NAFTA-TAA Coverage

According to the Department of Labor (DOL), the industries with the most workers covered by certifications for TAA between October 1, 1996 and September 30, 2001 have been apparel, electrical and electronic equipment, transportation equipment, industrial machinery and computer equipment and textiles.

Assistance is also available to manufacturers through these federal programs.

Table 1 shows the ten states with the greatest number of workers covered by TAA between October 1, 1996 and September 30, 2001. North Carolina had the highest number of workers (48,405), followed by Texas, Pennsylvania, Tennessee and Alabama. The number of workers covered represents employer estimates of the number of workers who would be eligible to receive assistance, not the number who actually seek assistance.

Table 1: States with the Greatest Estimated Number of Workers Covered by Trade Adjustment Assistance, October 1, 1996 – September 30, 2001

State	Number of Certifications	Estimated Number of Workers Covered*
North Carolina	311	48,405
Texas	477	47,743
Pennsylvania	478	40,165
Tennessee	270	31,561
Alabama	190	29,316
California	196	28,053
Georgia	201	25,826
New York	328	25,398
Ohio	144	20,902
Virginia	147	18,541

Source: U.S. Department of Labor *Based on employer estimates.

Table 2 reveals a similar breakdown of the workers eligible for NAFTA trade assistance. Again, North Carolina tops this list. It should be noted that often a company will receive certification under both programs, so some workers may be counted in both of these tables. It is also noteworthy that Texas has more establishments certified for TAA and NAFTA-TAA. However, these companies employed fewer workers in total than those affected in North Carolina.

Table 2: States with the Greatest Estimated Number of Workers Covered by NAFTA Transitional Adjustment Assistance, October 1, 1996 – September 30, 2001

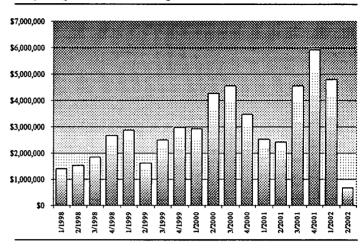
State	Number of Certifications	Estimated Number of Workers Covered*
North Carolina	219	32,046
Texas	240	25,980
Pennsylvania	193	22,229
California	137	18,365
Georgia	98	13,791
Tennessee	111	13,750
New York	114	12,842
Michigan	89	11,656
Indiana	64	11,299
Virginia	65	10,128

Source: U.S. Department of Labor *Based on employer estimates.

TAA Expenditures in North Carolina between 1998 and 2002

Figure 1 shows the amount of Basic Trade Readjustment Allowances paid out quarterly in North Carolina between 1998 and the second quarter of 2002. Basic TRA covers the first 26-week period of recipiency. These data include payouts under both TAA and NAFTA-TAA. (During this period, the training requirement may be waived under certain conditions, such as the availability of training programs.) The total amount paid out between 1998 and the second quarter of 2002 was \$53,542,119. As shown in the graph, there has been an upward trend in these expenditures. However, the economic downturn may explain the higher levels of spending in 2001 and 2002.

Figure 1: Quarterly Amounts Paid Out in Basic TRA in NC, 1st Quarter 1998-2nd Quarter 2002



The lower expenditures in the second quarter of 2002 are due to individuals becoming eligible to receive Temporary Extended Unemployment Compensation (TEUC). This program, which began in late March 2002, extended benefits for up to 13 weeks to individuals who had exhausted their regular unemployment benefits. Under federal guidelines, individuals receiving TRAs must exhaust all regular benefits and extended benefit payments.

On average, 1,280 workers were determined to be entitled to receive TRAs each quarter during this time period. The first quarter of 2002 had the highest number (2,850).

Figure 2 shows the payouts for additional weeks of Trade Readjustment Allowances. This covers the second 26-week period. Recipients must be enrolled in TAA-approved training during this period. Total expenditures between 1998 and the first quarter of 2001 were \$25,679,380. As with Basic TRA, there was a large increase in additional weeks of TRA spending in 2001. The decline in expenditures between the first quarter of 2002 and the second quarter of that year is due to the extension of benefits under TEUC, as explained above.

The expenditures on training provided to workers in North Carolina by TAA and NAFTA-TAA are shown in Figure 3. Expenditures between the first quarter of 1998 and the second quarter of 2002 totaled over \$14.5 million. There is clearly an upward trend in these expenditures over the last several quarters. The fourth quarter of 2001 and the first and second quarters of 2002 had atypically high levels of spending. There was approximately a 67% increase in the number of beneficiaries of this program over the previous three quarters.

Figure 2: Quarterly Amounts Paid Out in Additional Weeks of TRA, 1st Quarter 1998-2nd Quarter 2002

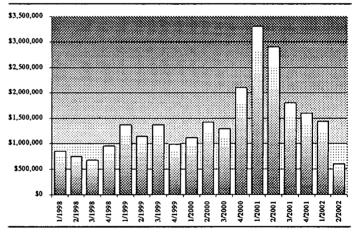
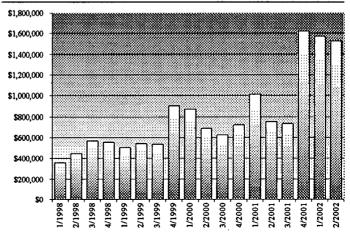


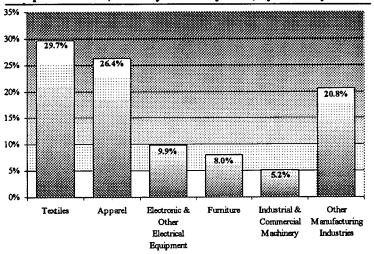
Figure 3: Quarterly Amounts of Training-Related Costs, 1st Quarter 1998-2nd Quarter 2002



Industry and Geographic Distribution of North Carolina Companies Receiving TAA

The analysis in this section identifies some common characteristics of the companies that had been certified to receive TAA in North Carolina between the beginning of 2001 and May 2002. Basic data on the companies that submit TAA and NAFTA-TAA petitions are supplied by DOL's Employment and Training Administration (ETA). These data can be accessed on the Internet at the department's website: wdsc.doleta.gov. Unfortunately, the number of workers who were affected at each company was not included in the data, so the companies could not be weighted by their relative sizes.

Figure 4: Distribution of TAA and NAFTA-TAA Certified Companies in NC, January 2001-July 2002, by Industry



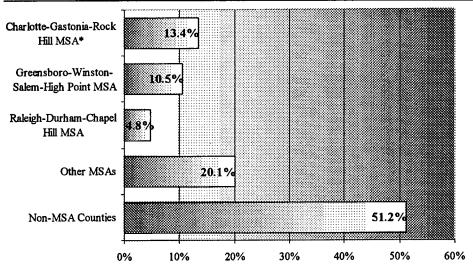
According to the ETA data, 109 companies in North Carolina were certified to receive TAA in 2001, while 75 companies were certified in the first seven months of 2002. There were 85 NAFTA-TAA certifications during this time period. However, 57 of these were also certified under TAA. Of the remaining, 18 were certified in 2001 and 10 were certified in the first seven months of 2002.

All of the companies certified in North Carolina in 2001 and 2002 were classified as manufacturing operations. As Figure 4 shows, the textiles and apparel industries had the largest number of companies certified; together, they accounted for over half the firms. Among the industries in the "Other" category are

instruments; chemicals & allied products; lumber & wood products, except furniture; rubber & plastics; leather products; and primary metals.

Figure 5 shows the geographic distribution of companies receiving TAA certification in 2001 and 2002. The three largest metropolitan statistical areas (MSA) in North Carolina accounted for approximately 29% of the worksites. Among the smaller MSAs, Hickory-Morganton had the largest number (9% of all certifications). Significantly, over half the worksites were in non-metropolitan area counties. Workers in these less economically-diversified rural counties may have fewer career and training opportunities.

Figure 5: Distribution of TAA and NAFTA-TAA Certified Companies in NC, January 2001-July 2002, by Metro Area



TAA Program Performance Measures

Table 3 outlines the goals set and outcomes achieved for North Carolina's TAA participants for the 2001 program year (October 1, 2000 through September 30, 2001). Seventy-one percent of the participants were reemployed one quarter after they exited the program. This was just shy of the goal. The participants exceeded the goal for the percentage employed after three quarters.

Table 3: Trade Act Performance Goals for North Carolina

	PY 2001 Goal	Actual Results
Employed One Quarter after Exit	73%	71%
Employed Three Quarters after Exit	80%	90%
Wages Replaced in Third Quarter after Exit	82%	88%

North Carolina participants in the TAA programs also surpassed the goal of replacing 82% of their "trade-affected" wage. The trade-affected wage is the wage earned by an individual at the company that was certified to receive trade assistance. Participants earned, on average, 88% of this wage in the third quarter after exiting the program.

Conclusion

Over 200 worksites in North Carolina have been certified by either TAA or NAFTA-TAA since the beginning of 2001. This allows the employees of these companies to receive program benefits, including income support during participation in training programs and subsidies for training costs, relocation expenses, and job search costs.

Total expenditures on these programs in North Carolina have exceeded \$93.5 million between 1998 and the second quarter of 2002. Over 21,000 workers in the state were determined entitled to receive Trade Reemployment Allowances during this period.

Over 55 percent of the worksites receiving certification since the beginning of 2001 were in either the textiles or apparel industry. Over half the worksites were located in rural counties in the state.

The "trade promotion authority" legislation recently passed by Congress includes extensions of the TAA programs, as well as subsidized health insurance to trade-affected workers. In addition, workers over the age of 50 who are displaced by trade and accept lower-paying jobs may be offered wage subsidies.

As the United States moves forward with trade deals with many countries, including the creation of a Free Trade Area of the Americas that will extend NAFTA to many other Latin American countries by 2005, the TAA and related programs will help offset some of the losses of displaced workers.

However, responsibility lies with local workforce development boards and other governmental organizations to ensure the training necessary to the displaced worker is provided so that each will be able to find productive employment in the future.

LMI Happenings: News from the LMI Division of ESC

Industry Employment and Wages Data

Starting late September 2002, the Industry Employment and Wages section of the LMI link on the ESC website will be upgraded. The LMI user will no longer be limited to viewing static pages of county and statewide industry data. This new application will allow the user to select specific elements to actually query the database for the desired data. Some of the new features include: selecting data by Economic Development Region and Workforce Development Board, a link to national data, the ability to select by any employment range and any or all NAICS codes, and the capability to download the entire requested dataset. Initially any data after fourth quarter 2000 will be available to query. Eventually the LMI user will be able to select data from a historical file going back to 1990 in the same way the most recent figures are selected. This dynamic website will allow the user of LMI data to easily access and manipulate industry data.

LMI Investigating Analysis of Covered Employment and Wages Data Utilizing Geographic Information Systems

Over the past few years, interest in and use of Geographical Information Systems (GIS) for analysis of all types of data has grown exponentially. In the simplest terms, a GIS is a system which links information about an object or entity, such as an employer, with its geographical location. These systems offer the ability to expand analyses to another level, by incorporating spatial considerations, as well as providing new ways to visualize data (via maps) and enabling of analysis at (almost) any geographical level.

The Labor Market Information Division is participating in a pilot project, sponsored by the Bureau of Labor Statistics, to explore integration of geographical references with the data collected as part of the Covered Employment and Wages (CEW) program. The purpose of this project is to explore development of a GIS based on the most comprehensive source of data regarding employment and wages. As part of this project, the Division will develop tools and methods to geocode the CEW data, which includes identification the physical locations (e.g. addresses) of employers and translation of these addresses into geographical references. The final phase of the project will be to explore methods of exploiting the GIS to enhance and improve labor market analysis, potentially including the development of mapping tools and sub-county area labor market analysis products.

Labor Market Information Division

The mission of the Labor Market Information Division is to enhance and provide economic data on the state of North Carolina and all local areas. With a staff of 70+ economists, statisticians, analysts and assistants, the LMI Division provides data on:

Labor Force
Labor Supply
Industry Data
Occupational Data
Common Follow-Up System
ES/UI Reporting
Outreach and Training
Special Reporting
Internet

There are several web-based products and multiple sources for labor market information that can be accessed from the Employment Security Commission's website www.ncesc.com. For more information about these products and services or for training or a demonstration on the LMI Division's Webbased products, please contact the LMI Division by e-mail at esc.lmi.inquiries@ncmail.net or by phone at (919)733-2936.

ESC On-Line: www.ncesc.com

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September 2002



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DR. Ed Feser

La	Large industrial plants are among the most prized economic development projects, but North												
	arolina ranks third among 13 states in the Southeast in the tax burden it places on such facilities.												
- 4	here, the corporate income, property and franchise taxes on a large industrial plant would be \$18												
m	illion	over 20	years.	Taxes o	n the sa	me plan	t in Geo	rgia and	South (Carolina	would b	e about	\$3 165
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\$2	23.8	\$20.8	\$18.0	\$17.9	\$17.3	\$17.3	\$16.0	\$15.9	\$15.7	\$14.8	\$14.3	\$14.2	\$13.3
L	Source: Fluor Corp. Dollars in Millions												

From the NCCBI Newsletter 05-02-03:

Another study ranks North Carolina as a high-tax state Fluor also gives N.C.'s economic development incentives a mixed review

North Carolina's business tax burden is one of the highest in the Southeast and its industrial recruitment incentive package will be one of the worst until the state's new Job Development Investment Grant program is finally implemented.

Those conclusions are based on information gleaned from a recently published report by Fluor Corp.'s Global Location Strategies Group. The Fluor ranking echoes a report by Dr. Michael Walden of N.C. State University published in last week's edition of the Legislative Bulletin. Fluor said that North Carolina business taxes for a typical manufacturing plant are third highest out of 13 states in a region that included Texas, Oklahoma and Missouri as well as the Southeastern states. Those states are North Carolina's most regular competition for recruiting new industry.

ne study makes clear how close the competition is," said Phil Kirk, president of NCCBI. "When it comes time for a mpany to pick between two or three states, one slight difference – like higher taxes – can give another state the edge."

Fluor's approach for measuring tax burden eliminated some tax categories that the company felt aren't important to plant site considerations. Also, when measuring incentives Fluor took into account that many Southeastern states offer new industry property tax exemptions negating the on-paper advantage North Carolina has with a lower property tax rate.

The Fluor study applied the various states' taxes to a typical industrial project. The study case was a \$20 million, 100,000-square-foot plant employing 210 people on a 15-acre site. The 20-year corporate income, property and franchise tax burden for such a facility would be \$18 million in North Carolina, or 3rd highest of the 13 states. By comparison, those

Man	Many state officials believe that North Carolina offers generous economic development											
inc	entives	, but in	reality	we're a	ibout a	verage.	A new	R&D fa	acility h	ere wo	uld get	tax
credi	credits and other incentives worth \$17.6 million over 20 years, compared to \$25.8 million											
	in	Louisia	ana and	\$13.5 r	nillion i	in Texa	s, as sh	own in	the cha	art belo	w: -	
LA	ΚY	Fl⇒	AR	TN	NC	MS :	MO	GΔ	SC	ΔΙ	OK	тх
\$25.8	\$21.7		\$18.3			\$17.0			\$15.7		\$14.3	
Source: Fluor Corp. Dollars in Millions												

taxes for the same plant in Georgia and South Carolina would be about \$3 million lower and in Texas nearly \$7 million lower.

The Fluor study concluded that for a typical industry, the state's incentive package ranked number one in the Southeast. But most of that advantage was based on the state's new Job Development Grant Program, which the state has yet to lement after it was passed by last year's General Assembly.

The program offers qualifying companies rebates of up to 75 percent of the state income taxes paid by workers in new jobs such companies create. No more than 15 companies can qualify for the program in any one year and the state can refund no more than \$10 million in any one year.

Thus far the state has not declared one industry eligible for the grants. Without the grants North Carolina's incentive package drops from first to third worst in the 13-state region. "We should realize that we have many of our eggs in this one basket and make sure the program gets implemented as quickly as possible," said Kirk.

he 200-page study looked in detail at the 13 state's taxes and incentives. Other findings included:

- North Carolina's incentive program for R&D companies puts it about in the middle of the pack in the Southeast. Several bills have been introduced in this year's General Assembly to expand tax credit incentives for information technology and biotechnology companies. In his State of the State address, Governor Easley supported a new R&D tax credit.
- There's relatively little difference among states in the Southeast in business start-up costs. For example, the capital investment for a model R&D project was highest in Missouri at \$31.8 million. Yet, North Carolina was ranked second lowest with a projected \$31.53 million, a difference of only \$300,000 or less than 1 percent.
- Most states rank within about 10 percent of each other when it comes to long-term recurring costs.
- The Fluor study gave North Carolina's incentive program a mixed review. "The program has no unique strengths or (differentiators.) On the other hand, the study did not identify any major weaknesses or flaws."

For more information about the Fluor study, contact Bill Schaperkotter at 864-281-4228. Fluor Corp. is one of the world's largest engineering, procurement, construction and maintenance services organization. Fluor's Global Location Strategies Group, based in Greenville, S.C., has conducted over 1,000 site location studies worldwide over the past 30 years.

Comparison of Taxes and Tax Incentives: North Carolina and Nearby States Ernst & Young Study, dated July 2001 Prepared by James J. Haag

This report is based on the analysis and findings of a study performed last year for the North Carolina Department of Commerce, Commerce Finance Center by Ernst & Young. The consultant compared tax systems and tax incentives offered by six neighboring states to those offered by North Carolina. The six comparison states were Alabama, Georgia, Kentucky, Tennessee, South Carolina and Virginia.

Ernst & Young selected public companies to represent five industrial firms that had considered locating in North Carolina but ultimately did not do so. The industrial firms compared were: Automotive Components, Chemicals, Data Processing, Information Technology, and Transportation Equipment manufacturers. For each of these hypothetical industrial firms, the consultant calculated tax liability and evaluated the effects of state tax incentives for the respective public companies in each of the states and North Carolina.

Ernst & Young computed each comparison company's estimated state and local tax liabilities, by year for a ten-year time frame. This calculation included the following taxes: Corporate income, franchise, sales, use, state and local property and payroll (unemployment) taxes. The financial assumptions used were held constant for each industry and for each state. The detailed Ernst & Young report provides tax liability data for each of these taxes, by year, for each of the seven competitor states. For this summary and analysis, we use the combined total tax liability of all these taxes for each state in the study.

In general, the Ernst & Young study found that North Carolina consistently ranked lowest or last in overall incentive value over a one, five and ten year time frames. The study demonstrated that states able to mix statutory credits and discretionary incentives (e.g., property tax abatements, negotiable sales tax exemptions and negotiated apportionment options) have a distinct advantage over North Carolina.

This analysis uses the consultant's database to further elaborate on the comparative tax liability calculations and applications of tax incentives to arrive at net tax liability for each of the states, by industry and for one, five and ten years after the credits were earned.

[&]quot;Division of Policy, Research and Strategic Planning, NC Department of Commerce, March 4, 2002. Send comments to ihaag@nccommerce.com or call 919-715-6373

Automotive Components

This interstate comparison is for an automotive manufacturing business investing \$30 million in real property, \$75 million in machinery and equipment, employing 305 employees and paying an average \$15 per hour in wages to the workforce. To make this hypothetical comparison, Ernst & Young drew on the 2000 financials of the publicly traded Cooper Tire & Rubber Company.

Chart 1-A shows that one year after investment, South Carolina, closely followed by Alabama, has the lowest pre incentive tax liability -- South Carolina at \$5.3 million compared to North Carolina's \$8.5 million. When tax credits and other incentives are added to the mix, South Carolina's net tax liability reduces to \$3.1 million while North Carolina's drops slightly to \$8.3 million. Overall, after one year, North Carolina has the sixth highest pre incentives tax liability among the seven states and has the sixth highest post incentive tax liability among the nearby states.

While Charts 1-B and C show some movement among the positions of Georgia, Virginia and Tennessee five and ten years out, North Carolina's relative competitive position does not change over the period.

Ernst and Young finds that South Carolina offers significant tax credits and reductions to the automotive components manufacturer. These include the job tax credit of up to \$4,500 per job created per year for up to five years, the 20% credit for corporate headquarters qualified costs for five years, the State's liberal property tax abatement and fee in lieu of property tax agreements policies.

Chemical Manufacturing

Ernst & Young chose a chemical manufacturing business investing \$75 million in real property, \$75 million in personal property, employing 250 workers and paying an average \$15.75 per hour in wages to the workforce. This simulated tax liability comparison, was based on the 2000 public financial reports from Dow Chemical Company.

As illustrated by Chart 2-A, one year after investment, Alabama has the lowest pre incentive tax liability. For example, Alabama's pre incentive tax liability of \$74.8 million compared to North Carolina's \$238.4 million. When tax credits and other incentives are added to the mix, Alabama's net tax liability reduces to \$65 million while North Carolina's drops slightly to \$236 million. Overall, after one year, North Carolina has the fifth highest pre incentives tax liability among the seven states and has the fifth highest post incentive tax liability among the nearby states.

There is no variation in movement among the positions of the respective states after five and ten years. Hence, North Carolina's relative competitive position does not change.

Ernst & Young finds that Alabama's Capital Expenditure Credit of 5% per year, available for 20 years, is a powerful incentive. The Capital Expenditure Credit is capable of providing a 100% return on investment over the 20 years. Additionally, Alabama offers liberal sales tax exemptions and property tax abatements. All of these incentives help a chemical manufacturing industry's bottom line.

Data Processing

Ernst & Young used AOL Time Warner's 2000 financial statements as the basis for the interstate comparison for a data processing manufacturing business. This theoretical business would \$17.55 million in real property, \$14.8 million in machinery and equipment, employ 200 employees in year one, 356 employees in year two and 453 employees in year three and thereafter, and pay an average \$10 per hour in wages to the workforce.

One year after investment, Alabama, closely followed by South Carolina, has the lowest pre incentive tax liability. As shown on Chart 3-A, the data processing manufacturing business' pre incentive tax liability in Alabama is \$15.8 million while South Carolina's is \$17.9 million compared to North Carolina's \$45 million. When tax credits and other incentives are added to the mix, Alabama's net tax liability drops to \$13.9 million; South Carolina's net tax liability reduces to \$17.2 million; while North Carolina's drops slightly to \$44.9 million. Overall, after one year, North Carolina has the highest pre- and post incentives tax liabilities among the seven states.

While Georgia and Tennessee shift positions between five and ten years, North Carolina's relative position does not change after one, five and ten years.

Ernst & Young notes that Kentucky offers significantly greater tax incentives than any of the other states in the comparison. This is partially a factor of Kentucky's relatively high pre incentive tax liability imposed on the data processing manufacturer. Even with a \$21.5 million incentive package, Kentucky ranked seventh in pre incentive tax liability, and only was able to achieve fifth position among the seven competitors.

Information Technology

The interstate comparison for an information technologies manufacturing business is based upon the 2000 financials of Cisco Systems Incorporated. The

hypothetical company would invest \$880 million in real property and \$382 million in machinery and equipment, employ 398 employees and pay an average \$25 per hour in wages to the workforce.

Chart 4-A illustrates that, one year after investment, South Carolina has the lowest pre incentive tax liability. For example, the information technology manufacturing business' pre incentive tax liability in South Carolina is \$42.2 million compared to North Carolina's \$65.7 million. When tax credits and other incentives are added to the mix, South Carolina's net tax liability reduces to \$24.2 million while North Carolina's drops slightly to \$49.8 million. However, Alabama applies the largest incentives package, \$29 million, bringing its post incentive tax liability down to \$24.2 million -- the lowest of the seven states. Overall, after one year, North Carolina has the fourth highest pre incentives tax liability and the fourth highest post incentive tax liability among the nearby states.

There is no shifting of relative position among the seven competitor states, five and ten years out.

Ernst & Young comments that both Alabama and Georgia offered significantly higher incentives for the information technology manufacturer than the other states. Again, Alabama's Capital Expenditure Credit (5% available for 20 years) and liberal sales and property tax abatement policies are key factors. Georgia's Jobs Creation Tax Credit (up to \$3,500 per year for five years) coupled with abatement of state and local property taxes are major parts of that state's incentive package.

Transportation Equipment

Ernst & Young analyzed the 1999 financials of Coachmen Industries, Inc. to simulate an interstate comparison for a transportation equipment manufacturing business. This company would invest \$88 million in real property and \$382 million in personal property, employ 398 employees and pay an average \$25 per hour in wages to the workforce.

One year after investment, South Carolina, closely followed by Alabama, has the lowest pre incentive tax liability, as depicted on Chart 5-A. South Carolina's transportation equipment business' pre incentive tax liability is \$1.4 million compared to North Carolina's \$3.2 million. When tax credits and other incentives are added to the mix, South Carolina's net tax liability drops to \$1 million while North Carolina's to \$2.7 million. Overall, after one year, North Carolina has the sixth highest pre incentives tax liability and the fifth highest post incentive tax liability among the nearby states.

There is slight movement among the relative positions of the states five and ten years out. North Carolina's post incentives tax liability rank drops from fifth after five years to sixth after ten years.

Summary

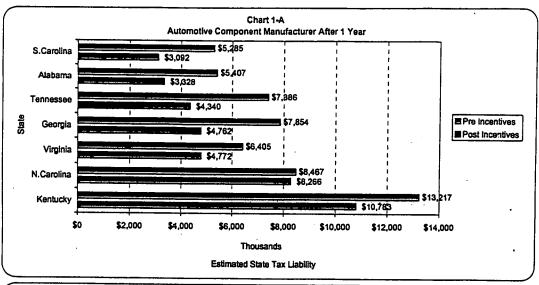
The numbers generated by Ernst & Young are based upon the assumption that, given a standard set of financial data, tax liabilities of a hypothetical company can be compared across states. E &Y simulated the pre incentive and post incentive tax liabilities of selected hypothetical companies based on the financial statements of publicly traded companies. These standardized data were applied to the state and local tax systems in place in Alabama, Georgia, Kentucky, North Carolina, South Carolina, Tennessee and Virginia.

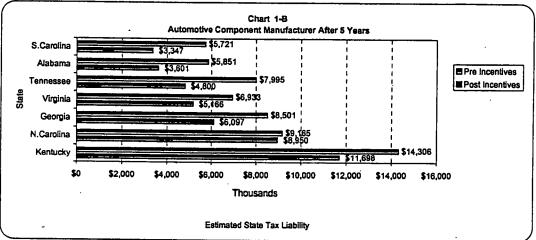
The Ernst & Young Commerce Finance Center study illustrates that pre incentive tax liabilities for the same manufacturing firms vary substantially among the states. S outh C arolina (5% r ate) and A labama (4.8% effective r ate) have the lowest corporate taxes and, when relatively generous incentives are given, very low post incentive tax liabilities on these businesses are the result.

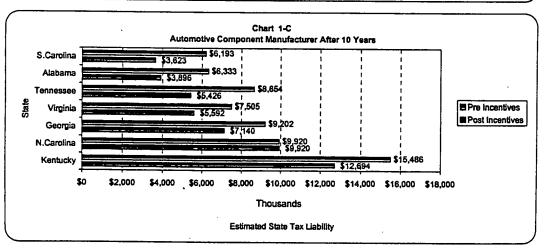
Note also that Tennessee and Georgia both usually came in with lower pre incentive taxes and post incentive net tax liabilities than North Carolina.

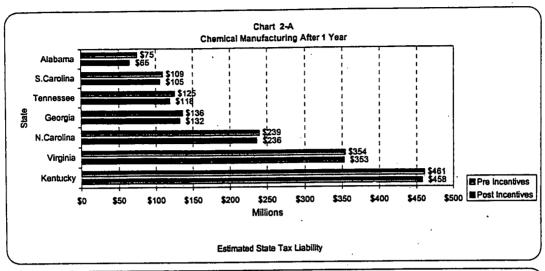
Ernst & Young capsules the study findings:

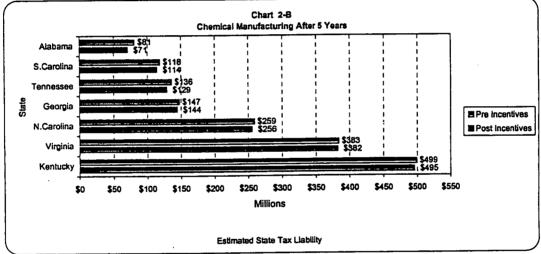
"The results of the study have been that North Carolina consistently ranked lowest or last in overall incentive value over a one, five and ten year period.... The study has further demonstrated that states like South Carolina, Alabama and Kentucky which have a mix of statutory (credit) and discretionary (property tax abatements and grants) incentives tend to provide the greatest benefit to the greatest number on industries across all years."

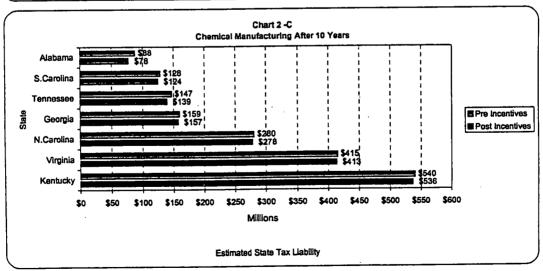


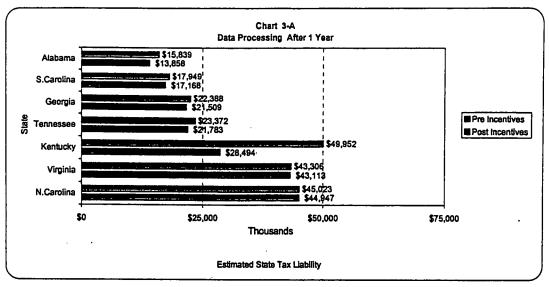


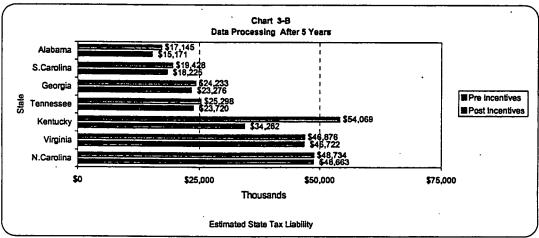


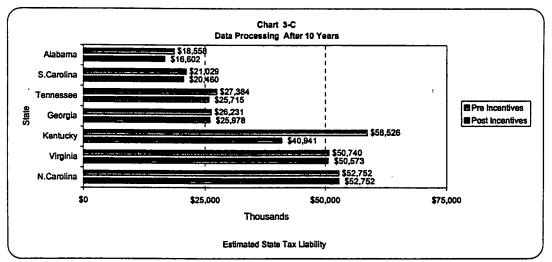


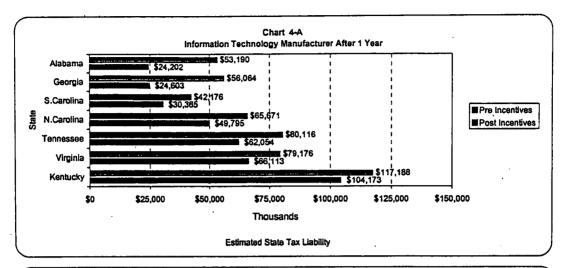


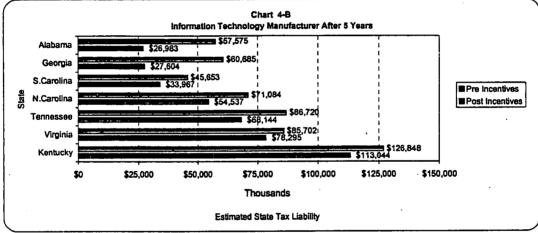


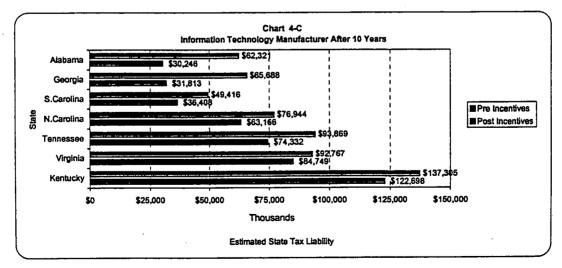


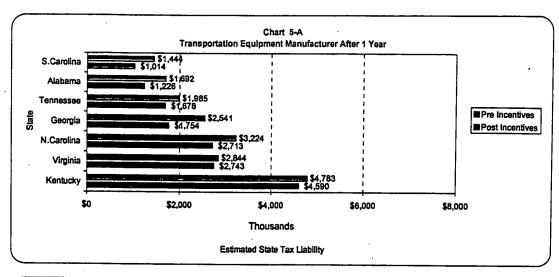


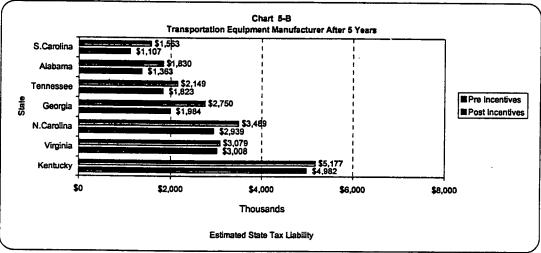


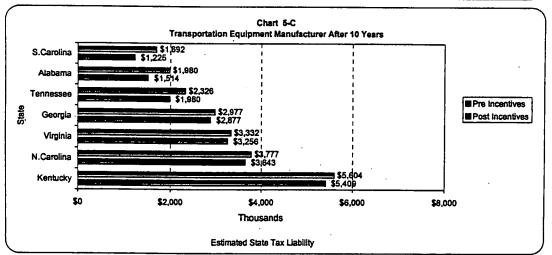












VISITOR REGISTRATION SHEET

COMMERCE

May 20, 2003

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Charlotte Graham	n NC Log
Patrial. Janey	Jan Joss Prevente - Project
Elaine Myiz	
More Finlayon	NC Budget and Tax Ctr, finlayrom Consulting, LC
John McAlister	Onke Energy
MIKE Scots	NE PARTMERSNIA
BAYDENNY	NC Dept Commerce
SOUTHBATZ TOURS IT	RTRP - BBT CURD.
Leslie Stewart	UNC-ChapelHill
CHAPLES PAYES	RTAP
JOHN PEGENSON	NCEDA

VISITOR REGISTRATION SHEET

COMMERCE

May 20, 2003

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

FIRM OR AGENCY AND ADDRESS
N.C. Dept. Commerce
nc Dept. of Commerce.
NC Doc
NC Clietic Cooperations
SEN, BALLANTINE'S OFFICE
LA,
NC-ESC

MINUTES

HOUSE COMMITTEE ON COMMERCE

June 11, 2003

The House Committee on Commerce met on Wednesday, June 11, 2003 in Room 1228 of the Legislative Building at 1:00 P.M. The following members were present: Rep. Connie Wilson, Chair, Representatives Cole, Dickson, England, Farmer-Butterfield, Goforth, Rayfield, Rhodes, Stam and West. The Visitor Registration sheet indicates visitors present and is attached as a part of the record.

Representative Wilson opened the meeting by welcoming members and guests. Having a quorum, the meeting was called to order at 1:05 P.M. by Rep. Connie Wilson, Chair. She recognized the pages, Meredith Matney, Rachel Care, Mary Pat Kenyon, Dave Matney and Rob Mineo, who were assigned to the meeting.

HB-1165-BEACH PRESERVATION, RESTORATION & PUBLIC ACCESS STUDY.

Rep. Wilson recognized Rep. Nelson Cole, Chair of the subcommittee to study the original HB 1165. Rep Cole offered a substitute HB 1165, A BILL TO BE ENTITLED AN ACT TO DIRECT THE LEGISLATIVE RESEARCH COMMISSION TO STUDY THE STATES POLICY ON BEACH PRESERVATION AND RESTORATION AND PUBLIC ACCESS AND THE ROLE OF CITIZEN AND ADVISORY INPUT INTO THESE POLICIES AND PROGRAMS.

After discussion, Rep. Rayfield made a motion for an unfavorable report as to the original bill and a favorable report to the committee substitute for HB 1165 and re-referred to the committee on Rules. The vote was taken and so moved. (See attachment # 1)

Rep. Wilson recognized the guest speakers: Harry Payne and David Clegg of the Employment Security Commission. Mr. Payne presented

slides showing how the tax structure is set up including a chart of North Carolina Preliminary civilian labor force estimates. He explained NC Unemployment Trust Fund Balance & Unemployment Rate and how the Trust Fund money flows. (See attachment #2 & 3)

David Clegg gave a summary of Employment Service and Unemployment Insurance activities, including weekly claims by county. He gave employment figures for the United States and North Carolina. (See attachment #4)

There being no further business, Rep. Wilson adjourned the meeting at 1:58 P.M.

Representative Connie Wilson

Chair

Chris Floyd

Committee Assistant

Attachment #1

Attachment #2

Attachment #3

Attachment #4

Agenda

Meeting Notice

Attendance Record

Visitor Registration List

2003 COMMITTEE REPORT HOUSE OF REPRESENTATIVES

Th	e following report(s) from standing committee(s) is/are presented: By Representative Connie Wilson (Chair) for the Committee on COMMERCE.
H.)	Committee Substitute for B. 1165 A BILL TO BE ENTITLED AN ACT TO ACKNOWLEDGE STATE POLICY THAT BEACH PRESERVATION AND RESTORATION ARE IN THE PUBLIC INTEREST AND THAT WHERE ECONOMICALLY AND ENVIRONMENTALLY JUSTIFIED BEACH PRESERVATION AND RESTORATION CONSTITUTE A PUBLIC PURPOSE, TO ESTABLISH THE NORTH CAROLINA BEACH PRESERVATION AND RESTORATION COMMISSION, TO ESTABLISH THE BEACH PRESERVATION AND RESTORATION FUND, AND TO APPROPRIATE FUNDS TO THE BEACH PRESERVATION AND RESTORATION AND RESTORATION AND RESTORATION FUND.
	With a favorable report.
	With a favorable report and recommendation that the bill be re-referred to the Committee on Appropriations [Finance []
	With a favorable report, as amended.
	With a favorable report, as amended, and recommendation that the bill be re-referred to the Committee on Appropriations Finance .
	With a favorable report as to the committee substitute bill (#
	With a favorable report as to House committee substitute bill (#), which changes the title, unfavorable as to Senate committee substitute bill.
	With an unfavorable report.
	With recommendation that the House concur.
	With recommendation that the House do not concur.
	With recommendation that the House do not concur; request conferees.
	With recommendation that the House concur; committee believes bill to be material.
	With an unfavorable report, with a Minority Report attached.
	Without prejudice.
	With an indefinite postponement report.
	With an indefinite postponement report, with a Minority Report attached.
	With recommendation that it be adopted. (HOUSE RESOLUTION ONLY) 03/19/03

AGENDA

HOUSE COMMITTEE ON COMMERCE

June 11, 2003

Room 1228 LB

1:00 PM

Welcome and Introductions - Rep. Connie Wilson, Chair

How everybody's rates are going up and why. – David Clegg Employment Security Commission

Adjournment

NORTH CAROLINA HOUSE OF REPRESENTATIVES COMMITTEE MEETING NOTICE AND BILL SPONSOR NOTIFICATION 2003-2004 SESSION

You are hereby	notified	that the	Committee on	Commerce wil	l meet as fo	ollows:
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DAY & DATE:	Wednesday, June 11, 2003						
TIME:	1:00 P M						
LOCATION:	ROOM 1228 LB						
The following bills	will be considered (Bill # & Short Title & Bill Sponsor):						
How everybody's rates are going up and why. David Clegg, Employment Security Commission							
	Respectfully, Representative Connie Wilson Chair						
I hereby certify this 1:00 on June 5, 200	notice was filed by the committee assistant at the following offices at 03.						
Principa Reading	l Clerk Clerk - House Chamber						
Chris Floyd (Comm	nittee Assistant)						

GENERAL ASSEMBLY OF NORTH CAROLINA **SESSION 2003**

H

HOUSE BILL 1165

(Public)

Sponsors:

Representative Stiller.

Short Title: Beach Preservation & Restoration Act.

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Referred to: Economic Growth and Community Development, favorable. Appropriations.

April 10, 2003

A BILL TO BE ENTITLED

AN ACT TO ACKNOWLEDGE STATE POLICY THAT BEACH PRESERVATION AND RESTORATION ARE IN THE PUBLIC INTEREST AND THAT WHERE **ENVIRONMENTALLY ECONOMICALLY** AND **JUSTIFIED** PRESERVATION AND RESTORATION CONSTITUTE A PUBLIC PURPOSE. TO ESTABLISH THE NORTH CAROLINA BEACH PRESERVATION AND RESTORATION COMMISSION. TO **ESTABLISH** THE **BEACH** PRESERVATION AND RESTORATION FUND, AND TO APPROPRIATE FUNDS TO THE BEACH PRESERVATION AND RESTORATION FUND.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 113 of the General Statutes is amended by adding a new Article to read:

"Article 29.

"Beach Preservation and Restoration.

"§ 113-420. Short title.

This Article shall be known and may be cited as the North Carolina Beach Preservation and Restoration Act.

"§ 113-421. Declaration of policy; purposes.

It is the policy of the State, in accordance with Article XIV, Section 5, of the North Carolina Constitution, that the beaches of the State are to be preserved as a part of our common natural heritage. Preservation of the beach enhances the environment of the coastal areas and barrier islands of the State providing habitat for nesting sea turtles and supporting a variety of bird and animal life. Preservation of the beach enhances and supports the tourism industry in the State, in particular the local economies of the coastal region. Preservation of the beach provides significant protection from storm and hurricane damage to property and infrastructure, particularly from storm surge. Preservation of the beach minimizes regulatory conflicts, loss of property value and local tax base, and ensures the long-term availability of public access to the beach.

Therefore, in accordance with the policy and import of preserving the State's sandy beaches, the General Assembly declares that the beaches of the State, and the public's right to access the beaches, must be protected.

Furthermore, the General Assembly recognizes that the beaches of the State are part of a dynamic coastal system and are constantly subject to the reshaping forces of wind, waves, and sea level rise. These natural forces have caused, and will continue to cause, serious erosion of the beaches of the State resulting in a grave threat to public property, private property, public infrastructure, the regional economy, public access, and the public's health, safety, and welfare. The General Assembly therefore declares that, in order to preserve the public's interest in the beaches of the State, it is necessary to establish policies and programs that provide for the preservation and restoration of the State's beaches.

The General Assembly further finds that it is in the public interest for the State to make provision for beach preservation and restoration projects where such projects are found to be economically, environmentally, and socially justified, and when so justified, beach preservation and restoration projects constitute a public purpose. In particular, beach nourishment, the replacement of sand from another sand source onto the beach, has been determined by coastal geologists, coastal engineers, and coastal managers to provide a reasonable and practicable response to the degradation of the beach and the threatened loss of property, public infrastructure, and public access caused by severe erosion. Other measures include the disposal of beach quality sand and material from inlet management projects and navigation improvement projects on adjacent eroded beaches where such disposal may be accomplished in a cost-effective manner.

It is the purpose of the General Assembly in enacting this Article to establish a separate State agency to be known as the North Carolina Beach Preservation and Restoration Commission. The function, purpose, and duty of the Commission shall be to assist local governments with beach assessments and in the development and implementation of beach preservation and beach restoration projects, to coordinate the activities and resources of federal, State, and local governments in the project process, to administer the laws relating to beach preservation and restoration, and to allocate available State funding to the end that there be a comprehensive, continuing, and economical program ensuring that the beaches of the State be preserved and restored.

"§ 113-422. Definitions.

The following definitions apply in this Article:

- (1) Beach. Ocean beaches.
- (2) Commission. North Carolina Beach Preservation and Restoration Commission established in G.S. 113-423.
- (3) Fund. The Beach Preservation and Restoration Fund created in G.S. 113-430.
- (4) <u>Local Government Unit. A county, city, town, incorporated village, or consolidated city-county, as defined by G.S. 160B-2(1).</u>
- (5) Preservation. Activities that address the conflict between beach movement and structures or infrastructure through the acquisition of land, the relocation of endangered structures, or similar measures that

1		allow for a natural beach that do not require shoreline stabilization
2		measures.
3	<u>(6)</u>	Public Beach Access The term includes handicapped access,
4		walk-overs to the beach, visitors facilities, parking, including off-site
5		parking with public transportation from the off-site parking location to
6		the beach, and public safety.
7	(7)	Restoration Activities that address the conflict between beach
8		movement and structures and infrastructure through engineering
9		functions such as beach nourishment or other innovative technologies
10		to create a stabilized shoreline or engineered beach.
11	" <u>§ 113-423.</u> N	orth Carolina Beach Preservation and Restoration Commission
12	<u>establ</u>	ished.
13	The North C	arolina Beach Preservation and Restoration Commission is established.
14	The Commission	n shall be an independent agency, located within the Department of
15	Environment and	1 Natural Resources for administrative purposes only.
16	" <u>§ 113-424. Ap</u>	pointment and terms of Commission members; filling of vacancies;
17	<u>per di</u>	em.
18	(a) Memb	ership The Commission shall be composed of nine members. Three
19		e appointed by the Governor, three by the General Assembly upon the
20	recommendation	of the Speaker of the House of Representatives, and three by the
21	General Assemb	ply upon the recommendation of the President Pro Tempore of the
22		rdance with G.S. 120-121. Of the members appointed upon the
23	recommendation	of the Speaker of the House and upon the recommendation of the
24	President Pro To	empore of the Senate, at least one of each shall be a member of the
25		which the largest minority of the members of the General Assembly
26	belong.	
27		f Commission member is declared to be an office that may be held
28		th any other executive or appointive office, under the authority of
29		on 9, of the North Carolina Constitution.
30		ications for Membership Of the nine members appointed to the
31		ir persons shall be knowledgeable in one of each of the areas listed in
32		through (4) of this subsection. The remaining five persons shall be
33	at-large members	
34	<u>(1)</u>	Beach erosion control and management strategies.
35	<u>(2)</u>	Coastal wildlife and fisheries habitats and resources.
36	<u>(3)</u>	Environmental management.
37	(4)	Travel and tourism economics.
38		em and Travel Expenses Members of the Commission shall receive
39		necessary travel and subsistence expenses in accordance with the
40		S. 138-5 or G.S. 138-6 as the case may be, which shall be paid from the
41	Beach Preservati	on and Restoration Fund.

Initial Appointments and Terms of Office. - Each appointing officer shall

designate one of the officer's initial appointments to serve two-year terms, one to serve

four-year terms, and one to serve six-year terms. Thereafter, all appointments shall be

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for four years, subject to reappointment. All initial appointments shall be made on or before January 1, 2004.

All members appointed by the Governor serve at the pleasure of the Governor who appointed them, and they may be removed by that Governor at anytime. A successor to the appointing Governor may remove a Commission member only for cause as provided in G.S. 143B-13. Members appointed by the General Assembly serve at the pleasure of that body and may be removed by law at anytime. In the event that a Commission member is removed, the member appointed to replace the removed member shall serve only for the unexpired term of the removed member.

(e) Vacancies. – If a vacancy occurs, other than by the expiration of term, of a member subject to appointment by the General Assembly upon the recommendation of the Speaker of the House of Representatives or the President Pro Tempore of the Senate, the vacancy shall be filled in accordance with G.S. 120-122. If a vacancy occurs, other than by the expiration of term, of a member appointed by the Governor, then the Governor shall appoint a new member in the original manner. Appointment of a member to fill a vacancy under this subsection shall be for the balance of the unexpired term of office.

The Governor shall have the power to remove any member of the Commission from office for misfeasance, malfeasance, or nonfeasance.

"§ 113-425. Organization of the Commission; election of officers, Robert's Rules of Order.

The Commission shall hold at least four meetings annually, with one in January and one in July. Five members of the Commission shall constitute a quorum for the transaction of business. Additional meetings may be held at any other times within the State as may be deemed necessary for the efficient transaction of the business of the Commission. The Commission may hold additional or special meetings at any time at the call of the chair or on call of any five members of the Commission. The Commission shall determine its own organization and methods of procedure in accordance with the provisions of this Article.

At the first scheduled meeting of the Commission after January 1, 2004, and on July 1 of each odd-numbered year thereafter, the Commission shall select from among its membership a chair and a vice-chair who shall serve for terms of two years or until their successors are elected and qualified. The Secretary of Environment and Natural Resources or the Secretary's designee shall serve as secretary of the Commission.

The chair shall guide and coordinate the official actions and official activities of the Board in fulfilling its program responsibility for (i) the appointment and separation of the executive director of the Commission, (ii) organizing the personnel of the Commission, (iii) setting the statewide policy of the Commission, (iv) budgeting and planning the use of the Beach Preservation and Restoration Fund, subject to the approval of the General Assembly, (v) holding public hearings, and (vi) adopting rules as authorized by law.

The chair shall report to and advise the Governor on the official actions and work of the Commission and on all beach preservation and restoration matters that affect the interest of the people of the State.

Meetings of the Commission shall be conducted pursuant to Robert's Rules of Order. "§ 113-426. Location of offices.

The Board of Public Buildings and Grounds shall provide the Commission with offices in the city of Raleigh, North Carolina.

"§ 113-427. Executive Director; appointment, qualifications, and duties.

The Commission, as soon as practicable after its organization, shall select and appoint a competent person as Executive Director of the North Carolina Beach Preservation and Restoration Commission. The Executive Director shall be charged with the supervision of all activities under the jurisdiction of the Commission and shall serve as the chief administrative officer of the Commission. Subject to the approval of the Commission and the Director of the Budget, the Executive Director may employ professional, technical, and clerical personnel as deemed necessary.

The person selected as Executive Director shall have had training and experience in beach preservation and restoration. The salary of the Executive Director shall be fixed by the Commission, in an amount at least equal to the salary of the Director of the Division of Coastal Management. The Executive Director shall be allowed actual expenses incurred while on official duties away from resident headquarters. The salary and expenses of the Executive Director shall be paid from the North Carolina Beach Preservation and Restoration Fund established by G.S. 113-430, subject to the provisions of the Executive Budget Act. The term of office of the Executive Director shall be at the pleasure of the Commission.

"§ 113-428. Powers and duties of Commission.

The Commission shall have the following powers and duties under this Article:

- (1) To prepare or cause to be prepared a study of the economic impact of the beaches on the economies of the beach counties, the coastal region, and on the State as a whole, and the economic impact of beach restoration and beach nourishment projects on those economies.
- (2) To compile, maintain, and update a compendium of alternative State and local government sources of funding for beach preservation and restoration activities.
- (3) To develop a State plan and strategy for beach preservation and beach restoration as provided in G.S. 113-429.
- (4) To administer the North Carolina Beach Preservation and Restoration Fund created pursuant to G.S. 113-430 and to accept for the Fund any gifts, grants, and donations made for the purposes of this Article.
- (5) To provide local governments with technical assistance in evaluating beach access needs and erosion problems and in developing and implementing public beach access, beach preservation, and beach restoration plans.
- (6) To coordinate the activities of State, federal, and local governments and private organizations in developing and implementing public beach access, beach preservation, and beach restoration projects.

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1	. (7)	To enter into cooperative agreements pertaining to the preservation
2		and restoration of the beaches of the State with federal, State, and
3		other agencies, or governmental subdivisions.
4	(8)	To review existing and proposed State laws and rules affecting public
5		beach access, beach preservation, and beach restoration, and to
6		evaluate whether any modifications of the laws and rules would be in
7 .		the public interest.
8	(9)	To review and evaluate changes in the federal laws and programs
9		regarding beach preservation and beach restoration, and advances in
10		available technology affecting beach preservation and beach
11		restoration to determine whether the laws of the State and any
12		implementing rules need modification as a result of the changes in
13	e de	federal law or advances in technology.
14	(10)	To call on State agencies, local government units, and State
15	····	educational institutions to provide the Commission with information
16	e en en en en en en en en en en en en en	necessary for it to fulfill its duties under this Article.
17	<u></u>	
18		for consulting and other services as necessary to implement this
19		Article.
20	<u>(12)</u>	To make reports, including recommended legislation, to the General
21		Assembly from time to time on any matter relating to the powers and
22		duties of the Commission.
23	(13)	To develop and adopt rules as necessary to implement the provisions
24		of this Article.
25		ach preservation and management plan.
26	<u>(a)</u> <u>Plan.</u>	- The Commission shall develop and implement a multiyear plan and
27	strategy to pres	serve, restore, and manage the beaches of the State. The plan to be
28		e Commission shall do all of the following:
29	. (1)	Utilize the data and expertise available in the Divisions of Water
30		Resources, Coastal Management, and Land Resources.
31	(2)	Identify the erosion rate at each beach community and estimate the
32		degree of vulnerability to storm and hurricane damage.
33	<u>(3)</u>	Use the best available geological and geographical information to
34		determine the need for and probable effectiveness of beach
35	Z 43	nourishment.
36	(4)	Provide for coordination with the U.S. Army Corps of Engineers, the
37	,	North Carolina Department of Transportation, the North Carolina
8		Division of Emergency Management, and other State and federal
9		agencies concerned with beach preservation and beach restoration
l0	(F)	issues.
1	<u>(5)</u>	Provide a status report on all U.S. Army Corps of Engineers' beach

42

protection projects in the planning, construction, or operational stages.

GENERAL ASSEMBLY OF NORTH CAROLINA

1	<u>(6)</u>	Make maximum feasible use of suitable sand dredged from navigation
2	•	channels for beach nourishment to avoid the loss of this resource and
3		to reduce equipment mobilization costs.
4	<u>(7)</u>	Promote inlet sand bypassing where needed to replicate the natura
5		flow of sand interrupted by inlets.
6	(8)	Provide for geological assessments to locate suitable materials for
7		beach nourishment.
8	<u>(9)</u>	Consider the regional context of beach communities to determine the
9	,	most cost-effective approach to beach preservation and beach
10		restoration.
11	<u>(10)</u>	Provide for and require adequate public beach access and projec
12		additional public access needs based on significant increases in the
13		State's population and the increased use of public access.
14	<u>(11)</u>	Recommend priorities or State funding for beach nourishment projects
15		based on the amount of erosion occurring, the potential damage to
16		property and to the economy, the benefits for recreation and tourism
17		the adequacy of public access, the availability of local governmen
18		matching funds, the status of project planning, the adequacy of project
19		engineering, the cost-effectiveness of the project, and the
20		environmental impacts.
21	(12)	Include recommendations on obtaining the maximum available federa
22		financial assistance for beach preservation and beach restoration.
23	(13)	Be subject to a public hearing to receive citizen input.
24	(b) Initial	Plan Date and Revised Plan Dates The Commission shall submit the
25	initial plan to th	e General Assembly by July 1, 2005. The Commission shall revise the
26 ·	plan every two y	years and shall submit the revised plan to the General Assembly no late
27	than March 1 of	each odd-numbered year. The Commission may issue a supplement to
28	the plan in even-	numbered years if significant new information becomes available.
29	" <u>§ 113-430. No</u>	rth Carolina Beach Preservation and Restoration Fund.
30	(a) Fund	Established There is established the North Carolina Beach
31		d Restoration Fund in the State Treasurer's Office that shall be used to
32	provide grants t	o beach communities for public beach access, beach preservation, and
33	beach restoration	n in accordance with this Article.
34	<u>(b)</u> No C	Frants for Local Government Portion of Nonfederal Cost-Share o
35		d Beach Nourishment Projects. – Notwithstanding subsection (a) of this
36		t shall be awarded or used for a local government unit's portion of the
37		share of a federally funded beach nourishment project.
38		Earnings, Assets, and Balances The State Treasurer shall hold the
39		and apart from all other moneys, funds, and accounts. Investmen
40		d to the assets of the Fund shall become part of the Fund. Any balance
41		Fund at the end of any fiscal year shall be carried forward in the Fund
42		ng fiscal year. Payments from the Fund shall be made on the warrant o
43	the chair of the l	North Carolina Beach Preservation and Restoration Commission.

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- (d) Eligibility for Grants. Any local government unit or other political subdivision of the State or a combination of the entities is eligible to apply for a grant from the Fund for the purpose of public beach access, beach preservation, or beach restoration.
- (e) Grant Matching Requirement. The Commission shall establish matching requirements for grants awarded under this Article. The Commission shall require a match of up to ten percent (10%) of the amount of the grant awarded.
- (f) Allocate Grant Funds. The Commission shall allocate moneys from the Fund as grants. A grant may be awarded only for a project or activity that satisfies the criteria and furthers the purposes of this Article.
- (g) <u>Develop Grant Criteria</u>. <u>The Commission shall develop criteria for awarding grants under this Article</u>. The criteria developed shall include the following:
 - (1) The significant preservation or restoration of the beaches in the State.
 - (2) The specific areas targeted as being in need of beach preservation or restoration, particularly beach nourishment.
 - (3) The geographic distribution of funds as appropriate.
 - (4) The significant recreational or economic value and uses of the area.
 - (5) The availability of public access.
 - (6) The application for a beach preservation or restoration project shall have complete planning and design work adequate to provide project specification, cost estimates, reviews of environmental impacts, and estimation of benefits. The Board may make grants to potential applicants of up to fifty percent (50%) of the cost of the necessary planning and design work to prepare applications.
- (h) Private Contributions Are Tax Deductible. Private gifts, grants, and donations to the Fund are tax deductible as provided in Chapter 105 of the General Statutes.
- (i) <u>Develop Additional Guidelines. The Commission may develop guidelines in addition to the grant criteria consistent with and as necessary to implement this Article.</u>

"§ 113-431. Jurisdictional questions.

In the event of any questions arising between the Department of Environment and Natural Resources and the North Carolina Beach Preservation and Restoration Commission as to any duty or responsibility or authority imposed upon either of the bodies by law, or in case of any conflicting rules or administrative practices adopted by the bodies, such questions or matters shall be determined by the Governor and the Governor's determination shall be binding on each of the bodies."

SECTION 2. There is appropriated from the General Fund to the North Carolina Beach Preservation and Restoration Fund the sum of one million dollars (\$1,000,000) for the 2003-2004 fiscal year and the sum of two million dollars (\$2,000,000) for the 2004-2005 fiscal year to be used in accordance with G.S. 113-430. It is the intent of the General Assembly that funds be appropriated to the North Carolina Beach Preservation and Restoration Fund on a continuing basis and that funds be

appropriated as follows in each of the subsequent fiscal years:

$\frac{\mathbf{G}}{\mathbf{G}}$	ENERAL ASSEMBLY OF NOI	SESSION 2003				
1	Amount	Fiscal Year				
2	\$ 4,000,000	2004-2005		•		
3	\$ 8,000,000	2005-2006		٠		
4	\$12,000,000	2006-2007	and	each	fiscal	year
5		thereafter.				•
6	SECTION 3 This act he	comes effective July 1	2003			

NORTH CAROLINA PRELIMINARY CIVILIAN LABOR FORCE ESTIMATES*

Preliminary Data for April 2003

Trommany bata for April 2000									
unty	Labor Force	Employment	Unemployment	Rate	County	Labor Force	Employment	Unemployment	Rate
STATEWIDE	4,154,970	3,900,802	254,168	6.1	•				
ALAMANCE	72,429	67,302	5,127	7.1	JOHNSTON	68,691	65,447	3,244	4.7
ALEXANDER	17,228	15,908	1,320	7.7	JONES	4,825	4,535	290	6.0
ALLEGHANY	4,754	4,210	544	11.4	LEE	26,582	24,655	1,927	7.2
ANSON	10,878	9,825	1,053	9.7	LENOIR	29,330	27,163	2,167	7.4
ASHE	11,659	10,762	897	7.7	LINCOLN	35,955	33,455	2,500	7.0
AVERY	7,763	7,353	410	5.3	MACON	15,463	14,875	588	3.8
BEAUFORT	18,368	16,506	1,862	10.1	MADISON	9,396	9,033	363	3.9
BERTIE	7,966	7,418	548	6.9	MARTIN	11,135	10,332	803	7.2
BLADEN	19,792	18,615	1,177	5.9	MCDOWELL	16,231	14,788	1,443	8.9
BRUNSWICK	36,817	34,565	2,252	6.1	MECKLENBURG	412,544	390,124	22,420	5.4
BUNCOMBE	107,621	103,416	4,205	3.9	MITCHELL	6,470	5,917	553	8.5
BURKE	42,835	39,615	3,220	7.5	MONTGOMERY	12,605	11,284	1,321	10.5
CABARRUS	75,098	70,757	4,341	5.8	MOORE	31,585	29,457	2,128	6.7
CALDWELL	38,790	35,642	3,148	8.1	NASH	43,328	40,031	3,297	7.6
CAMDEN	3,543	3,461	82	2.3	NEW HANOVER	88,307	83,829	4,478	5.1
CARTERET	28,454	27,163	1,291	4.5	NORTHAMPTON	7,993	7,291	702	
CASWELL	12,289	11,376	913	7.4	ONSLOW	51,187	48,271	2,916	5.7
CATAWBA	76,265	69,819	6,446	8.5	ORANGE	66,369	64,552	1,817	2.7
CHATHAM	29,216	27,742	1,474	5.0	PAMLICO	5,637	5,365	272	4.8
CHEROKEE	10,286	9,416	870	8.5	PASQUOTANK	16,000	15,348	652	4.1
CHOWAN	6,491	6,179	312	4.8	PENDER	18,603	17,270	1,333	7.2
CLAY	3,619	3,465	154	4.3	PERQUIMANS	5,217	5,032	185	3.5
CLAND	42,962	38,686	4,276	10.0	PERSON	16,697	15,099	1,598	9.6
COBUS	21,761	19,986	1,775	8.2	PITT	73,252	68,682	4,570	6.2
CRAVEN	37,182	35,018	2,164	5.8	POLK	8,278	8,018	260	3.1
CUMBERLAND	128,306	121,770	6,536	5.1	RANDOLPH	74,194	69,859	4,335	5.8
CURRITUCK	10,083	9,823	260	2.6	RICHMOND	19,003	16,920	2,083	11.0
DARE	21,069	20,211	858	4.1	ROBESON	48,997	44,364	4,633	9.5
DAVIDSON	82,011	76,705	5,306	6.5	ROCKINGHAM	45,423	41,492	3,931	8.7
DAVIE	19,100	18,043	1,057	5.5	ROWAN	68,894	64,810	4,084	5.9
DUPLIN	22,829	21,137	1,692	7.4	RUTHERFORD	27,671	25,432	2,239	8.1
DURHAM	126,885	120,336	6,549	5.2	SAMPSON	25,122	23,518	1,604	6.4
EDGECOMBE	25,781	22,876	2,905		SCOTLAND.	18,840	16,799	2,041	
FORSYTH	158,879	151,034	7,845	4.9	STANLY	25,269	23,054	2,215	8.8
FRANKLIN	24,955	23,515	1,440	5.8	STOKES	23,425	21,978	1,447	6.2
GASTON	104,112	96,946	7,166	6.9	SURRY	33,269	30,288	2,981	9.0
GATES	4,472	4,357	115	2.6	SWAIN	7,115	6,528	587	8.3
GRAHAM	4,121	3,739	382	9.3	TRANSYLVANIA	11,541	10,371	1,170	10.1
GRANVILLE	26,732	24,887	1,845	6.9	TYRRELL	2,217	1,937	280	12.6
GREENE	9,280	8,722	558	6.0	UNION	71,678	68,173	3,505	4.9
GUILFORD	232,287	219,133	13,154	5.7	VANCE	18,453	16,098	2,355	12.8
HALIFAX	21,069	19,172	1,897	9.0	WAKE	387,243	369,149	18,094	4.7
HARNETT	36,995	34,299	2,696	7.3	WARREN	6,805	6,160	645	9.5
HAYWOOD	23,397	22,040	1,357	5.8	WASHINGTON	5,806	5,330	476	8.2
HENDERSON	42,032	40,111	1,921	4.6	WATAUGA	24,663	23,979	684	2.8
HERTFORD	11,830	11,373	457	3.9	WAYNE	51,895	49,046	2,849	5.5
HOKE	13,195	11,905	1,290	9.8	WILKES	32,144	29,765	2,379	7.4
HY	2,769	2,582	187	6.8	WILSON	38,934	35,203	3,731	9.6
IR.	66,292	62,002	4,290	6.5	YADKIN	18,738	17,569	1,169	6.2
JACKSON	17,948	17,248	700	3.9	YANCEY	5,453	4,956	497	9.1
*Not Seasonally Adju		11,270		J.J	77 H V E I	0,700	-1,000	701	J. 1
Table of the state				•					

MSA AND LMA PRELIMINARY CIVILIAN LABOR FORCE ESTIMATES*

Preliminary Data for April 2003

Metropolitan Statistical Area	Labor Force	Employment	Unemployment	Rate
ASHEVILLE MSA	117,017	112,449	4,568	3.9
CHARLOTTE-GASTONIA-ROCK HILL NC/SC MSA	862,608	812,605	50,003	5.8
FAYETTEVILLE MSA	128,306	121,770	6,536	5.1
GOLDSBORO MSA	51,895	49,046	2,849	5.5
GREENSBORO-WINSTON SALEM-HIGH POINT MSA	681,064	641,624	39,440	5.8
GREENVILLE MSA	73,252	68,682	4,570	6.2
HICKORY-MORGANTON-LENOIR MSA	175,117	160,983	14,134	8.1
JACKSONVILLE MSA	51,187	48,271	2,916	5.7
RALEIGH-DURHAM-CHAPEL HILL MSA	703,358	670,741	32,617	4.6
ROCKY MOUNT MSA	69,109	62,907	6,202	9.0
WILMINGTON MSA	125,124	118,394	6,730	5.4
Labor Market Area	Labor Force	Employment	Unemployment	Rate
ELIZABETH CITY-HERTFORD LMA	24,761	23,841	920	3.7
HENDERSON-WARRENTON LMA	25,258	22,258	3,000	11.9
KINSTON-NEW BERN LMA	114,709	107,966	6,743	5.9
MURPHY LMA	13,905	12,881	1,024	7.4
NAGS HEAD LMA	23,286	22,148	1,138	4.9
ROANOKE RAPIDS LMA	29,062	26,463	2,599	8.9
SOUTHERN PINES-RAEFORD LMA	44,780	41,362	3,418	7.6

Employment Security Commission of North Carolina Labor Market Information Division Local Area Unemployment Statistics (919)733-2936

^{*}Not Seasonally Adjusted

NORTH CAROLINA CIVILIAN LABOR FORCE ESTIMATES*

Revised Data for March 2003

Revised Data for March 2003									
unty	Labor Force 4,130,022	Employment 3,877,395	Unemployment 252,627	Rate 6.1	County	Labor Force	Employment	Unemployment	Rate
ALAMANCE	71,818	67,029	4,789	6.7	JOHNSTON	68,194	65,124	3,070	4.5
ALEXANDER	17,185	15,939	1,246	7.3	JONES	4,743	4,468	275	5.8
ALLEGHANY	4,700	4,152	548	11.7	LEE	26,706	24,800	1,906	7.1
	10,770	9,787	983	9.1.	LENOIR	28,758	26,765	1,993	6.9
ANSON		•	977	8.4	LINCOLN	35,738	33,331	2,407	6.7
ASHE	11,564	10,587				•	14,273	2,407 694	4.6
AVERY	7,703	7,333	370	4.8	MACON	14,967	8,987	462	4.9
BEAUFORT	18,204	16,389	1,815	10.0	MADISON	9,449			
BERTIE	8,003	7,438	565	7.1	MARTIN	11,158	10,340	818	7.3
BLADEN	19,713	18,474	1,239	6.3	MCDOWELL	16,228	14,721	1,507	9.3
BRUNSWICK	36,240	34,028	2,212	6.1	MECKLENBURG	410,963	388,680	22,283	5.4
BUNCOMBE	107,016	102,893	4,123	3.9	MITCHELL	6,625	5,958	667	10.1
BURKE	42,835	39,693	3,142	7.3	MONTGOMERY	12,590	11,310	1,280	10.2
CABARRUS	74,550	70,496	4,054	5.4	MOORE	31,248	29,077	2,171	6.9
CALDWELL	38,760	35,712	3,048	7.9	NASH	43,285	40,034	3,251	7.5
CAMDEN	3,585	3,438	147	4.1	NEW HANOVER	87,191	82,529	4,662	5.3
CARTERET	28,441	26,765	1,676	5.9	NORTHAMPTON	7,974	7,261	713	8.9
CASWELL	12,237	11,413	824	6.7	ONSLOW	50,616	47,688	2,928	5.8
CATAWBA	76,338	69,956	6,382	8.4	ORANGE	66,110	64,233	1,877	2.8
CHATHAM	29,118	27,604	1,514	5.2	PAMLICO.	5,518	5,286	232	4.2
CHEROKEE	. 10,173	9,312	861	8.5	PASQUOTANK	15,929	15,245	684	4.3
CHOWAN	6,489	6,171	318	4.9	PENDER	18,344	16,889	1,455	7.9
CLAY	3,580	3,427	153	4.3	PERQUIMANS	5,194	4,999	195	3.8
CLAND	42,512	38,398	4,114	9.7	PERSON	16,522	15,052	1,470	8.9
CCABUS	21,626	19,869	1,757	8.1	PITT	72,518	68,035	4,483	6.2
CRAVEN	36,420	34,505	1,915	5.3	POLK	8,358	8,077	281	3.4
CUMBERLAND	127,278	120,430	6,848	5.4	RANDOLPH	73,839	69,576	4,263	5.8
CURRITUCK	10,123	9,748	375	3.7	RICHMOND	19,010	16,883	2,127	11.2
DARE	19,725	18,097	1,628	8.3	ROBESON	49,080	44,365	4,715	9.6
DAVIDSON	81,296	76,394	4,902	6.0	ROCKINGHAM	45,160	41,534	3,626	8.0
DAVIE	19,143	17,970	1,173	6.1	ROWAN	68,517	64,571	3,946	5.8
DUPLIN	22,830	21,305	1,525	6.7	RUTHERFORD	27,632	25,414	2,218	8.0
DURHAM	126,116	119,741	6,375	5.1	SAMPSON	25,047	23,407	1,640	6.5
EDGECOMBE	25,809	22,877	2,932	11.4	SCOTLAND	19,095	16,975	2,120	11.1
FORSYTH	158,288	150,422	7,866	5.0	STANLY	25,092	22,946	2,146	8.6
FRANKLIN	24,760	23,399	1,361	5.5	STOKES	23,248	21,889	1,359	5.8
GASTON	103,825	96,588	7,237	7.0	SURRY	33,017	29,995	3,022	9.2
GATES	4,442	4,327	115	2.6	SWAIN	7,123	6,262	861	12.1
GRAHAM	4,045	3,648	397	9.8	TRANSYLVANIA	11,390	10,152	1,238	10.9
GRANVILLE	26,777	25,104	1,673	6.2	TYRRELL	2,020	1,734	286	14.2
GREENE	9,109	8,594	515	5.7	UNION	71,351	67,921	3,430	4.8
GUILFORD	231,228	218,245	12,983	5.6	VANCE	18,295	16,311	1,984	10.8
HALIFAX	21,054	19,093	1,961	9.3	WAKE	385,589	367,323	18,266	4.7
HARNETT	36,860	34,175	2,685	7.3	WARREN	6,847	6,242	605	8.8
HAYWOOD	23,056	21,570	1,486	6.4	WASHINGTON	5,872	5,291	581	9.9
HENDERSON	41,278	39,623	1,655	4.0	WATAUGA	24,448	23,758	690	2.8
HERTFORD	11,733	11,259	474	4.0	WAYNE	51,832	49,025	2,807	5.4
HOKE	13,009	11,752	1,257	9.7	WILKES	31,981	29,627	2,354	7.4
HY	2,742	2,479	263	9.6	WILSON	38,082	34,800	3,282	8.6
IR	65,807	61,691	4,116	6.3	YADKIN	18,656	17,498	1,158	6.2
JACKSON	17,589	16,577	1,012	5.8	YANCEY	5,369	4,816	553	
*Not Seasonally Adia			1,012	3.5	.,	0,000	1,010	000	. 5.5

^{*}Not Seasonally Adjusted

MSA AND LMA CIVILIAN LABOR FORCE ESTIMATES*

Revised Data for March 2003

Metropolitan Statistical Area	Labor Force	Employment	Unemployment	Rate
ASHEVILLE MSA	116,465	111,880	4,585	3.9
CHARLOTTE-GASTONIA-ROCK HILL NC/SC MSA	859,084	809,293	49,791	5.8
FAYETTEVILLE MSA	127,278	120,430	6,848	5.4
GOLDSBORO MSA	51,832	49,025	2,807	5.4
GREENSBORO-WINSTON SALEM-HIGH POINT MSA	677,517	639,024	38,493	5.7
GREENVILLE MSA	72,518	68,035	4,483	6.2
HICKORY-MORGANTON-LENOIR MSA	175,118	161,300	13,818	7.9
JACKSONVILLE MSA	50,616	47,688	2,928	5.8
RALEIGH-DURHAM-CHAPEL HILL MSA	699,886	667,424	32,462	4.6
ROCKY MOUNT MSA	69,094	62,911	6,183	8.9
WILMINGTON MSA	123,431	116,557	6,874	5.6
Labor Market Area	Labor Force	Employment	Unemployment	Rate
ELIZABETH CITY-HERTFORD LMA	24,707	23,682	1,025	4.1
HENDERSON-WARRENTON LMA	25,142	22,553	2,589	10.3
KINSTON-NEW BERN LMA	112,990	106,384	6,606	5.8
MURPHY LMA	13,753	12,739	1,014	7.4
NAGS HEAD LMA	21,745	19,831	1,914	8.8
ROANOKE RAPIDS LMA	29,028	26,354	2,674	9.2
SOUTHERN PINES-RAEFORD LMA	44,257	40,829	3,428	7.7

^{*}Not Seasonally Adjusted

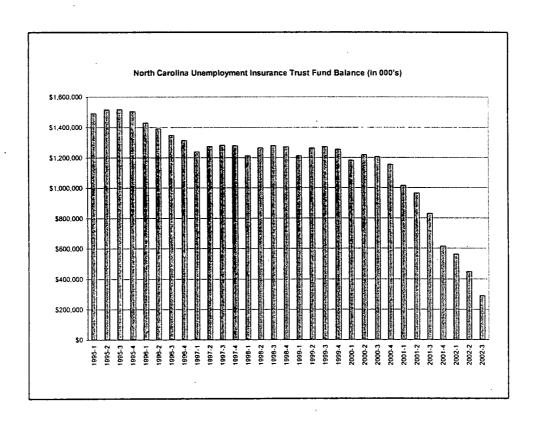
Employment Security Commission of North Carolina Labor Market Information Division Local Area Unemployment Statistics (919)733-2936

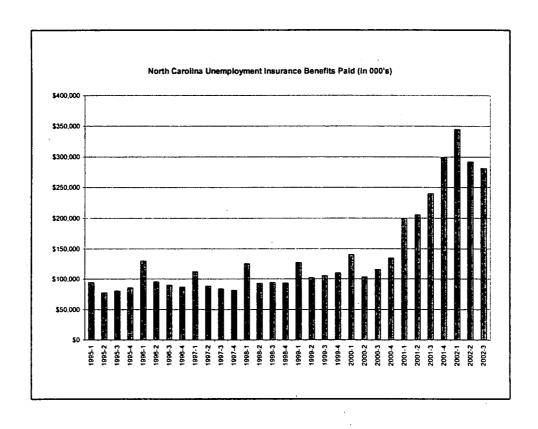
UNEMPLOYMENT INSURANCE TAX POLICY CONSIDERATIONS

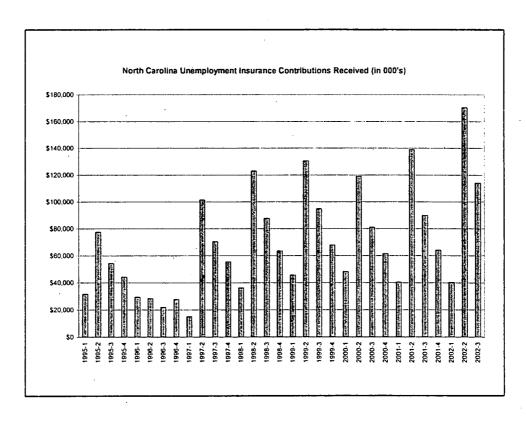
Presentation to the House Committee on Commerce 6/11/03

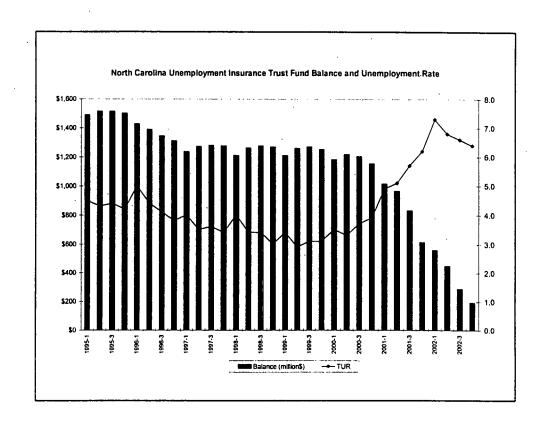
Harry E, Payne, Jr. Chairman

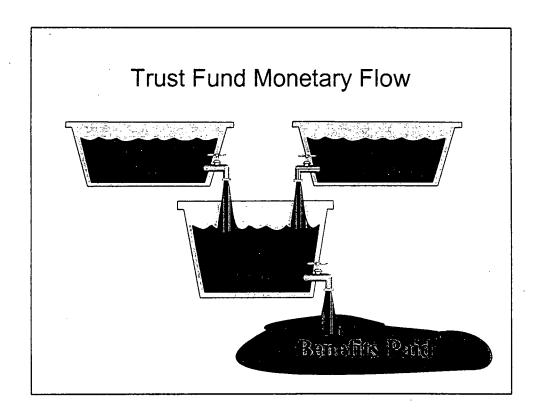
David L. Clegg Deputy Chairman North Carolina Employment Security Commission

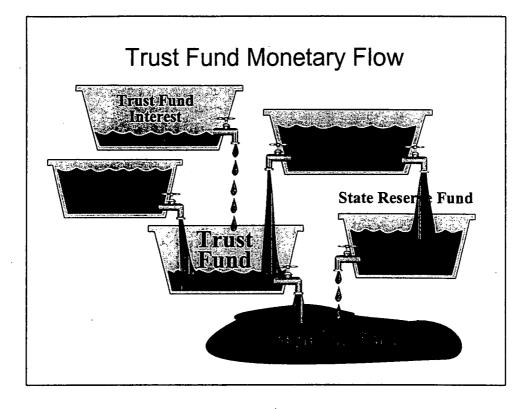












Unemployment Insurance Trust Fund: Recent Changes in North Carolina Employment Security Law

- Changes affective January 1, 1993
 The standard contribution rate for new accounts reduced from 2.7 percent to 2.25 percent.
 The contribution rate for positive-rated accounts was reduced by 30 percent, beginning April 1, 1993.
 Changes effective January 1, 1994
 The standard contribution rate for new accounts reduced from 2.25 percent to 1.8 percent.

- The rate for positive-rated accounts was reduced by 50 percent in any year in which the trust fund balance on the previous computation date was \$800 million or more.
- traite was about million or more.

 Changes effective January 1, 1995
 The rate for positive-rated accounts was reduced by 50 percent in any year in which the trust fund balance on the previous computation date was \$800 million or more and fund ratio was less than 5.0 percent. The rate for positive-rated accounts was reduced by 60 percent in any year in which the trust fund balance on the previous computation date was \$800 million or more and fund ratio was 5.0 percent or more.
- Accounts with a reserve ratio of 5.0 percent or more receive a zero rate. (Prior to this change, the lowest rate was 0.01 percent, and it applied to accounts with a credit ratio of 6.2 percent or more.)

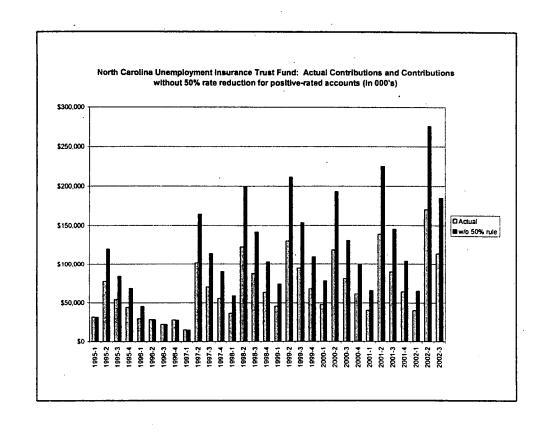
 The method of calculating taxable wages was changed to reduce taxable wages as a share of total wages. The taxable wage base is the greater of the federally required taxable wage base (\$7.000 or the average annual insured war multiplied by 50 percent, and rounded to the near of the federally required taxable wage base (\$7.000 or the average annual insured war multiplied by 50 percent, and rounded to the near of the federal multiplied by 50. The above multiplied reduced from 50 percent to 50 percent.
- Changes effective January 1, 1996

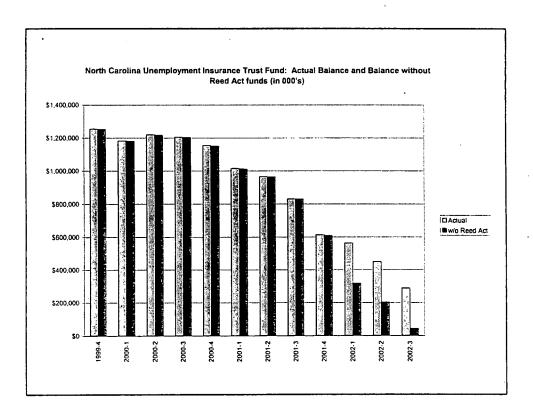
 1. All positive-rated accounts received a one-time zero rate for calendar year 1996.

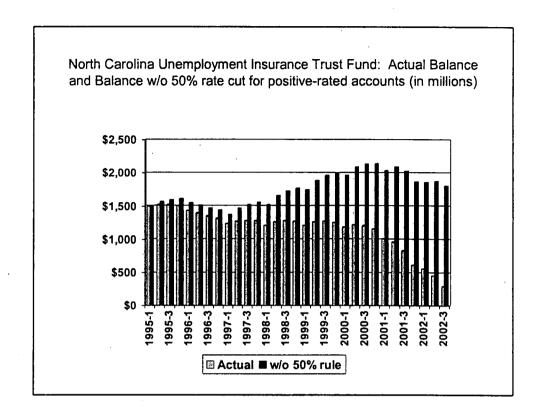
 2. The standard contribution rate for new accounts reduced from 1.8 percent to 1.2 percent.

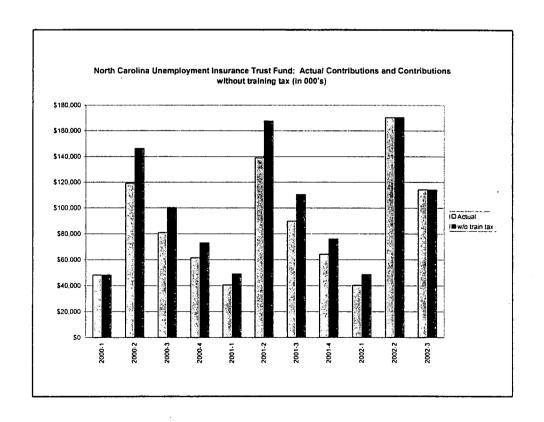
- 2. The standard contribution rate for new accounts reduced from 1.8 percent to 1.2 percent. Changes effective January 1, 2000.
 All UI contribution rates were reduced by 20 percent for calendar years 2000 and 2001. (The maximum combined UI plus training rate was set at 5.7 percent. Thus if 20% of the UI rate would result in a combined or rate was set at 5.7 percent. Thus if 20% of the UI rate would result in a combined rate above 5.7 percent, then that account paid a training rate that, when combined with the UI rate, would not exceed 5.7 percent.)
 Accounts with a reserve ratio of 4.0 percent or more received a zero rate. (Prior to this change, accounts with a reserve ratio of 5.0 percent or more received a zero rate). This was a permanent change; it has no sunset provision.
 Changes effective January 1, 2002
 All UI contribution rates are reduced by 20 percent and all UI accounts pay a 20 percent training tax (based on the reduced UI rate) if the

- All UI contribution rates are reduced by 20 percent and all UI accounts pay a 20 percent training tax (based on the reduced UI rate) if the computation balance in the prior year is more than \$500 million and the total unemployment rate is not above 4.3 percent at any time over the 12 months prior to the computation date. If the latter conditions are not met, then the training tax does not apply and all accounts pay their regular UI contribution rates. This is in effect through December 31, 2005. The maximum balanced UI puts training rate was set at 5.7 percent. Thus if 20% of the UI rate would result in a combined with the UI rate, would not exceed 5.7 percent.)









Calculating a Credit/Debit Ratio:

Computation Date is August 1 of every year

Total taxable payroll for the 3 year period prior to August 1 divided by the balance in the employers account on July 31.

Example: Employer X has a balance of \$3,000 on August 1, 2001and \$500 in benefits have been charged to his account, and \$400 in contributions have been paid since August 1, 2001. If the employer has paid \$1 million in taxable payroll since July 31, 1999, then:

August 1, 2001 balance

\$3,000.00

Contributions for year \$400.00

Benefits Paid

\$500.00

July 31, 2002 balance

\$2,900.00

Taxable payroli since July 31, 1999

\$1,000,000.00 \$2,900.00

0.29%

So the employer would pay 2.7% (Schedule A) on UI Tax.

FUND RATIO CALCULATION 2003

Trust Fund Balance (July 31, 2002)

\$381,379,683.80

Taxable Payroll (July 1, 2001 – June 30, 2002)

\$44,205,833,636.05

Fund Ratio:

0.8627%

When the Fund Ratio Is:

Applicable		
As Much As	But Less	Than
Schedule		
	2.0%	Α
2.0%	3.0%	В
3.0%	4.0%	С
4.0%	5.0%	D
5.0%	6.0%	Ε
6.0%	7.0%	F
7.0%	8.0%	G
8.0%	9.0%	н
9.0% and in exces	s thereof	1

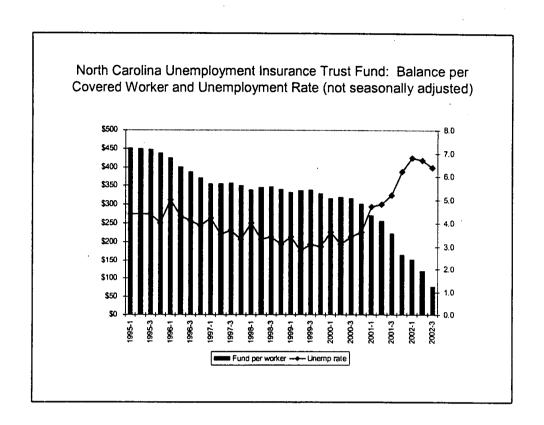
Schedule Changes

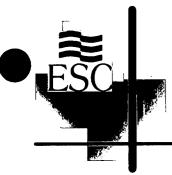
 Year
 Schedule

 1997 - 2000
 C

 2001 - 2002
 B

 2003
 A





As of June 9, 2003

Chairman's Monthly Employment Review



Photo Courtesy of NC Division of Tourism, Film and Sports Development



Prepared by Labor Market Information Division Employment Security Commission of North Carolina

*This report contains the most current data available for each program.

Employment Figures for the United States and North Carolina

(Numbers in thousands)

United States

Seasonal	lv /	Adi	usted	ď
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	May ^P	April ^R	March ^R	February ^R	May ^R
	2003	2003	2003	2003	2002
Civilian Labor Force Employed	146,485	146,473	145,793	145,857	144,911
	137,487	137,687	137,348	137,408	136,487
Unemployed	8,998	8,786	8,445	8,450	8,424
Unemployment Rate	6.1	6.0	5.8	5.8	5.8

Not Seasonally Adjusted

	May [₽]	April ^R	March ^R	February ^R	May ^R
	2003	2003	2003	2003	2002
Civilian Labor Force	146,067	145,925	145,801	145,693	144,527
Employed	137,567	137,424	136,783	136,433	136,559
Unemployed	8,500	8,501	9,018	9,260	7,969
Unemployment Rate	5.8	5.8	6.2	6.4	5.5

North Carolina

Seasonally Adjusted

	April ^P	March ^P	February ^R	January ^R	April ^R
	2003	2003	2003	2003	2002
Civilian Labor Force	4,173 3,905	4,155 3.905	4,152 3,910	4,170	4,189
Employed	3, 9 03	3,905	3,910	3,918	3,899
Unemployed	269	250	241	252	290
Unemployment Rate	6.4	6.0	5.8	6.1	6.9

Not Seasonally Adjusted

	April ^P	March ^P	February ^R	January ^R	April ^R
	2003	2003	2003	2003	2002
Civilian Labor Force	4,155	4,130	4,125	4,125	4,170
Employed	3,901	3,877	3,863	3,851	3,895
Unemployed	254	253	261	274	275
Unemployment Rate	6.1	6.1	6.3	6.6	6.6

Note: Numbers may not sum due to rounding.

Labor force estimates have been revised. These revisions incorporate new information from the 2000 Census and the Current Population Survey (CPS) which impact 2003 labor force estimates. These revisions do not permit comparisons of 2003 labor force estimates to labor force estimates prior years. Implemented by the U.S. Department of Labor's Bureau of Labor Statistics (BLS), these changes affect both state and national labor force estimates. In addition, changes made to the January 2003 estimates do not permit comparisons of January 2003 to February 2003.

Revised Data

Preliminary Data

^{*}North Carolina April rate is due to be released May 30, 2003.

United States and North Carolina Economic Facts

Popula	ation .	Per Capita	Income
2002 United States North Carolina Rank in United States Percent of United States	288,368,68 8,320,146 11 th largest 2.9%	2002 United States North Carolina Rank in United States Percent of United States	\$30,941 \$27,711 17 th largest 89.6%

Source: U.S. Bureau of the Census, 2003

Source: Bureau of Economic Analysis (BEA), U.S. Department of Commerce Data calculated using midyear population estimates.

	Total Quarterly Wages 3 RD Quarter		Average Wo	eekly Wages luarter
	2002	2001	2002	2001
United States	\$1,137,829,201	\$1,123,466,358	\$683	\$668
orth Carolina	\$29,848,889	\$29,343,657	\$612	\$596
Percent of United States	2.6%	2.6%	89.6%	89.2%

Note: Data are preliminary and subject to revision.

Source: Employment and Wages Quarterly Averages, Bureau of Labor Statistics, U.S. Department of Labor

Civilian Labor Force Participation Rate, April 2003

(Not Seasonally Adjusted)

	Total	Female
United States	66.2	59.6
North Carolina *	67.0	62.1

Source: Current Population Survey data, age 16+

^{*} Unpublished estimates

North Carolina Industry Employment, Seasonally Adjusted April 2003 (Numbers in thousands)

Total Employment

Change

	April ^P	March ^R	April ^R	Marc	ch 2003 ^R	Apr	il 2002 ^R
	2003	2003	2002	Net	Percent	Net	Percent
Total Nonfarm	3,833.3	3,836.6	3,843.4	-3.3	-0.1	-10.1	-0.3
Construction	210.1	212.6	221.2	-2.5	-1.2	-11.1	-5.0
Manufacturing	619.7	620.2	649.5	-0.5	-0.1	-29.8	-4.6
Trade, Transportation, Warehousing & Utilities	720.7	723.6	724.8	-2.9	-0.4	-4.1	-0.6
Information	78.0	78.0	78.9	0.0	· 0.0	-0.9	-1.1
Professional & Business Services	419.8	420.3	413.8	-0.5	-0.1	6.0	1.4
Educational and Health Services	423.3	420.1	413.5	3.2	0.8	9.8	2.4
Leisure and Hospitality Services	326.5	328.1	330.4	-1.6	-0.5	-3.9	-1.2
Other Services	173.1	173.1	181.4	0.0	0.0	-8.3	-4.6
Government	659.7	657.9	636.4	1.8	0.3	23.3	3.7

Source: Current Employment Statistics (Establishment Data)

Revised Data
Preliminary Data

CES Statistical Data Analysis

Jobs in North Carolina – Establishment Data (CES)

As of April 2003 - Not Seasonally Adjusted

(Numbers in thousands)

Year	Total Nonfarm Employment	Annual Net Change	Cumulative Employment Change
Dec. 1993	3,330.3	_	-
Dec. 1994	3,447.4	117.1	117.1
Dec. 1995	3,538.5	91.1	208.2
Dec. 1996	3,638.2	99.7	307.9
Dec. 1997	3,749.7	111.5	419.4
Dec. 1998	3,858.9	109.2	528.6
Dec. 1999	3,942.3	83.4	612.0
Dec. 2000	3,968.1	25.8	637.8
Dec. 2001	3,870.6	-97.5	540.3
Dec. 2002	3,854.6	-16.0	524.3
April 1993 ^R	3,216.5	-	-
April 2003*	3,833.9	. •	-

Note: Cumulative employment change is in reference to Dec. 1993 totals. All data are subject to revision. *Data are preliminary.

R Data are revised and benchmarked.

Manufacturing Jobs in North Carolina – Establishment Data (CES) As of April 2003 - Not Seasonally Adjusted

(Numbers in thousands)

Year	Number Employed	Annual Net Change	Cumulative Employment Change
Dec. 1993	816.9	-	-
Dec. 1994	827.4	10.5	10.5
Dec. 1995	816.3	-11.1	-0.6
Dec. 1996	809.7	-6.6	-7.2
Dec. 1997	801.9	-7.8	-15.0
Dec. 1998	789.6	-12.3	-27.3
Dec. 1999	769.6	-20.0	-47.3
Dec. 2000	748.7	-20.9	-68.2
Dec. 2001	668.1	-80.6	-148.8
Dec. 2002	626.2	-41.9	-190.7
April 1993 ^R	809.5	-	-
April 2003*	616.6	-	-

ote: Cumulative change is calculated in reference to Dec. 1993 totals. All data are subject to revision. Manufacturing employment makes up 16 % of total Nonfarm employment for the month ending April 2003, *Data are preliminary.

R Data are revised and benchmarked.

Summary of Employment Service and Unemployment Insurance Activities

Staff/Position Usage

	April 2003	March 2003 ^R	February 2003 ^R
Employment Service	1,183.97	1,173.51	1,193.97
Unemployment Insurance	490.86	488.71	486.76
Administrative, Communication and Labor Market Information	285.42	279.91	284.24
Total Agency	1,960.25	1,942.13	1,964.97

R Revised data

Note: Employment Service Division data are from the Local Office Management Information System (LOMIS) report.

(A) (B) (C) (D)

UI ACOMINES	Month Adio	Medita Engling Sevene	Month Ending 2/23/2003	Worth Brethe 480/2002
Ul Trust Fund Balance:	(\$47,036,373.93)	\$7,142,524.89	\$110,730,938.74	\$484,503,837.23
FED Loan Balance	\$47,036,373.93	\$0.00	\$0.00	\$0.00
Taxes Collected	\$46,921,000.00	\$2,938,000.00	\$38,809,000.00	\$21,007,000.00
Interest Received	\$2,004,231.00	\$0.00	\$0.00	\$8,299,670.48
Benefits Paid	\$103,093,129.83	\$106,518,413.85	\$102,833,342.01	\$107,649,315.67
EB-State Benefits Paid	\$11,000.00	\$8,000.00	\$18,000.00	\$0.00
Reed Act	\$0.00	\$0.00	\$0.00	\$0.00
Federal Loan	\$47,036,373.93	\$0.00	\$0.00	\$0.00

state Reserve Balan	ce:	\$10,000,000.00	\$10,000,000.00	\$10,000,000.00	200 Million +
UI Benefits P	aid	\$0.00	\$0.00	\$209,731.90	\$0.00
EB-State Ber Paid	efits	\$0.00	\$0.00	\$1,000.00	\$0.00

Initial Claims:	94,019	76,724	72,103	85,972

ES Activities	Month Ending 44002003	Month Addio 2003/2008	Month Andro	Month Andro
New Job Applications Filed:	20,691	23,475	22,873	23,496
Job Openings Received:	19,822	20,991	19,395	22,285
Placement Transactions:	6,567	8,517	6,768	8,209

Section labeled UI Activities represents data obtained from the Unemployment Insurance Trust Fund on Deposit at US Treasury - CASH FLOW REPORT. Initial Claims are taken from the Blackbook Application (ETA-5159 Report).

Section labeled ES Activities - New Job Applications Filed: LOMIS REPORT, field C-1 line 030010 current minus previous. Job Openings Received: LOMIS REPORT, fields C-1 plus D-1 line 020020 current minus previous same cells. Placement Transactions: C line 050680 current minus previous. Note: Since LOMIS is program year-to-date, you must get the difference from the current month ending report by deducting the prior month ending report.

lumn (A) above represents current month, Column (B) represents previous month, Column (C) represents two months ago and Column (D) represents prior year current month.

Ranked Initial Claims, Weeks Claimed and Benefits Paid By County, April 2003

Kanked		ms, weeks Claim	ied and Benei	its Paid By Coun	ty, April 2003
County	Initial Claims	County	Weeks Claimed	County	Total Benefits
TATEWIDE	94,019	STATEWIDE	450,656	STATEWIDE	\$103,104,130
MOSQIMA	5,286	MECKLENBURG	EV.798	MEGKLENBURG	\$3,846,235
MECKLENBURG	3,993	WANTE	30,959	and a section of the	\$6,217,100
GUILFORD	3,847	CUILFORD	28,522	WAKE CULFORD	\$5,016,367
CATAWASA	3,666	FORSYTH	141,425	FORSYTH	36,196,530
WAXE	3,575	DAVIDSON	12,648	CATAWBA	\$2,005,516
IFORSYTIH	2,980	CATIAWBA	12,511	CASTON	\$2,572,997
RANDOLPH	2,874	GASTON	12,096	DAVIDSON	\$2,525,551
ROWAN	2,858	DURHAM	10,639	DURHAM	\$2,515,936
CABARRUS	2,809	CUMBERLAND	9,737	ALAMANCE	\$1,869,793
CALDWELL	2,632	ALAMANCE	9,271	CABARRUS	\$1,825,015
GASTON	2,522	CABARRUS	8,734	CUMBERLAND	\$1,756,341
ALAMANCE	2,185	RANDOLPH	8,357	IREDELL	\$1,725,185
ROCKINGHAM	1,878	ROWAN	8,147	NEW HANOVER	\$1,698,316
IREDELL	1,848	IREDELL	8,077	ROWAN	\$1,695,520
BURKE	1,741	BUNCOMBE	7,772	RANDOLPH	\$1,669,863
CUMBERLAND	1,729	NEW HANOVER	7,388	BUNCOMBE	\$1,571,085
ROBESON	1,715	ROBESON	7,375 7,278	UNION	\$1,369,384 \$4,369,450
CLEVELAND	1,559 1,515	PITT CLEVELAND	7,276 7,064	ROCKINGHAM PITT	\$1,368,459 \$1,363,544
BUNCOMBE MCDOWELL	1,484	WILSON	6,958	ROBESON	\$1,363,544 \$1,317,328
DURHAM	1,334	ROCKINGHAM	6,949	CLEVELAND	\$1,311,058
RUTHERFORD	1,232	CALDWELL	6,742	CALDWELL	\$1,253,820
SURRY	1,197	BURKE	6,131	JOHNSTON	\$1,206,093
HENDERSON	1,163	UNION	6,030	BURKE	\$1,184,595
PITT	1,155	SURRY	5,649	WILSON	\$1,180,902
LKES	1,097	NASH	5,037	NASH	\$984,226
LINCOLN	1,061	WAYNE	4,839	LINCOLN	\$955,385
JOHNSTON	1,060	EDGECOMBE	4,631	STANLY	\$907,876
WILSON	1,059	LINCOLN	4,436	WAYNE	\$868,232
ALEXANDER	1,043	ONSLOW	4,283	WILKES	\$822,903
NEW HANOVER	937	WILKES	4,134	EDGECOMBE	\$809,996
WAYNE	900	STANLY	4,044	RUTHERFORD	\$804,900
EDGECOMBE	895	RUTHERFORD	4,030	HARNETT	\$785,482
NASH	848	HARNETT	3,963	HENDERSON	\$768,471
STANLY	833	LENOIR	3,922	SCOTLAND	\$765,071
MOORE	809 789	MOORE	3,862	MOORE	\$736,587 \$730,400
LENOIR YADKIN	773	BRUNSWICK HENDERSON	3,858 3,820	LENOIR BRUNSWICK	\$720,490 \$712,197
CHATHAM	773 771	VANCE	3,755	ONSLOW	\$712,197 \$704,608
HALIFAX	762	SCOTLAND	3,704	MCDOWELL	\$686,656
MONTGOMERY	740	MCDOWELL	3,562	ORANGE	\$681,757
SCOTLAND	724	RICHMOND	3,552	RICHMOND	\$676,888
VANCE	717	BEAUFORT	3,284	VANCE	\$665,018
HARNETT	704	HALIFAX	3,259	GRANVILLE	\$660,438
HOKE	697	CRAVEN	3,237	TRANSYLVANIA	\$635,620
ONSLOW	691	GRANVILLE	3,217	BEAUFORT	\$625,945
STOKES	673	LEE	3,112	LEE	\$618,187
GRAHAM	651	DUPLIN	2,919	CRAVEN	\$596,968
DUPLIN	648	FRANKLIN	2,884	PERSON	\$577,651
RICHMOND	643	ORANGE	2,823	DUPLIN	\$561,164
AVIE	621	ALEXANDER	2,784	CHATHAM	\$552,360
RSON	611	CHATHAM	2,617	STOKES	\$549,719
CRAVEN	589	MONTGOMERY	2,615	HALIFAX	\$542,271
GRANVILLE	586	SAMPSON	2,583	ALEXANDER	\$533,253
HERTFORD	561	PERSON	2,572	FRANKLIN	\$517,399

Ranked Initial Claims, Weeks Claimed and Benefits Paid By County, April 2003 (Cont'd)

(Cont d)					
County	Initial Claims	County	Weeks Claimed	County	Total Benefits
BRUNSWICK	554	HERTFORD	2,569	DAVIE	\$506,008
FRANKLIN	515	COLUMBUS	2,514	COLUMBUS	\$489,591
	509	STOKES	2,397	YADKIN	\$486,427
COLUMBUS	488	HOKE	•		1
BEAUFORT			2,341	MONTGOMERY	\$486,309
HAYWOOD	461	CARTERET	2,334	SAMPSON	\$472,919
LEE	452	YADKIN	2,332	CARTERET	\$434,730
MARTIN	439	HAYWOOD	2,249	HOKE	\$430,500
SAMPSON	421	DAVIE	2,192	HAYWOOD	\$413,921
ANSON	407	PENDER	2,073	PENDER	\$400,872
CHEROKEE	383	TRANSYLVANIA	2,016	BLADEN	\$368,044
ORANGE	364	BLADEN	1,843	DARE	\$315,955
BLADEN	360	ANSON	1,764	ANSON	\$315,074
CASWELL	359	MARTIN	1,671	MARTIN	\$309,913
ASHE	350	CHEROKEE	1,664	CASWELL	\$293,723
PENDER	334	CASWELL	1,576	CHEROKEE	\$271,351
ALL OTHER	257	DARE	1,473	WATAUGA	\$267,692
WATAUGA	239	WATAUGA	1,400	ASHE	\$245,483
CARTERET	233	ASHE	1,331	JACKSON	\$243,259
YANCEY	223	JACKSON	1,293	MACON	\$216,696
WARREN	223	PASQUOTANK	1,132	GRAHAM	\$212,358
BERTIE	222	GRAHAM	1,127	MITCHELL	\$205,006
GREENE	222	NORTHAMPTON	1,089	ALLEGHANY	\$199,661
NORTHAMPTON	199	MACON	1,074	YANCEY	\$186,958
PASQUOTANK	187	WARREN	1,037	WARREN	\$184,274
MITCHELL	181	MITCHELL	1,022	NORTHAMPTON	\$177,642
AVERY	177	GREENE	1,004	SWAIN	\$173,452
JACKSON	175	SWAIN	990	AVERY	\$172,676
WASHINGTON	162	BERTIE	965	PASQUOTANK	\$170,029
MACON	162	ALL OTHER	916	WASHINGTON	\$165,749
POLK	152	ALLEGHANY	912	GREENE	\$154,207
MADISON	140	YANCEY	909	BERTIE	\$143,000
TRANSYLVANIA	139	AVERY	906	MADISON	\$141,601
ALLEGHANY	123	WASHINGTON	832	HERTFORD	\$93,801
SWAIN	120	MADISON	677	JONES	\$88,167
PERQUIMANS	117	POLK	490	ALL OTHER	\$85,467
PAMLICO	110	CHOWAN	487	POLK	\$85,291
DARE	104	TYRRELL	464	CHOWAN	\$78,598
JONES	104	JONES	458	CURRITUCK	\$75,911
CHOWAN	90	CURRITUCK	447	TYRRELL	\$75,479
CLAY	67	PAMLICO	447	PAMLICO	\$75,479
TYRRELL	47	PERQUIMANS	441	CLAY	\$46,471
CAMDEN	44	CLAY	304	HYDE	\$45,624
GATES	29	HYDE	265	PERQUIMANS	\$41,194
CURRITUCK	29 28	CAMDEN	265 175	CAMDEN	\$27,202
HYDE	16	GATES	141	GATES	\$18,419
חוטב	10	GATES	141		φ10, 4 19
				INTERSTATE LIABLE	\$4,600,15
				LIADLE	φ -4 ,000,10
		L			L

Note: 'Total Benefits Paid' represent intrastate and interstate liable related benefits. Due to UI benefits accounting practices, county monetary amounts do not reconcile with the statewide total.

Initial Clams, Continued Weeks and Benefits Paid for Temporary Extended Unemployment Compensation (TEUC), April 2003

County Name	Initial Claims	Continued Weeks	Benefits Paid
	18,762	112,863	\$27,163,078
STATEWIDE	425	2,121	\$466,259
ALAMANCE	125	2,121 552	\$114,672
ALEXANDER	61	369	\$81,171
ALLEGHANY	81		
ANSON		475	\$94,460
ASHE	84	369	\$67,793
AVERY	45	149	\$24,386
BEAUFORT	190	796	\$128,060
BERTIE	47	226	\$39,922
BLADEN	82	509	\$108,963
BRUNSWICK	142	845	\$186,292
BUNCOMBE	277	1,673	\$387,192
BURKE	230	1,489	\$351,247
CABARRUS	321	1,526	\$382,432
CALDWELL	273	1,628	\$353,431
CAMDEN	7	66	\$7,187
CARTERET	116	676	\$129,069
CASWELL	62	346	\$68,415
CATAWBA	539	3,293	\$808,396
CHATHAM	92	470	\$114,433
CHEROKEE	66	319	\$54,973
CHOWAN	29	150	\$23,376
CLAY	11	50	\$7,757
CLEVELAND	341	1,783	\$369,535
COLUMBUS	107	699	\$142,372
CRAVEN	120	750	\$143,048
CUMBERLAND	371	2,652	\$555,002
CURRITUCK	14	83	\$14,539
DARE	86	360	\$71,332
DAVIDSON	365	1,841	\$411,889
DAVIE	79	335	\$83,271
DUPLIN	117	687	\$126,620
DURHAM	456	3,712	\$941,526
EDGECOMBE	192	1,216	\$224,983
FORSYTH	599	3,863	\$899,109
FRANKLIN	106	725	\$176,184
GASTON	524	3,267	\$733,650
GATES	3	30	\$8,845
GRAHAM	59	161	\$31,093
GRANVILLE	104	745	\$166,263
GREENE	48	212	\$34,687
GUILFORD	1,022	6,206	\$1,429,890
HALIFAX	164	810	\$141,441
HARNETT	218	1,351	\$282,743
HAYWOOD	133	557	\$103,748
HENDERSON	170	823	\$202,355
HERTFORD	31	194	\$34,261
HOKE	91	489	\$82,016
HYDE	19	59	\$10,852
IREDELL	267	1,603	\$385,156
JACKSON	68	284	\$47,672
JOHNSTON	249	1,514	\$371,046
JONES	14	114	\$22,652

Initial Clams, Continued Weeks and Benefits Paid for Temporary Extended Unemployment Compensation (TEUC), April 2003(cont.)

			TEUC), April 2003(cont.)
County Name	Initial Claims	Continued Weeks	Benefits Paid
LEE	125	759	\$163,406
LENOIR	230	1,040	\$164,945
LINCOLN	173	1,033	\$253,499
MCDOWELL	170	643	\$118,191
MACON	64	258	\$47,484
MADISON	21	105	\$24,007
MARTIN	61	343	\$55,122
MECKLENBURG	1,366	11,475	\$2,929,959
MITCHELL	55	202	\$37,246
MONTGOMERY	115	706	\$152,457
MOORE	128	873	\$188,731
NASH	264	1,549	\$312,755
NEW HANOVER	331	2,263	\$553,915
NORTHAMPTON	50	265	\$43,512
ONSLOW	170	1,149	\$211,439
ORANGE	101	927	\$248,220
PAMLICO	33	121	\$17,186
PASQUOTANK	32	277	\$48,562
PENDER	87	609	\$154,329
PERQUIMANS	17	86	\$10,751
PERSON	102	. 609	\$141,397
	295	1,893	\$354,337
PITT	16	110	\$18,763
POLK	338	1,724	\$372,644
RANDOLPH	149	964	\$187,526
RICHMOND	344	1,909	\$371,871
ROBESON	271	1,443	\$311,182
ROCKINGHAM	290	1,310	\$282,518
ROWAN	185	916	\$180,929
RUTHERFORD	103	672	\$160,929 \$147,650
SAMPSON	148	1,084	\$147,050 \$241,051
SCOTLAND	207	885	\$188,343
STANLY	111	527	•
STOKES	234	1,074	\$127,976 \$317,900
SURRY	61	241	\$217,890 \$38,556
SWAIN	223	706	\$250,693
TRANSYLVANIA	29	171	\$29,254
TYRRELL	237	1,613	\$29,254 \$392,171
UNION	149	967	•
VANCE	1,336	9,638	\$176,582 \$2,686,995
WAKE	47	289	
WARREN	45	181	\$53,614 \$30,340
WASHINGTON	60	259	\$29,219
WATAUGA	165		\$50,391 \$488.833
WAYNE		1,059	\$188,832 \$450,040
WILKES	172	819	\$156,216 \$220,240
WILSON	253	1,241	\$230,340
YADKIN	87	357	\$77,670
YANCEY	47	187	\$34,039
ALL OTHER	23	110	\$25,600
INTERSTATE LIABLE	I		\$1,615,447

Note: Initial claims and continued weeks data relate to intrastate and interstate agent claims. Benefits paid relate to intrastate and interstate liable claims.

Duration of Filing for UI Benefits by County for the 12 Month Period Ending April 30, 2003

AREA NAME	DURATION	AREA NAME	DURATION
North Carolina	13.1	Jones	13.5
Alamance	11.6	Lee	13.1
Alexander	10.2	Lenoir	13.5
Alleghany	16.9	Lincoln	10.6
Anson	10.2	McDowell	9.4
Ashe	12.7	Macon	13.0
Avery	11.7	Madison	12.9
Beaufort	14.2	Martin	11.1
Bertie	13.6	Mecklenburg	16.5
Bladen	14.1	Mitchell	11.9
Brunswick	15.0	Montgomery	10.9
Buncombe	13.5	Moore	12.1
Burke	10.6	Nash	14.5
Cabarrus	11.9	New Hanover	16.3
Caldwell	9.3	Northampton	14.0
Camden	12.6	Onslow	14.4
Carteret	13.6	Orange	13.9
Caswell	11.2	Pamlico	13.7
Catawba	11.6	Pasquotank	
Chatham	10.8	Pender	13.6
Cherokee		Perquimans	15.4
	14.7	Person	13.1
Chowan	12.5	Pitt	12.3
Clay	11.9	Polk	14.3
Cleveland	12.2		10.5
Columbus	14.5	Randolph	10.1
Craven	13.3	Richmond	11.9
Cumberland	14.0	Robeson	11.7
Currituck	13.4	Rockingham	11.2
Dare	12.6	Rowan	9.7
Davidson	9.8	Rutherford	10.9
Davie	11.1	Sampson	13.1
Duplin	11.3	Scotland	12.1
Durham	16.1	Stanly	11.3
Edgecombe	14.7	Stokes	11.6
Forsyth	13.7	Surry	13.1
ranklin	15.3	Swain	12.7
Gaston	12.6	Transylvania	16.0
Gates	12.9	Tyrrell	12.9
Graham	7.7	Union	13.1
Granville	14.0	Vance	14.3
Greene	13.9	Wake	16.3
Guilford	14.3	Warren	13.3
Halifax	13.1	Washington	12.2
Harnett	15.0	Watauga	12.1
Haywood	14.0	Wayne	12.0
lenderson	11.5	Wilkes	12.3
Hertford	14.8	Wilson	14.4
loke	12.1	Yadkin	9.7
Hyde	15.5	Yancey	10.9
redell	12.2	Outside North Carolina	15.5
ackson	12.0	County Not Assigned	10.9
Johnston	13.7		

Announced Business Closings and Permanent Layoffs by County April 2003

Company	Industry	Effective Date	Number Affected	Туре
Ance				
Frynt Fabrics	Textile Mills	April, 2003	100	Closing
Flynt Fabrics	Textile Mills	May, 2003	· 135	Closing
Buncombe				
The Golden Horn	Food Services and Dining Places	April, 2003	22	Closing
Caldwell				
Bernhardt Furniture (Plant 1)	Furniture and Related Product Manufacturing	September,	180	Closing
Cleveland				
Anvil Knitwear, Inc.	Textile Mills	April, 2003	50	Layoff
J. W. Harris Co., Inc. (Harris	Machinery Manufacturing	June, 2003	25	Closing
Emily's On The Square	Miscellaneous Store Retailers	June, 2003	5	Closing
Cumberland			-	
Adam & Eve	Clothing and Clothing Accessories Stores	May, 2003	Unknown	Closing
Davidson				
PGT Industries, Inc. (Binnings	Fabricated Metal Product Manufacturing	April, 2003	12	Layoff
Durham			••	
Look Out Casual Clothes	Clothing and Clothing Accessories Stores	June, 2003	Unknown	Closing
Café Momo	Food Services and Drinking Places	April, 2003	6	Closing
Du Val Hackett Florists, Inc.	Miscellaneous Store Retailers	April, 2003	5	Closing
Color de Mexico	Miscellaneous Store Retailers	April, 2003	Unknown	Closing
Artecel Sciences, Inc.	Administrative and Waste Services	April, 2003	2	Closing
ay School of Business	Educational Services	April, 2003	5	Layoff
Fo. sh				
Winston Salem Healthcare	Hospitals	May, 2003	Unknown	Closing
Winston Salem Churches in	Social Assistance	May, 2003	16	Closing
Franklin	100 to 10			
Albert Corpening, MD	Ambulatory Healthcare Services	April, 2003	4	Closing
Gaston				
Hardee's (Boddie-Noell	Food Services and Drinking Places	April, 2003	45	Closing
Sally Stowe Interiors, Inc.	Professional and Technical Services	April, 2003	1	Closing
Guilford	The state of the s	· · · · · · · · · · · · · · · · · · ·		
Unifi, Inc.	Textile Mills	April, 2003	24	Layoff
Banks, Coldstone Co.	Furniture and Related Product Manufacturing	April, 2003	12	Closing
Andco Industries Corp.	Miscellaneous Manufacturing	April, 2003	75	Closing
Vin Terra Bistro Gourmet Market	Food Services and Drinking Places	April, 2003	Unknown	Closing
Halifax			· · · · · · · · · · · · · · · · · · ·	
WestPoint Stevens (Rosemary)	Textile Mills	June, 2003	320	Closing
Mecklenburg				
US Airways	Air Transportation	May, 2003	270	Layoff
Duke Power	Utilities	May, 2003	Unknown	Layoff
Lulu's Market & Deli	Nonstore Retailers	April, 2003	4	Closing
Nirchi's Pizza	Food Service and Drinking Places	April, 2003	4	Closing
Restaurant Tokyo	Food Services and Drinking Places	April, 2003	Unknown	Closing
		April, 2003	12	Closing
ey Cuban Restaurant	Food Services and Drinking Places	April, 2000	12	Ologina i
by Cuban Restaurant Kirklands Stores, Inc. (Eastland)	Miscellaneous Store Retailers	April, 2003	13	Closing

Announced Business Closings and Permanent Layoffs by County (Cont'd) April 2003

Company	Industry	Effective Date	Number Affected	Туре
Hanover				
corning, Inc.	Nonmetallic Mineral Product Manufacturing	April, 2003	50	Layoff
Orange				_
General Electric Industrial Systems	Electrical Equipment and Appliance Manufacturing	April, 2003	43	Layoff
Look Out Casual Clothes	Clothing and Clothing Accessories Stores	June, 2003	Unknown	Closing
Pasquotank				
Comstock's Confectionery	Food Services and Drinking Places	April, 2003	5	Closing
Pitt				
Fullarton Computer Industries	Computer and Electronic Product Manufacturing	May, 2003	130	Layoff
Piggly Wiggly	Food and Beverage Stores	April, 2003	36	Closing
Randolph				
Elliott Office Equipment	Miscellaneous Store Retailers	May, 2003	4	Closing
Robeson				
Buckeye Lumberton, Inc.	Paper Manufacturing	April, 2003	100	Layoff
Rockingham				
Unifi, Inc.	Textile Mills	April, 2003	90	Layoff
Unifi, Inc.	Textile Mills	April, 2003	1	Layoff
Unifi, Inc.	Textile Mills	April, 2003	150	Layoff
Vance				
Harriet & Henderson Yarns, Inc.	Textile Mills	March, 2003	130	Closing
V				
amuel Carrico, Inc.	Construction of Buildings	April, 2003	Unknown	Closing
National Tower and Heavy Construction	Heavy and Civil Engineering Construction	April, 2003	26	Closing
Fuquay Grading, Inc.	Specialty Trade Contractors	April, 2003	2	Closing
Triad Grading Co.	Specialty Trade Contractors	April, 2003	19	Layoff
SciQuest Com Inc.	Electronic Markets and Agents and Brokers	April, 2003	51	Layoff
Ace Hardware & Home Center	Building Material and Garden Supply	May, 2003	11	Closing
Conti's Italian Market	Food and Beverage Stores	April, 2003	4.	Closing
Glass Onion	Food and Beverage Stores	April, 2003	13	Closing
Domicile	Furniture and Home Furnishing Stores	May, 2003	Unknown	Closing
Pets Warehouse II, Inc.	Miscellaneous Store Retailers	April, 2003	Unknown	Closing
The Globetrotter (Stonehenge)	Clothing and Clothing Accessory Stores	April, 2003	10	Closing
The Red Door	Health and Personal Care Stores	April, 2003	Unknown	Closing
Chesapeake Bay Brewing Co.	Personal and Laundry Services	April, 2003	12	Closing
Rex Healthcare	Hospitals	June, 2003	Unknown	Closing
BB & T Corp.	Administrative and Support Services	April, 2003	42	Layoff
Hudgins & Associates, Inc.	Professional and Technical Services	April, 2003	1	Closing
Wilson				
Standard Commercial Corp.	Beverage and Tobacco Product	April, 2003	Unknown	Layoff
				

These data are derived from a statewide survey of newspaper accounts of closings and layoffs, and supplied to the Employment Security Commission of North Carolina by the security ing units experiencing the closings/layoffs. The effective date and number affected are as reported as given by these sources.

Data Sources and Release Dates

Monthly Data:

lational, statewide and local area unemployment rates for April 2003

National May 5, 2003 Bureau of Labor Statistics, U.S. Department of Labor Statewide May 30, 2003 (Fri.)* Labor Area Unemployment Statistics (LAUS), LMI Local Areas June 03, 2003 (Tues.)* Labor Area Unemployment Statistics (LAUS), LMI

*Delay of release dates is due to benchmarking.

Civilian Labor Force Participation Rate

US data

Bureau of Labor Statistics, U.S. Department of Labor

NC data is unpublished Labor Area Unemployment Statistics (LAUS), LMI

North Carolina Industry Employment

Current Employment Statistics (CES), LMI

Summary of Employment Service and Unemployment Insurance Activities

Employment Services and Unemployment Insurance (ESUI), LMI

Ranked Initial Claims, Weeks Claimed and Benefits Paid By County

nitial Clams, Continued Weeks and Benefits Paid for Temporary Extended Unemployment Compensation (TEUC)

Employment Services and Unemployment Insurance (ESUI), LMI

Duration of Filing for UI Benefits by County for the 12 Month Period Ending April

Announced Business Closings and Permanent Layoffs by County

Mass Layoff Statistics (MLS), LMI

Annual Data:

Population

Census Bureau

July

Per Capita Personal Income

Bureau of Economic Analysis

September Midyear estimates released in April

Annual Average Wages

Bureau of Labor Statistics, U.S. Department of Labor

October

ATTENDANCE

House Committee on Economic Growth & Community Development

2003-2004 SESSION

•						 			_				
DATES	6-11-03												
Wilson, Connie CHAIR	/												
Harrell, Jim VICE-CHAIR								ļ			ļ		
Sauls, John VICE CHAIR												-	
Blust, John				ļ		 							
Cole, Nelson	V					 		ļ		ļ			
Decker, Michael		,						ļ					
Dickson, Margaret	/					 	<u> </u>						
Dockham, Jerry												 	
England, Bob	V				٠.								
Farmer-Butterfield, Jean										ļ			
Frye, Phillip				·		 							
Gotorth, Bruce	$\sqrt{}$					ļ		ļ					
Hunter, Howard													
Parmon, Earline			: . 	ļ		 							
Rayfield, John	V					 ļ		ļ			ļ		
Rhodes, John	V												
Stam, Paul -	/							<u> </u>					
West, Roger	\checkmark							ļ				 !	
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Ex officio						 -				<u> </u>			
Brubaker, Harold												 	
Bill Culpepper						 							
Pete Cunningham													
Rick Eddins													

House Pages

1.	Name: Meredith Watney
	County: Bancombe
	Sponsor: Bruce Goforth
2.	Name: Rachel Care
	County: Forsyth
	Sponsor: Mike Decker
3.	Name: Many Post Kenyon
	County: Wake
	Sponsor: Rep. Munford
4.	Name: Dave Motney
	County: G $U \cap C \cap C \cap b$.
	Sponsor: Bruce be fortr
5.	Name: Rob Minco
	County: Wake
	Sponsor:
C 4	
Sgt-	<u>At-Arms</u>
1.	Name: Bill Freeman
2.	Name: William Sullivan
3.,	Name: William Sullivan Name: Philip Shribeman (Schreibman)
4.	Name:

VISITOR REGISTRATION SHEET

|--|

June 11, 2003

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Bill Daughtsidy	House of Repo NCLEG
	NC statevate2
Fran Cockman Stavla Mexenox	NC DHHS

MINUTES

HOUSE COMMITTEE ON COMMERCE

May 26, 2004

The House Committee on Commerce met on Wednesday, May 26, 2004 in Room 1228 of the Legislative Building at 1:00 P.M. The following members were present: Rep. Connie Wilson, Chair, Vice Chairs Jim Harrell and John Sauls, Representatives Blust, Cole, Decker, Dickson, Dockham, England, Farmer-Butterfield, Frye, Goforth, Hunter, Parmon, Rayfield, Rhodes, Stam and West. A visitor registration sheet indicates visitors present and is attached as a part of the record.

Representative Wilson opened the meeting by welcoming members and guests. Having a quorum, the meeting was called to order at 1:00 P.M. by Rep. Connie Wilson, Chair. She recognized the pages, Chad Currin of Granville Co., Jordan Van Dyke of Cleveland Co., Dave Craven of Randolph Co., Lee Perry of Wake Co. and Robert Gurdian of Mecklenburg Co., who were assigned to the meeting.

HB-1443-COMMERCE SERVICENTER

Rep. Wilson recognized Rep. Steve LaRoque to explain HB1443, A BILL TO ESTABLISH A BUSINESS SERVICE CENTER IN THE DEPARTMENT OF COMMERCE (See attachment # 1) Rep. Stam offered a substitute HB 1443.

After much discussion, Rep. Stam made a motion for a favorable report as to the committee substitute bill, unfavorable as to the original bill. The vote was taken and so moved. (See attachment #2)

HB-1444 JDIG ENCOURAGE USE OF NC SMALL BUSINESSES

Rep. Wilson recognized Rep. Steve LaRoque to explain HB1444, A BILL TO BE ENTITLED AN ACT REQUIRING JOB DEVELOPMENT INVESTMENT GRANT (JDIG) PROGRAM AGREEMENTS TO CONTAIN A PROVISION ENCOURAGING

THE USE OF SMALL BUSINESSES HEADQUARTERED IN NORTH CAROLINA. Rep. Howard Hunter sent forth an amendment to the bill. After discussion, Rep. Hunter made a motion for a favorable report as to the committee substitute bill, unfavorable as to (the original bill). The vote was taken and so moved. (See attachment # 3)

There being no further business, Rep. Wilson adjourned the meeting at 1:45 P.M.

Respectfully submitted,

Representative Connie Wilson

Chair

Chris Floyd

Committee Assistant

Attachment #1 Attachment #2 Attachment #3

Agenda Meeting Notice Attendance Record Visitor Registration List

2003 COMMITTEE REPORT HOUSE OF REPRESENTATIVES

The following report(s) from standing committee(s) is/are presented: By Representative Connie Wilson (Chair) for the Committee on COMMERCE.	
Committee Substitute for H.B. 1443 A BILL TO BE ENTITLED AN ACT TO ESTABLISH A BUSINESS SI CENTER IN THE DEPARTMENT OF COMMERCE.	ERVICE
☐ With a favorable report.	
 With a favorable report and recommendation that the bill be re-referred to the Comm Appropriations ☐ Finance ☐ ☐. 	nittee on
☐ With a favorable report, as amended.	
 With a favorable report, as amended, and recommendation that the bill be re-referred Committee on Appropriations ☐ Finance ☐ ☐. 	I to the
With a favorable report as to the committee substitute bill (#	_
☐ With a favorable report as to House committee substitute bill (#), ☐ which che title, unfavorable as to Senate committee substitute bill.	nanges
With an unfavorable report.	
With recommendation that the House concur.	
With recommendation that the House do not concur.	
With recommendation that the House do not concur; request conferees.	
☐ With recommendation that the House concur; committee believes bill to be material.	
☐ With an unfavorable report, with a Minority Report attached.	
☐ Without prejudice.	
☐ With an indefinite postponement report.	
☐ With an indefinite postponement report, with a Minority Report attached.	
☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)	3/19/03

2003 COMMITTEE REPORT HOUSE OF REPRESENTATIVES

1110	By Representative Connie Wilson (Chair) for the Committee on COMMERCE.
_	Committee Substitute for 3. 1444 A BILL TO BE ENTITLED AN ACT REQUIRING JOB DEVELOPMENT INVESTMENT GRANT (JDIG) PROGRAM AGREEMENTS TO CONTAIN A PROVISION ENCOURAGING THE USE OF SMALL BUSINESSES HEADQUARTERED IN NORTH CAROLINA.
	With a favorable report.
	With a favorable report and recommendation that the bill be re-referred to the Committee on Appropriations Finance .
	With a favorable report, as amended.
	With a favorable report, as amended, and recommendation that the bill be re-referred to the Committee on Appropriations Finance .
	With a favorable report as to the committee substitute bill (#
	With a favorable report as to House committee substitute bill (#), \square which changes the title, unfavorable as to Senate committee substitute bill.
	With an unfavorable report.
	With recommendation that the House concur.
	With recommendation that the House do not concur.
	With recommendation that the House do not concur; request conferees.
	With recommendation that the House concur; committee believes bill to be material.
	With an unfavorable report, with a Minority Report attached.
	Without prejudice.
	With an indefinite postponement report.
	With an indefinite postponement report, with a Minority Report attached.
	With recommendation that it be adopted. (HOUSE RESOLUTION ONLY) 03/19/03

AGENDA

HOUSE COMMITTEE ON COMMERCE

May 26, 2004 Room 1228 LB 1:00 P.M.

OPENING REMARKS

Representative Connie Wilson, Chair

AGENDA ITEMS

THE FOLLOWING BILLS WILL BE CONSIDERED:

HB 1443 Commerce ServiCenter – Reps. LaRoque, Church, Primary Sponsors

HB 1444 JDIG – Encourage Use of NC Small Business – Reps. LaRoque, Church, Primary Sponsors

ADJOURNMENT

NORTH CAROLINA HOUSE OF REPRESENTATIVES COMMITTEE MEETING NOTICE AND BILL SPONSOR NOTIFICATION 2003-2004 SESSION

CORRECTED NOTICE BILLS ADDED

You are hereby	notified that the	Committee on	COMMERCE	will meet	as follows:
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DAY & DATE: Wednesday, May 26, 2004

TIME: 1:00 PM

LOCATION: Room 1228 Legislative Building

The following bills will be considered (Bill # & Short Title & Bill Sponsor):

-HB1443 Commerce ServiCenter - Rep. LaRoque & Church

HB1444 JDIG - Encourage Use of NC Small Businesses - Rep. LaRoque & Church

Respectfully,
Representative Connie Wilson
Chair

I hereby certify this notice was	filed by the committed	e assistant at the i	following offices a
2:00 PM on May 25, 2004.			

___Principal Clerk ___Reading Clerk - House Chamber

Chris Floyd (Committee Assistant)

GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2003

H

HOUSE BILL 1443*

Short Title:	Commerce ServiCenter. (Public)
Sponsors:	Representatives LaRoque, Church (Primary Sponsors); Allred, Bordsen, Daughtridge, Decker, Jones, Warner, C. Wilson, Bowie, Glazier, Goodwin, Gorman, Moore, Pate, and Steen.
Referred to:	Commerce.
	May 13, 2004
DEPART The General SI	A BILL TO BE ENTITLED TO ESTABLISH A BUSINESS SERVICE CENTER IN THE TMENT OF COMMERCE. Assembly of North Carolina enacts: ECTION 1. Article 10 of Chapter 143B of the General Statutes is amended
by adding a	new Part to read:
"C 1/2D /"7	"Part 20. Business Service Center. 2.100. Business Service Center established.
	here is established within the Department of Commerce the Business
	ter. The Business Service Center shall be a clearinghouse for State business
	and shall have the following duties and responsibilities:
(1) Provide the business community with an information resource center
. <u>(2</u>	disseminates information regarding State statutory and regulatory requirements to conduct business in the State, including authoritative
(2	sources and procedures and referrals to contact persons within the appropriate State agencies. Establish a program in which the Business Service Center works with the small business community to identify problems in State government related to unnecessary delays, inconsistencies between regulatory agencies, and the inefficient and ineffective uses of State
<u>(3</u>	resources. Implement and administer an automated system to track the number of contacts or inquiries received each year, the nature of each contact or inquiries received each year, the nature of each contact or inquiries received each year, the nature of each contact or inquiries received each year, the nature of each contact or inquiries received each year, the nature of each contact or inquiries received each year, the nature of each contact or inquiries received each year, the nature of each contact or inquiries received each year, the nature of each contact or inquiries received each year, the nature of each contact or inquiries received each year, the nature of each contact or inquiries received each year.

- inquiry for the purpose of recommending legislative and administrative revisions.
 Work with the business coordinator designated in each State agency
 - Work with the business coordinator designated in each State agency pursuant to G.S. 147-54.17 to determine the status of requests for information or assistance and to resolve any disputes that may arise between agencies and businesses regarding compliance with laws, rules, or policies of the State or agency.
 - Make recommendations to agencies and the General Assembly regarding proposed policies, rules, or laws to improve the dissemination of information to small businesses regarding statutory and regulatory requirements and to improve licensing procedures affecting business undertakings, including alternatives such as eliminating, consolidating, simplifying, or expediting particular licenses.
 - (b) The Business Service Center shall adopt rules and forms necessary to carry out the purposes of this Part.

"§ 143B-472.101. Confidentiality of requests.

At the request of the person or applicant, the identity of the person or other entity requesting assistance or information pursuant to this Part shall remain confidential and shall not be disseminated to any State agency or person outside the Business Service Center. This section does not apply where the health, safety, or welfare of the citizens of the State is at risk. The Secretary shall adopt rules, including exceptions to the confidentiality requirement, to implement this section.

"§ 143B-472.102. Reporting requirements of the Secretary of Commerce.

The Secretary may report to the Joint Legislative Commission on Governmental Operations on recommended legislative proposals or administrative revisions to improve State government communications and relations with the public and to make those communications and relations more effective and efficient."

SECTION 2. G.S. 147-54.17 reads as rewritten:

"§ 147-54.17. License coordinator Coordinator designated in all State agencies.

- (a) Each agency shall cooperate fully with the Office in providing information on the licenses forms, licenses, and regulatory requirements of the agency, in coordinating conferences with applicants to clarify license and regulatory requirements, and in developing a plan for an automated master application system.
- (b) Each agency shall designate a business license-coordinator. The coordinator shall have the following responsibilities:
 - (1) To provide to the Office the most recent application and supplemental forms required for each license issued by the agency, agency and for conducting business under the regulatory authority of the agency, the most recent information available on existing and proposed agency rules, the most recent information on changes or proposed changes in license requirements or agency rules and how those changes will affect the business community, and agency publications that would be of aid or interest to the business community; community.

SECTION 3. This act is effective when it becomes law.

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GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2003

H

Short Title: Commerce ServiCenter.

D

(Public)

HOUSE BILL 1443* PROPOSED COMMITTEE SUBSTITUTE H1443-CSRO-32 [v.1]

5/26/2004 11:06:57 AM

	Sponsors:	
	Referred to:	
		May 13, 2004
1		A BILL TO BE ENTITLED
2	AN ACT TO ESTABLI DEPARTMENT OF COM	SH A BUSINESS SERVICE CENTER IN THE
3	The General Assembly of No.	
4		cle 10 of Chapter 143B of the General Statutes is amended
5	by adding a new Part to read:	the 10 of Chapter 143B of the General Statutes is amended
7		art 20. Business Service Center.
8	"§ 143B-472.100. Business S	
9		ed within the Department of Commerce the Business
10		Service Center shall be a clearinghouse for State business
11		e following duties and responsibilities:
12	(1) Provide the	business community with an information resource center
13	that dissemi	nates information on State resources available to them and
14		business inquiries about these services.
15		e public with an information resource center that
16		s information regarding State statutory and regulatory
17		s to conduct business in the State, including authoritative
18		procedures and referrals to contact persons within the
19		State agencies.
20		and administer an automated system to track the number of
21		inquiries received each year, the nature of each contact or
22		the final resolution offered in response to each contact or the purpose of recommending legislative and
23 24		r the purpose of recommending legislative and ve revisions.
25		the business license coordinator designated in each State
26		uant to G.S. 147-54.17 to determine the status of requests
27		ion or assistance and to resolve any disputes that may arise
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- between agencies and businesses regarding compliance with laws, rules, or policies of the State or agency.
 - Make recommendations to agencies and the General Assembly regarding proposed policies, rules, or laws to improve the dissemination of information to small businesses regarding statutory and regulatory requirements and to improve licensing procedures affecting business undertakings, including alternatives such as eliminating, consolidating, simplifying, or expediting particular licenses.
 - (b) The Business Service Center shall designate a Small Business Ombudsman to work with the small business community to identify problems in State government related to unnecessary delays, inconsistencies between regulatory agencies, and the inefficient and ineffective uses of State resources.
 - (c) The Secretary shall adopt rules and forms necessary to carry out the purposes of this Part.

"§ 143B-472.101. Confidentiality of requests.

At the request of the person or applicant, the identity of the person or other entity requesting assistance or information pursuant to this Part shall remain confidential and shall not be disseminated to any State agency or person outside the Business Service Center. This section does not apply where the health, safety, or welfare of the citizens of the State is at risk. The Secretary shall adopt rules, including exceptions to the confidentiality requirement, to implement this section.

"§ 143B-472.102. Reporting requirements of the Secretary of Commerce.

The Secretary shall report to the Joint Legislative Commission on Governmental Operations on recommended legislative proposals or administrative revisions to improve State government communications and relations with the public and to make those communications and relations more effective and efficient."

SECTION 2. This act is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA **SESSION 2003**

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HOUSE BILL 1444*

Short Title:	JDIG - Encourage Use of NC Small Businesses. (I	Public)		
Sponsors: Representatives LaRoque, Church (Primary Sponsors); Allred, I Daughtridge, Decker, Jones, Warner, C. Wilson, Bowie, Capps, Goodwin, Gorman, McHenry, Moore, Starnes, and Steen.				
Referred to:	Commerce.			
	May 13, 2004			
A BILL TO BE ENTITLED AN ACT REQUIRING JOB DEVELOPMENT INVESTMENT GRANT (JDIG) PROGRAM AGREEMENTS TO CONTAIN A PROVISION ENCOURAGING THE USE OF SMALL BUSINESSES HEADQUARTERED IN NORTH CAROLINA. The General Assembly of North Carolina enacts: SECTION 1. G.S. 143B-437.57(a) is amended by adding a new subdivision to read:				
"(a) Terms. – Each community economic development agreement shall include a least the following:				
	5) A provision encouraging the business to contract with small busi headquartered in the State for goods and services." ECTION 2 This act is effective when it becomes law and app			

agreements entered into on or after that date.

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NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No.	
H. B. No. <u>1444</u>	DATE
S. B. No	Amendment No
COMMITTEE SUBSTITUTE	(to be filled in by Principal Clerk)
Rep.) Hunter	
Sen.)	
1 moves to amend the bill on page	/, line
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Rep. LaRoque

Background on the Business ServiCenter N.C. Department of Commerce

The Business ServiCenter at a Glance

- Officially opened in Feb. 2003 with a \$40,000 grant from the Appalachian Regional Commission and matching funds from N.C. Dept. of Commerce and the Small Business and Technology Development Center (Total funding since 2003: \$74,000 including the salaries for one full-time and one part-time staff)
- Provided a one-stop portal to state services and resources for businesses in the West and, with additional funding, those counties affected by the Pillowtex layoffs and Hurricane Isabel. Gov. Easley has proposed expanded funding that would expand the ServiCenter statewide. (Proposed budget -- \$216,968 recurring; \$8,800 non-recurring for center equipment. NER included these budget items in their preliminary report.)
- Assistance is available via a toll-free number (1-866-259-9846) or the web (www.nccommerce.com/servicenter)
- Two employees (one full-time and one part-time) currently handle the increasing contacts with North Carolina businesses. Gov. Easley's budget includes a request for four additional positions, including a small business ombudsman, to allow the program to handle statewide inquiries and customers. (Cost included in proposed budget figures above.)
- Services are especially important to North Carolina's small businesses.
- From Feb. 2003 March 2004, approximately 2,500 contacts were made with North Carolina businesses. These calls resulted in 275 referrals to the various Business ServiCenter partners for direct contact above and beyond responses provided by email and telephone. The ServiCenter staff met the goal of responding to all inquiries within 24 hours of an inquiry.
- One of the issues most often raised by entrepreneurs around the state is having one place to go to find information about how to get a business started. To date, the ServiCenter has assisted 279 businesses in the start-up phase.
- The ServiCenter had unexpected benefits by surfacing 22 new economic development projects and by identifying 13 new industry-specific business opportunities for North Carolina companies. (Two companies have relocated here to date – Adams Lumber in Graham County and Jennico, Inc. in Forsyth County)

Background

The Business ServiCenter in the N.C. Department of Commerce grew from the premise that Commerce, as the lead economic development organization, needed to maintain closer contact with North Carolina businesses during a time of scarce resources. A study group was convened in early 2000, which consisted of Commerce, Small Business Technology Development Center (SBTDC), Industrial Extension Service (IES)

and Community College System representatives. After meeting for several months, the committee wrote a white paper recommending three items:

- 1. Develop a website to unite state services to existing industry
- 2. Establish an Existing Industry Servicenter (the Business ServiCenter)
- 3. Develop a North Carolina Existing Industry Outreach Initiative

While each of these organizations are very proficient in providing information related to their own programs, the group recognized the need for a central, one-stop location where a company could call with questions on how to do business in our state. In addition, while each organization has various field representatives who call on businesses, the group felt that a central referral agency would provide real benefit to maintain contact with companies and company owners with urgent needs.

After careful study and planning, the Appalachian Regional Commission (ARC) was approached for grant funding to support a pilot program to address that need. The ARC ultimately approved a \$40,000 grant for WNC. This was to be matched by funding provided by the SBTDC and NCDOC. With this funding in hand, a website was planned, a phone number established and a marketing plan was completed. The ServiCenter was announced on February 3, 2003 in a news conference at the Advantage West boardroom in Fletcher, NC.

The pilot project was designed to serve a 10 county region in and around Asheville. The ServiCenter website was designed to encourage direct contact with a real person by either email or telephone. ServiCenter staff would actively call on businesses in the pilot area and learn more about their business needs. This allowed the ServiCenter to provide more service to smaller businesses, many of which were not aware of any state programs that might help them. When needs were discovered, a direct referral was made to the appropriate agency to handle the request. The community colleges received training requests, small business education requests and general business requests. SBTDC received requests to help with updated marketing plans, market research, management training, strategic planning, financial counseling, procurement and other small business needs. IES received requests for more technical inquiries from small manufacturers on production problems, proper use of new technologies and lean manufacturing techniques. And, while referrals have been made to these partners, the ServiCenter had arranged contacts in each of the other state departments to provide timely responses to questions.

The collaboration among the partners has worked out well. From its inception, through March 31, 2004, approximately 2,500 contacts have been made with NC businesses. This is in addition to more than 3,000 direct face-to-face calls made by the Existing Industry Specialists on manufacturers in our state. The Business ServiCenter calls resulted in 275 referrals to the various partners for direct assistance above and beyond responses provided by email and telephone. The ServiCenter staff met the goal of responding to all inquiries within 24 hours of an inquiry. In addition, the ServiCenter has had an unexpected benefit by surfacing 12 new economic development projects for the department.

North Carolina. A Better Place To Be

Later in 2003, the ServiCenter coverage was expanded to the full 29 county region covered by ARC. Special funding allowed the ServiCenter staff to provide emergency support to Rowan, Cabarrus and Rockingham counties when Pillowtex closed. In addition, the ServiCenter was involved in the response to the Hurricane Isabel disaster in northeast North Carolina.

One of the issues most often raised by entrepreneurs around the state is having one place to go to find information about how to get a business started. The increased funding for the ServiCenter, included in Gov. Easley's budget, would allow the services and resources of state government to be offered to not only all businesses across the state but also to those people who are considering starting their own businesses. To date, the ServiCenter has assisted 279 businesses in the start-up phase.

In addition, by having a central source of information and lead contact, duplication of services can be avoided. Our customers will be better served by having a coordinated single source of referrals.

Many business advocates have recommended an ombudsman position in the ServiCenter. This ombudsman, also a part of Gov. Easley's budget proposal, would provide expanded follow-up and resources to businesses, ensuring that they receive timely answers to questions and a timely resolution of issues within state government. The ombudsman would have the legal authority to convene representatives of various state agencies to discuss specific issues raised by a business. This is especially noteworthy since the ServiCenter has no statutory power to convene. This position would be able to inquire on behalf of a business, determine the status of the inquiry and cut through some of the "red tape," a continual concern for many businesses.

The Appalachian Regional Commission has been pleased with the progress of the pilot program to date, as have the various partners and our clients. The ServiCenter is the first step in providing a coordinated response to the questions of North Carolina's business community, questions that often go unanswered because businesses don't know where to turn. While all of the various agencies and partners maintain websites, actually navigating through them to find a specific answer can be very time consuming and complex.

The ServiCenter has demonstrated real value to the North Carolina businesses it has served. The expanded funding, additional positions, including the ombudsman role, can continue this progress by streamlining the information gathering process and removing obstacles that a business, especially a start-up or small business, may face as it looks to grow and expand in our state.



HOUSE BILL 1443: Commerce ServiCenter.

Committee: House Commerce Date:

May 26, 2004

Version:

H1443-CSRO-32[v.1]

Summary by:

Introduced by: Reps. LaRoque, Church Karen Cochrane Brown

Committee Counsel

SUMMARY: This Proposed Committee Substitute for House Bill 1443 would establish a new Business Service Center in the Department of Commerce. This bill was recommended by the Joint Select Committee on Small Business Economic Development.

CURRENT LAW:

In February 2003, the Department of Commerce created the Business ServiCenter as a cooperative pilot program in western North Carolina with funding provided by the Appalachian Regional Commission, the Small Business Technology Development Center, and the Department of Commerce. The Business ServiCenter uses electronic media to contact businesses in North Carolina and to respond to their inquiries. During 2003, more than 2000 contacts were made by the ServiCenter, either through responding to inquiries or by making outbound telephone calls into the pilot area.

BILL ANALYSIS:

This bill establishes the Business Service Center in the Department of Commerce to be a clearinghouse for State business information and to: provide the business community with an information resource center; respond to business inquires; disseminate information regarding State statutory and regulatory requirements to conduct business in the State; work with the business license coordinator designated in each State agency to determine the status of requests for information or assistance and to resolve any disputes that may arise between agencies and businesses; make recommendations to agencies and the General Assembly regarding proposed policies, rules, or laws to improve the dissemination of information to small businesses regarding statutory and regulatory requirements and improve licensing procedures affecting business undertakings, including alternatives such as eliminating, consolidating, simplifying, or expediting particular license.

The bill also directs the Business Service Center to designate a Small Business Ombudsman to work with the small business community to identify problems in State government related to unnecessary delays. inconsistencies between regulatory agencies, and the inefficient and ineffective uses of State resources.

At the request of any person communicating with the Service Center, any information provided shall remain confidential.

The Secretary of Commerce is directed to report to the Joint Legislative Commission on Governmental Operations on recommendations to improve communications with the public under this provision.

This act would become effective when it becomes law.

H1443-SMRO-001



HOUSE BILL 1444: JDIG - Encourage Use of NC Small Businesses.

Committee: House Commerce

Date: Version: May 26, 2004 First Edition

Introduced by: Reps. LaRoque, Church

Summary by:

Karen Cochrane Brown

Committee Counsel

SUMMARY: House Bill 1444 would add a requirement to the law that all Job Development Investment Grant (JDIG) Program agreements must contain a provision encouraging the use of small businesses headquartered in North Carolina.

CURRENT LAW:

The Job Development Investment Grant (JDIG) Program is an economic development incentive program that was created by the General Assembly in 2002. Under the program, grantee businesses are given an annual grant for a period of up to 12 years. The grant is based on a percentage of personal income tax withholdings from new positions created by the grantee business. The program is administered by the Economic Investment Committee, which review applications, and negotiates and enters into agreements with eligible applicants.

BILL ANALYSIS:

This bill would add to the list of terms, which the law provides must be included in each community economic development agreement, a provision encouraging the business to contract with small businesses headquartered in North Carolina.

This act would become effective when it becomes law and would apply to agreements entered into on or after that date.

BACKGROUND:

This bill was recommended by the Joint Select Committee on Small Business Economic Development.

H1444-SMRO-001

House Pages

1.	Name: Chad Curin				
	County: Granvile				
	Sponsor: Rep. Crawford				
2.	Name: Josdan Vandyke				
	County: Clevelard				
	Sponsor: Rep. Moore				
3.	Name: Dave Craves				
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4.	Name: Lee Percy				
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May 26, 2004

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Joe Dell	6 ov. Office
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COMMERCE

May 26, 2004

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May 26, 2004

Name of Committee

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May 26, 2004

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Jack Reth	Char bothe Observer
Jim Causby	NCASA
Latherne Joyce	NCASA

MINUTES

HOUSE COMMITTEE ON COMMERCE

June 16, 2004

The House Committee on Commerce met on Wednesday, June 16, 2004 in Room 1228 of the Legislative Building at 1:00 P.M. The following members were present: Rep. Connie Wilson, Chair, Vice Chairs Jim Harrell and John Sauls, Representatives Blust, Cole, Decker, Dickson, Dockham, England, Farmer-Butterfield, Frye, Goforth, Hunter, Parmon, Rhodes, Stam and West, Ex officio members Rep. Culpepper, Cunningham and Eddins. A visitor registration sheet indicates visitors present and is attached as a part of the record.

Rep. Culpepper opened the meeting by welcoming members and guest. Having a quorum, the meeting was called to order at 1:00 P.M. He recognized the following pages, Nathan Harrell of Surry County and sponsored by Rep. Harrell, Kai Toshumbadb and Sarah Hill of Davidson County and sponsored by Rep. Holliman, Gini Gregg of Edgecombe County and sponsored by Rep. Tolson, Carl Burchette of Mecklenburg County and sponsored by Rep. Connie Wilson, Noelle Saleh of Wake County and sponsored by Speaker Black, Walker Sigmon of Catawba County and sponsored by Rep. Setzer, Rachel Kriegsman of Guilford County and sponsored by Rep. Bowie, who were assigned to the meeting.

HB-1464 - SCHOOL CALENDAR CHANGES

AN ACT TO REDUCE THE NUMBER OF NONINSTRUCTIONAL TEACHER WORKDAYS; TO PROVIDE THAT PUBLIC SCHOOLS SHALL OPEN AFTER AUGUST 25 AND CLOSE NOT AFTER JUNE 10, EXCEPT IN UNUSUAL CIRCUMSTANCES OR IN YEAR-ROUND SCHOOLS; TO ENSURE THAT TEACHERS MAY BE PAID IN AUGUST IF THEY SO DESIRE; AND TO PROVIDE THAT SALARIES NOT DECREASE AS A RESULT OF THE REDUCTION IN TEACHER WORKDAYS.

Rep Decker moved to adopt the proposed Committee Substitute for committee debate. (See attachment # 1 and 2))

Rep. Culpepper recognized Rep. Connie Wilson to explain the bill.

Rep. Culpepper recognized the following speakers:

Louise Lee, Save Our Summers President.

Mrs. Lee spoke about the need for family time, summer jobs, athletes and economics. (See attachment # 6)

Dr. Jim Causby, Executive Director, N C Association of School Administrators

Dr. Causbys concern would be the loss of 10 workdays, indicating that teacher/staff development is important. Other concerns referenced were pay scale, no flexibility and asked to defeat the bill. (See attachment #3)

Judy Kidd, President Classroom Teachers Association

Mrs. Kidd reports that parents and teachers support this bill. She indicated that in Mecklenburg students test after Christmas improves their test scores. (See attachment #4)

Joann Norris, Associate Executive Director - Public School Forum of NC

Focus on more time for teachers to do their work does not have a standing in North Carolina as in other countries. Should think about more time for instruction. (See attachment #5)

Carolyn McKinney, President, North Carolina Association Educators

After polling members on two occasions, they are not treated as professionals. Supports the bill indicating that it does allow time for preparation and professional development.

Rep. Culpepper adjourned the meeting at 1:45 P.M.

Respectfully submitted,

Representative Bill Culpepper

Presiding Chair

Chris Floyd

Committee Assistant

Attachment #1

Attachment #2

Attachment #3

Attachment #4

Attachment #5

Attachment #6

Agenda

Meeting Notice

Attendance Record

Visitor Registration List

AGENDA

HOUSE COMMITTEE ON COMMERCE

June 16, 2004 Room 1228 LB 1:00 P.M.

OPENING REMARKS

Representative Connie Wilson, Chair

AGENDA ITEMS

THE FOLLOWING BILLS WILL BE CONSIDERED:

HB 1464 School Calendar Changes – Rep. Connie Wilson, Culpepper, Miner, Hill

ADJOURNMENT

NORTH CAROLINA HOUSE OF REPRESENTATIVES COMMITTEE MEETING NOTICE AND BILL SPONSOR NOTIFICATION 2003-2004 SESSION

You are hereby notified that the Committee on COMMERCE will meet as follows:

DAY & DATE:	Wednesday, June 16, 2004				
TIME:	1:00 PM				
LOCATION:	Room 1228 Legislative Building				
The following bills	will be considered (Bill # & Short Title & Bill Sponsor):				
HB 1464 Se Hill	HB 1464 School Calendar Changes – Rep. Connie Wilson, Culpepper, Miner, Hill				
	Respectfully, Representative Connie Wilson Chair				
I hereby certify this notice was filed by the committee assistant at the following offices at 12:00 AM on June 15, 2004.					
Principa Reading	al Clerk g Clerk - House Chamber				
Chris Floyd (Comn	nittee Assistant)				

GENERAL ASSEMBLY OF NORTH CAROLINA **SESSION 2003**

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HOUSE BILL 1464*

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(Public) Short Title: School Calendar Changes. Representatives C. Wilson, Culpepper, Miner, Hill (Primary Sponsors); Sponsors: LaRoque, Church, Daughtridge, Decker, Jones, McHenry, Parmon, Preston, and K. Williams. Referred to: Commerce.

May 17, 2004

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A BILL TO BE ENTITLED

AN ACT TO REDUCE THE NUMBER OF NONINSTRUCTIONAL TEACHER WORKDAYS; TO PROVIDE THAT PUBLIC SCHOOLS SHALL OPEN AFTER AUGUST 25 AND CLOSE NOT AFTER JUNE 10. EXCEPT IN UNUSUAL CIRCUMSTANCES OR IN YEAR-ROUND SCHOOLS; TO ENSURE THAT TEACHERS MAY BE PAID IN AUGUST IF THEY SO DESIRE; AND TO PROVIDE THAT SALARIES NOT DECREASE AS A RESULT OF THE REDUCTION IN TEACHER WORKDAYS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-84.2 reads as rewritten:

"§ 115C-84.2. School calendar.

- School Calendar. Each local board of education shall adopt a school calendar consisting of 220-210 days all of which shall fall within the fiscal year. A school calendar shall include the following:
 - A minimum of 180 days and 1,000 hours of instruction covering at (1) least nine calendar months. The local board shall designate when the 180 instructional days shall occur. The number of instructional hours in an instructional day may vary according to local board policy and does not have to be uniform among the schools in the administrative unit. Local boards may approve school improvement plans that include days with varying amounts of instructional time. If school is closed early due to inclement weather, the day and the scheduled amount of instructional hours may count towards the required minimum to the extent allowed by State Board policy. The school calendar shall include a plan for making up days and instructional hours missed when schools are not opened due to inclement weather.

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- (1a) (Applies only to 2002-2003 school year See editor's note.)

 Notwithstanding subdivision (1) of this subsection, a local board may decide to make up a maximum of three instructional days by adding instructional hours to previously scheduled instructional days. A local board shall make this decision only if all of the following criteria are met:
 - a. The days to be made up were missed when schools were unable to be opened due to unusual and extraordinary inclement weather conditions.
 - b. It would cause undue hardship to parents, children, and teachers to make up those days.
 - c. The school calendar continues to have a minimum of 1,000 instructional hours covering at least nine months.
 - d. The additional hours must equal the regularly scheduled number of instructional hours at each school.

If a local board adds instructional hours to previously scheduled days under this subdivision, the local school administrative unit is deemed to have a minimum of 180 days of instruction, teachers employed for a 10-month term are deemed to have been employed for a days being made up, and all other employees shall be compensated as if they had worked the days being made up.

- (2) A minimum of 10 annual vacation leave days.
- (3) The same or an equivalent number of legal holidays occurring within the school calendar as those designated by the State Personnel Commission for State employees.
- (4) Eight-Five days, as designated by the local board, for use as teacher workdays, additional instructional days, or other lawful purposes. A local board may delegate to the individual schools some or all of the eight days to schedule under subdivision (5) of this subsection. A local board may schedule different purposes for different personnel on any given day and is not required to schedule the same dates for all personnel workdays. These days shall be protected to allow teachers to complete instructional and classroom administrative duties. The local school administrative unit shall not impose any additional tasks on these days. The local board shall schedule one of these days at the beginning of the school year and one at the end of each academic quarter.
- (5) The remaining days scheduled by each school's principal for any of the purposes allowed under subdivision (4) of this subsection. Before scheduling these days, the principal shall work with the school improvement team to determine the days to be scheduled and the purposes for which they should be scheduled. Days may be scheduled and planned for different purposes for different personnel and there is

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no requirement to schedule the same dates for all personnel. However, if during the last two years the local school administrative unit has made up an average of at least eight days for school closing because of inclement weather, the local board may designate up to two of these days as additional make-up days to be scheduled after the last day of student attendance.

Local boards and individual schools are encouraged to use the calendar flexibility in order to meet the annual performance standards set by the State Board. Local boards of education shall consult with parents and the employed public school personnel in the development of the school calendar.

Local boards and individual schools shall give teachers at least 14 calendar days' notice before requiring a teacher to work instead of taking vacation leave on days scheduled in accordance with subdivision (4) or (5) of this subsection. A teacher may elect to waive this notice requirement for one or more such days.

- Limitations. The following limitations apply when developing the school calendar:
 - (1) The total number of teacher workdays for teachers employed for a 10 month term shall not exceed 200-190 days.
 - The calendar shall include at least 42 consecutive days when teacher (2) attendance is not required unless: (i) the school is a year-round school: or (ii) the teacher is employed for a term in excess of 10 months. At the request of the local board of education or of the principal of a school, a teacher may elect to work on one of the 42 days when teacher attendance is not required in lieu of another scheduled workday.
 - (3) School shall not be held on Sundays.
 - (4) Veterans Day shall be a holiday for all public school personnel and for all students enrolled in the public schools.
- Emergency Conditions. During any period of emergency in any section of the State where emergency conditions make it necessary, the State Board of Education may order general, and if necessary, extended recesses or adjournment of the public schools.
- Opening and Closing Dates. Local boards of education shall determine the (d) dates of opening and closing the public schools under subdivision (a)(1) of this section. Except for year-round schools, the opening date for students shall not be before August 25 and the closing date for students shall not be after June 10. The State Board of Education may waive this requirement on a showing of good cause. A local board may revise the scheduled closing date if necessary in order to comply with the minimum requirements for instructional days or instructional time. Different opening and closing dates may be fixed for schools in the same administrative unit. For purposes of this subsection, the term 'good cause' means that schools in the local school administrative unit have been closed an average of eight days per year during any five of the last 10 years because of severe weather conditions, energy shortages, power failures, or other emergency situations."

SECTION 2. G.S. 115C-302.1(b) reads as rewritten:

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"(b) Salary Payments. – State-allotted teachers shall be paid for a term of 10 months. State-allotted months of employment for vocational education to local boards shall be used for the employment of teachers of vocational and technical education for a term of employment to be determined by the local boards of education. However, local boards shall not reduce the term of employment for any vocational agriculture teacher personnel position that was 12 calendar months for the 1982-83 school year for any school year thereafter.

Each local board of education shall establish a set date on which monthly salary payments to State-allotted teachers shall be made. This set pay date may differ from the end of the month of service. The daily rate of pay for teachers shall equal one twenty-second one twenty-first of the monthly rate of pay. If requested by the teacher, the initial pay date for a teacher who is not employed in a year-round school shall be no later than August 31 and shall include a full monthly payment. Subsequent pay dates shall be spaced no more than one month apart and shall include a full monthly payment.

Teachers may be prepaid on the monthly pay date for days not yet worked. A teacher who fails to attend scheduled workdays or who has not worked the number of days for which the teacher has been paid and who resigns, is dismissed, or whose contract is not renewed shall repay to the local board any salary payments received for days not yet worked. A teacher who has been prepaid and continues to be employed by a local board but fails to attend scheduled workdays may be subject to dismissal under G.S. 115C-325 or other appropriate discipline.

Any individual teacher who is not employed in a year-round school may be paid in 12 monthly installments if the teacher so requests on or before the first day of the school year. The request shall be filed in the local school administrative unit which that employs the teacher. The payment of the annual salary in 12 installments instead of 10 shall not increase or decrease the teacher's annual salary nor in any other way alter the contract made between the teacher and the local school administrative unit. Teachers employed for a period of less than 10 months shall not receive their salaries in 12 installments."

SECTION 3. G.S. 115C-316(a)(2) reads as rewritten:

"(2) School Employees Paid on an Hourly or Other Basis. - Salary payments to employees other than those covered G.S. 115C-272(b)(1), 115C-285(a)(1) and (2), 115C-302.1(b) and 115C-316(a)(1) shall be made at a time determined by each local board of education. If requested by the school employee, the initial pay date for one of these employees who is employed for a term of 10 calendar months and is not employed in a year-round school shall be no later than August 31 and shall include a full monthly payment. Subsequent pay dates shall be spaced no more than one month apart and shall include a full monthly payment. Expenditures for the salary of these employees from State funds shall be within allocations made by the State Board of Education and in accordance with rules and regulations approved by the State Board of Education concerning allocations of State funds: Provided, that school-funds. School employees employed

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for a term of 10 calendar months in year-round schools shall be paid in 12 equal installments: Provided further, that any installments. Any individual school employee employed for a term of 10 calendar months who is not employed in a year-round school may be paid in 12 monthly installments if the employee so requests on or before the first day of the school year. Such This request shall be filed in the local school administrative unit which that employs the employee. The payment of the annual salary in 12 installments instead of 10 shall not increase or decrease said the annual salary nor in any other way alter the contract between the employee and the said-local school administrative unit. Employees may be prepaid on the set pay date for days not yet worked. An employee who fails to attend scheduled workdays or who has not worked the number of days for which the employee has been paid and who resigns or is dismissed shall repay to the local board any salary payments received for days not yet worked. An employee who has been prepaid and who continues to be employed by a local board but fails to attend scheduled workdays may be subject to dismissal or other appropriate discipline. The daily rate of pay shall equal the number of weekdays in the pay period. Included within the term of employment shall be provided for full-time employees annual vacation leave at the same rate provided for State employees, computed at one-twelfth (1/12) of the annual rate for State employees for each calendar month of employment, to be taken under policies determined by each local board of education. On a day that employees are required to report for a workday but pupils are not required to attend school due to inclement weather, an employee may elect not to report due to hazardous travel conditions and to take one of his that employee's annual vacation days or to make up the day at a time agreed upon by the employee and his the employee's immediate supervisor or principal. On a day that school is closed to employees and pupils due to inclement weather, the employee shall work on the scheduled makeup day. Included within their term of employment, each local board of education shall designate the same or an equivalent number of legal holidays occurring within the period of employment as those designated by the State Personnel Commission for State employees."

SECTION 4. For school-based employees who are employed during the 2005-2006 school year in the same position in which they were employed during the 2004-2005 school year and who continue to work the same number of hours in a workday, the annual rate of pay beginning with the 2005-2006 school year shall not be reduced as the result of this act.

SECTION 5. This act becomes effective July 1, 2004, and applies to school years beginning with the 2005-2006 school year.

GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2003

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HOUSE BILL 1464* PROPOSED COMMITTEE SUBSTITUTE H1464-CSRH-63 [v.11]

D

6/16/2004 11:35:33 AM

Short Title:	School Calendar Changes.	(Public)
Sponsors:		
Referred to:		

May 17, 2004

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A BILL TO BE ENTITLED

AN ACT TO REDUCE BY 10 THE NUMBER OF NONINSTRUCTIONAL TEACHER WORKDAYS; TO PROVIDE THAT PUBLIC SCHOOLS SHALL OPEN NO SOONER THAN AUGUST 25 AND CLOSE NO LATER THAN JUNE 10 EXCEPT IN YEAR-ROUND SCHOOLS OR IN SCHOOLS IN LOCAL SCHOOL ADMINISTRATIVE UNITS THAT HAVE BEEN CLOSED EIGHT DAYS PER YEAR DURING ANY FOUR OF THE LAST 10 YEARS BECAUSE OF SEVERE WEATHER CONDITIONS, ENERGY SHORTAGES, POWER FAILURES, OR OTHER EMERGENCY SITUATIONS; TO ENSURE THAT TEACHERS ARE PAID IN AUGUST; TO PROVIDE THAT LOCAL BOARDS OF EDUCATION SCHEDULE FIVE NONINSTRUCTIONAL TEACHER. WORKDAYS AT THE BEGINNING OF THE SCHOOL YEAR AND AT THE END OF EACH ACADEMIC QUARTER, AND THAT THESE DAYS ARE PROTECTED FOR TEACHERS TO COMPLETE INSTRUCTIONAL AND **ADMINISTRATIVE DUTIES**; TO **PROVIDE** CLASSROOM NONINSTRUCTIONAL TEACHER WORKDAYS MAY CONTINUE TO BE DESIGNATED AS DAYS ON WHICH TEACHERS WITH ACCUMULATED VACATION LEAVE MAY TAKE THAT LEAVE AND TO REQUIRE AT LEAST TWO OF THOSE DAYS THAT ARE SCHEDULED BY THE SCHOOL'S PRINCIPAL TO BE DESIGNATED AS DAYS ON WHICH TEACHERS WITH ACCUMULATED VACATION LEAVE MAY TAKE THAT LEAVE; TO ALLOW ANY OF THE NONINSTRUCTIONAL TEACHER WORKDAYS THAT ARE SCHEDULED BY THE SCHOOL'S PRINCIPAL TO BE DESIGNATED AS MAKE-UP DAYS FOR DAYS MISSED DUE TO INCLEMENT WEATHER; TO DEFINE "YEAR-ROUND SCHOOL" AS HAVING A SCHOOL CALENDAR THAT COVERS AT LEAST 11 CALENDAR MONTHS; TO PROVIDE THAT THE REDUCTION IN TEACHER WORKDAYS DOES NOT REDUCE THE

 ANNUAL RATE OF PAY FOR TEACHERS AND OTHER EMPLOYEES; TO PROVIDE THAT NOTHING IN THIS ACT SHALL BE CONSTRUED AS CHANGING THE PAY CYCLE FOR NON-CERTIFIED EMPLOYEES; TO PROVIDE THAT NOTHING IN THIS ACT REQUIRES THE GENERAL ASSEMBLY TO APPROPRIATE FUNDS FOR ITS IMPLEMENTATION OR REQUIRES LOCAL SCHOOL ADMINISTRATIVE UNITS TO EXPEND ADDITIONAL FUNDS FOR ITS IMPLEMENTATION; AND TO PROVIDE THAT THIS ACT APPLIES TO SCHOOLS BEGINNING WITH THE 2005-2006 SCHOOL YEAR.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-84.2 reads as rewritten:

"§ 115C-84.2. School calendar.

- (a) School Calendar. Each local board of education shall adopt a school calendar consisting of 220–210 days all of which shall fall within the fiscal year. A school calendar shall include the following:
 - (1) A minimum of 180 days and 1,000 hours of instruction covering at least nine calendar months. The local board shall designate when the 180 instructional days shall occur. The number of instructional hours in an instructional day may vary according to local board policy and does not have to be uniform among the schools in the administrative unit. Local boards may approve school improvement plans that include days with varying amounts of instructional time. If school is closed early due to inclement weather, the day and the scheduled amount of instructional hours may count towards the required minimum to the extent allowed by State Board policy. The school calendar shall include a plan for making up days and instructional hours missed when schools are not opened due to inclement weather.
 - (1a) (Applies only to 2002-2003 school year See editor's note.)

 Notwithstanding subdivision (1) of this subsection, a local board may decide to make up a maximum of three instructional days by adding instructional hours to previously scheduled instructional days. A local board shall make this decision only if all of the following criteria are met:
 - a. The days to be made up were missed when schools were unable to be opened due to unusual and extraordinary inclement weather conditions.
 - b. It would cause undue hardship to parents, children, and teachers to make up those days.
 - c. The school calendar continues to have a minimum of 1,000 instructional hours covering at least nine months.
 - d. The additional hours must equal the regularly scheduled number of instructional hours at each school.

If a local board adds instructional hours to previously scheduled days under this subdivision, the local school

administrative unit is deemed to have a minimum of 180 days of instruction, teachers employed for a 10-month term are deemed to have been employed for the days being made up, and all other employees shall be compensated as if they had worked the days being made up.

(2) A minimum of 10 annual vacation leave days.

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- (3) The same or an equivalent number of legal holidays occurring within the school calendar as those designated by the State Personnel Commission for State employees.
- (4) Eight-Five days, as designated by the local board, for use as teacher workdays, additional instructional days, or other lawful purposes. A local board may delegate to the individual schools some or all of the eight days to schedule under subdivision (5) of this subsection. A local board may schedule different purposes for different personnel on any given day and is not required to schedule the same dates for all personnel workdays. These days shall be protected to allow teachers to complete instructional and classroom administrative duties. The local school administrative unit shall not impose any additional tasks on these days. The local board shall schedule one of these days at the beginning of the school year and one at the end of each academic quarter.
- (5) The remaining days scheduled by each school's principal for any of the purposes allowed under subdivision (4) of this subsection, use as teacher workdays, additional instructional days, or other lawful purposes. Before scheduling these days, the principal shall work with the school improvement team to determine the days to be scheduled and the purposes for which they should be scheduled. Days may be scheduled and planned for different purposes for different personnel and there is no requirement to schedule the same dates for all personnel. However, if during the last two years the local school administrative unit has made up an average of at least eight days for school closing because of inclement weather, the local board may designate up to two In order to make up days for school closing because of inclement weather, the local board may designate any of these days as additional make-up days to be scheduled after the last day of student attendance.

Local boards and individual schools are encouraged to use the calendar flexibility in order to meet the annual performance standards set by the State Board. Local boards of education shall consult with parents and the employed public school personnel in the development of the school calendar.

Local boards and individual schools <u>may designate any of the days scheduled under subdivision</u> (4) of this subsection and shall designate at least two of the days scheduled <u>under subdivision</u> (5) of this subsection as days on which teachers may take <u>accumulated vacation leave</u>. <u>Local boards and individual schools</u> shall give teachers at

- (b) Limitations. The following limitations apply when developing the school calendar:
 - (1) The total number of teacher workdays for teachers employed for a 10 month term shall not exceed 200-190 days.
 - (2) The calendar shall include at least 42 consecutive days when teacher attendance is not required unless: (i) the school is a year-round school; or (ii) the teacher is employed for a term in excess of 10 months. At the request of the local board of education or of the principal of a school, a teacher may elect to work on one of the 42 days when teacher attendance is not required in lieu of another scheduled workday.
 - (3) School shall not be held on Sundays.
 - (4) Veterans Day shall be a holiday for all public school personnel and for all students enrolled in the public schools.
- (c) Emergency Conditions. During any period of emergency in any section of the State where emergency conditions make it necessary, the State Board of Education may order general, and if necessary, extended recesses or adjournment of the public schools.
- (d) Opening and Closing Dates. Local boards of education shall determine the dates of opening and closing the public schools under subdivision (a)(1) of this section. Except for year-round schools, the opening date for students shall not be before August 25 and the closing date for students shall not be after June 10. On a showing of good cause, the State Board of Education may waive this requirement to the extent that school calendars are able to provide sufficient days to accommodate anticipated makeup days due to school closings. A local board may revise the scheduled closing date if necessary in order to comply with the minimum requirements for instructional days or instructional time. Different opening and closing dates may be fixed for schools in the same administrative unit. For purposes of this subsection, the term 'good cause' means that schools in the local school administrative unit have been closed eight days per year during any four of the last 10 years because of severe weather conditions, energy shortages, power failures, or other emergency situations.
- (e) Year-round schools. Local boards of education may designate schools as year-round schools. As used in this Chapter, the term "year-round school" means the school has a school calendar that covers at least 11 calendar months."

SECTION 2. G.S. 115C-302.1(b) reads as rewritten:

"(b) Salary Payments. – State-allotted teachers shall be paid for a term of 10 months. State-allotted months of employment for vocational education to local boards shall be used for the employment of teachers of vocational and technical education for a term of employment to be determined by the local boards of education. However, local boards shall not reduce the term of employment for any vocational agriculture teacher

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personnel position that was 12 calendar months for the 1982-83 school year for any school year thereafter.

Each local board of education shall establish a set date on which monthly salary payments to State-allotted teachers shall be made. This set pay date may differ from the end of the month of service. The daily rate of pay for teachers shall equal one twenty-second one twenty-first of the monthly rate of pay. Except for teachers employed in a year-round school or paid in accordance with a year-round calendar, or both, the initial pay date for teachers shall be no later than August 31 and shall include a full monthly payment. Subsequent pay dates shall be spaced no more than one month apart and shall include a full monthly payment.

Teachers may be prepaid on the monthly pay date for days not yet worked. A teacher who fails to attend scheduled workdays or who has not worked the number of days for which the teacher has been paid and who resigns, is dismissed, or whose contract is not renewed shall repay to the local board any salary payments received for days not yet worked. A teacher who has been prepaid and continues to be employed by a local board but fails to attend scheduled workdays may be subject to dismissal under G.S. 115C-325 or other appropriate discipline.

Any individual teacher who is not employed in a year-round school may be paid in 12 monthly installments if the teacher so requests on or before the first day of the school year. The request shall be filed in the local school administrative unit which that employs the teacher. The payment of the annual salary in 12 installments instead of 10 shall not increase or decrease the teacher's annual salary nor in any other way alter the contract made between the teacher and the local school administrative unit. Teachers employed for a period of less than 10 months shall not receive their salaries in 12 installments.

Notwithstanding this subsection, the term "daily rate of pay" for the purpose of G.S. 115C-12(8) or for any other law or policy governing pay or benefits based on the teacher salary schedule shall not exceed one twenty-second of a teacher's monthly rate of pay."

SECTION 3. For certified and non-certified employees employed on or after the effective date of this act, the annual rate of pay beginning with the 2005-2006 school year shall not be reduced as the result of this act. Furthermore, nothing in this act shall be construed to change the pay cycle for non-certified employees. The State Board of Education shall report annually to the Joint Legislative Education Oversight Committee on local compliance with this section.

SECTION 4. Nothing in this act shall require the General Assembly to appropriate funds to implement it or require a local school administrative unit to spend additional funds to implement it.

SECTION 5. This act becomes effective July 1, 2004, and applies to school years beginning with the 2005-2006 school year.



HOUSE BILL 1464: School Calendar Changes

Committee: House Commerce

Date:

June 16, 2004

Version:

H1464-CSRH-63[v.11]

Introduced by: Reps. C. Wilson, Culpepper,

Miner & Hill

Robin Johnson Summary by:

Research Division

SUMMARY: House Bill 1464 is a recommendation of the Joint Select Committee on Small Business Economic Development.

The Proposed Committee Substitute (PCS) for House Bill 1464 would reduce the number of required days in the school calendar; require schools to open for students no earlier than August 25 and close by June 10 except in unusual circumstances or in year-round schools; ensure teachers and other employees are paid in August; reduce the number of teacher workdays; and provide that salaries are not reduced as a result of the reduction in teacher workdays.

The PCS would become effective July 1, 2004, and apply to school years beginning with the 2005-2006 school

CURRENT LAW: The NC Constitution requires that the State provide "for a general and uniform system of free public schools, which shall be maintained at least nine months in every year." This is echoed in G.S. 115C-1, which requires the operation in every LEA of "a uniform school term of nine months."

School calendars must have a minimum of 220 days, all of which fall in the fiscal year. Of those days, local boards must adopt annual school calendars consisting of 180 days AND 1,000 hours of instruction during nine calendar honths. The remaining 40 days must be scheduled as follows: 10 as teacher vacation days; 10-11 as holidays; 8 as designated by the local board for teacher workdays, additional instructional days, or other lawful purposes; and the remainder (11-12)1 as designated by each school's principal for teacher workdays, additional instructional days, or other lawful purposes. School cannot be held on Sundays or Veteran's Day.

Actual workdays for teachers employed for 10-month terms cannot exceed 200 days, but they are paid for 220 days. Their daily rate of pay is 1/22 of monthly rate of pay.

Teachers earn annual vacation leave at the same rate as State employees. Beginning teachers earn 10 days in one school year; senior teachers can earn more than 20 days in a school year. Teachers are not allowed to use these leave days on instructional days. The school calendar is required to provide for 10 teacher vacation days; local boards may designate teacher workdays as additional days on which teachers with accumulated leave may take that leave.

In most cases, there must be 42 consecutive days when teacher attendance is not required. The State Board has authority to order general school closings during any emergency in any section of the State where emergency conditions make it necessary.

Local boards set the actual opening and closing dates, which can be revised if needed to comply with minimum requirements for instructional time or instructional days. Different schools within a system may have different opening and closing dates.

¹ Two of these days may be designated as additional make-up days after the last day of student attendance if the LEA made up n average of at least 8 days for school closings in the last two years.

BILL ANALYSIS:

Teacher Workdays: The PCS would eliminate 10 teacher workdays from the school calendar, thereby reducing the total number of days in the school calendar from 220 days to 210 days.

- The number of teacher workdays that are designated by local boards would be reduced from eight to five days. The PCS would require that these five days must allow teachers to complete instructional and classroom administrative duties. Local school administrative units would not be allowed to impose any additional tasks on those days. One of these days must be at the beginning of the school year; one must be at the end of each quarter, including one at the end of the school year. Local boards would continue to be permitted to designate any of these days as days on which teachers with accumulated vacation leave may take that leave.
- The remaining teacher workdays (those scheduled by the school's principal) would be reduced from 11-12 days to 6-7 days. These days would continue to be scheduled for use as teacher workdays, additional instructional days, or other lawful purposes. At least two of these days must be designated as days on which teachers with accumulated vacation leave may take that leave. The PCS also would remove the limitation that links the use of these days as snow make up days to days missed in the previous two years and would allow a local board to designate any of these days as make-up days for days missed due to school closing because of inclement weather.

First and Last Instructional Day: The PCS would require local boards of education to set the first instructional day of school no earlier than August 25 and the last day no later than June 10 for all schools except year-round schools. A local board of education may ask the State Board of Education for a waiver of this requirement if it can show good cause. Good cause means that schools in that local administrative unit have been closed for eight days per year during any four of the last ten years because of severe weather conditions, energy shortages, power failures, or other emergency situations. The PCS would define a "year-round school" as one that has a school calendar that covers at least 11 calendar months.

Rate of Pay, Pay Cycles: The PCS would change the daily rate of pay for teachers from 1/22 to 1/21 of the monthly rate of pay, but would not reduce the yearly pay. The term "daily rate of pay" for any other law or policy governing pay or benefits based on the teacher salary schedule shall not exceed 1/22 of their monthly rate of pay.

The annual rate of pay for certified and non-certified employees cannot be reduced as the result of this act, nothing in the PCS is to be construed to change the pay cycle for non-certified employees, and the State Board must report annually to the Joint Legislative Education Oversight Committee on compliance with these prohibitions

The proposed committee substitute would require the first pay date to be no later than August 31 for teachers, except for those who are employed in year-round schools or who are paid in accordance with a year-round calendar. Subsequent pay dates must be spaced no more than one month apart and must include a full month's pay.

Appropriation or Expenditure of Additional Funds: Section 4 of the PCS would provide that nothing in the act requires the General Assembly to appropriate funds to implement the act or require a local school administrative unit to spend additional funds to implement it.

EFFECTIVE DATE: This act would become effective July 1, 2004, and would apply to school years beginning with the 2005-2006 school year.

H1464-SMRH-006





Impact of the Proposed Legislation to Mandate School Calendars

Local Flexibility

North Carolina school systems currently adopt their school calendars based on the needs of and input from their communities. For school calendars, one size does not fit all, and school boards need to retain the flexibility to make decisions in the best interest of their individual communities and the educational needs of the children.

Cost of Lost Days

The proposal would require the state to spend \$187 million to pay nearly 108,000 teachers, instructional support staff and non-certified personnel statewide for 10 days they will not be working. As a result, teachers will lose 10 days of staff development time that is needed to help them meet increased state and federal accountability standards.

State and Local Costs

The proposed calendar mandate holds potential cost increases for state and local governments that have yet to be considered. These include increased costs for substitute teacher pay and a potential loss of funds paid to teachers in August for days not yet worked that might not be recouped if a teacher leaves mid-year. Additionally, the bill would require that teachers paid entirely through local funds or who receive a local supplement would continue to receive the same pay. This would create an unfunded local mandate requiring counties to pay for the 10 days that teachers are not required to work. The cost of 10 days of average salary supplements for teachers adds another \$11,531,082 of county funds to the cost of this legislation.

Impact to Tax Base

Efforts to increase tourism spending through this calendar mandate could ultimately shift sales tax revenues between North Carolina communities or send those revenues to other states with popular vacation spots. Estimates indicating that North Carolina could generate \$1 billion or more in additional sales tax revenue through an earlier school start are greatly exaggerated and are based on survey results from only 240 of the state's 580,000 families with school-aged children.

Impact on Family Time

Family time would neither increase nor decrease under this proposal. School districts would still be required to provide 180 days and 1,000 hours of instruction. Unfortunately, districts would need to shorten or eliminate events such as winter break, spring break, Thanksgiving, other holidays and long weekends that families typically enjoy in order to achieve the days and hours of instruction within the mandated start and end dates.

Impact on Students

Research has well documented the learning loss students suffer from a longer break between school years. This "summer slide" effect is disproportionate for low-income students. Additionally, longer summers may also increase the levels of juvenile delinquency, increase the costs for special education and decrease the access to nutritious meals for those students on free and reduced meals.

Comparison to Other States

According to research compiled by the Education Commission of the States, local control of the school calendar is the national standard and not the exception. Only nine states have a law in place that prevents Local Education Agencies from choosing their school start date. Virginia is one of those nine and requires school to start after Labor Day. However, Virginia's law allows waivers that have been widely granted, according to research compiled by the Public School Forum of North Carolina. Of Virginia's 132 school districts, 75 were granted waivers in 2002-03, followed by 76 for 2003-04. In addition, 68 school districts in Virginia already have been granted waivers for 2004-05.



Classroom Teachers Association of North Carolina

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Honorable Representatives on the Commerce Committee,

I am honored to bring you greetings as President of the Classroom Teachers Association of North Carolina representing teachers in primarily in Mecklenburg, but also in Cabarrus, Lincoln, Iredell, Union and other surrounding counties. Our organization is proud of the fact that we assisted Representative Connie Wilson in crafting this bill. As a result of teacher input regarding the excessive number of teacher workdays in North Carolina (20 work days) and the abuse of their use, we felt that it was time to bring the expectations of teachers in North Carolina in line with the rest of the country (6-8 work days). Teachers are dedicated to their profession and complete the tasks necessary to meet the needs of their students regardless of the legislative designation of the day. "Workdays" have been used by LEA's and administrators in useless "one size fits all" days of training which, frankly, insult good teachers. The waste of time resulted in teachers doing the work, which should have been completed on workdays, at home in the evenings, on weekends and at any personal time available.

The compression of the school year will allow teachers the opportunity to attend regular summer ressions in the state university system. Most teachers would receive a higher quality of professional relopment experience in the university environment. It would be nice if teachers were afforded reduced tuition rates to attend state institution training. The incentive to attend university classes and the compression of the work year will provide incentive to recruit and retain highly qualified teachers to North Carolina.

We have heard arguments involving flexibility and local control against this legislation. I ask you, how more local can you get than the parents and teachers in your local school systems. Parents and teachers support this bill. Some teachers who have spoken out against the bill did so due to the fact that their administrators and school board members through fear and intimidation forced them to take that position. Frankly, the more flexibility given to local administrative units, the less assistance in the classroom has been realized. Teacher frustration however has been maximized. Due to the reduction of teacher assistants in the elementary level, class size is becoming a critical issue.

I encourage you to vote in support of HB1464. Please do so because it is right for the parents, teachers and most of all, the students of North Carolina.

Respectfully submitted,

Judy Kidd, President

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Looking at Public Policy Issues . . .

Is Giving 108,000 State Employees

The Same Pay for Two Weeks Fewer Work the Best Way

To Resolve the School Calendar Issue?

Background:

The 2004 Session is being asked to consider a proposal that would have the following act:

- 1. Public schools could not open before August 25 and must end by June 10.
- 2. Ten "teacher work days" (i.e., days for staff development, planning & paper work) would be eliminated, but it would not reduce salaries of teachers and other employees now required to work on those 10 days.

The bill is being supported by tourism and real estate interests who contend that North Carolina's tourism industry would realize larger profits if families had more August vacation days.

The bill is opposed by mainstream education groups who contend that the bill removes needed flexibility and could setback the education progress that has been made in recent years.

What is missing in the debate to date are answers to critical questions: What is the real cost of the proposal? Is the State running the risk of discrimination lawsuits? Will student performance scores move backward? Are there alternatives that could result in earlier school openings without giving up to 107,980 employees plus any clerical, or custodial employees paid on a 10-month calendar, the same pay for two weeks less work? Should the State consider converting the 10 days to instruction, making North Carolina's school year for students more like school years around the world? The following will raise those questions in the hope that the issue will be resolved with all of the facts on the table.

Questions That Deserve to Be Answered Before Action Is Taken on the School Calendar

Question One:

How Many School Employees Will Receive the Same Pay for Ten Days Fewer of Work?

The current Labor Day bill proposes to eliminate 10 teacher work days in exchange for a later school opening date. The bill is silent, however, on whether employees other than teachers who would ordinarily be working on teacher work days would also receive the same pay for less work or whether their pay would be reduced for the ten days not worked? Here are the numbers of school employees potentially affected by fewer work days and the current cost of ten days of work. If non-teachers have their pay reduced by 10 days, will the potential savings be reflected in the budget?

Employee Category	# of State- Funded Employees*	Cost of 10 Days of Work	# of County- Funded Employees*	Cost of 10 Days of Work
Teachers	76,314	\$132,040,564	5,973	\$10,334,648
Instructional Support	8,878	\$17,217,670	2,052	\$3,979,574
Teacher Assistants	21,053	\$15,763,912	2,879	\$2,155,717
Assistant Principals	1,735	\$3,748,389	774	\$1,672,192
Total	107,980	\$168,770,535	11,678	\$18,142,130

TOTAL \$186,912,666

^{*}These figures do not include the average local salary supplements paid to teachers and instructional support personnel or the average local salary supplement paid to assistant principals. The cost of ten days of average salary supplements for teachers alone adds another \$11,531,082 of county funds that will be lost under this proposal.

Question Two:

Is the State Exposing Itself and School Boards to Discrimination Lawsuits?

In light of the large number of employees, nearly 120,000, who stand to potentially earn the same salary for less work, is the State running the risk of a discrimination lawsuit being filed by other state employees, contending that the same treatment should be extended to all?

There are 11,678 locally-funded teachers and others employed at local schools. If school boards, as a result of this bill, pay those employees the same for working 10 fewer days, will the General Assembly have made local school boards vulnerable to discrimination suits from other school system employees? If, on the other hand, a local school board decides to cut the pay of locally-funded employees for the equivalent of 10 days pay, could they? Have bill sponsors consulted with the school boards about the impact of this bill on locally-funded school personnel?

Question Three:

What Impact Will the Elimination of Work Days Have on Retirement Benefits Or On Severance Pay Liability?

Currently teachers can use accrued vacation days on "unprotected" work days. In the current school calendar, school systems can require that all teachers work on protected (i.e., required) workdays; on unprotected days, teachers can use vacation leave. If teachers can no longer use up to 10 vacation days a year, the state will accrue liability either through teachers applying larger numbers of unused vacation leave to retirement credit or through higher severance pay to teachers who retire or resign. Currently teachers can accrue up to 30 days of unused vacation leave. The proposed legislation insures a dramatic increase in the amount of accrued unused vacation days. Based upon estimates from the Department of Public Instruction, the additional payout for unused annual leave could range between \$10-20 million per year. What is the potential economic impact of this change over time both on the retirement system and on severance benefits legally owed to employees who retire or resign? Will there be a financial impact on county governments? Will the change force local school boards to petition county commissioners for additional funds to pay higher severance costs for locally paid teachers? Has a fiscal note been requested?

Question Four:

How Much Will Substitute Teacher Pay Increase?

Substitute teacher pay is determined based on the daily rate of pay for beginning teachers. If teachers work 10 fewer days with no reduction in pay, the daily rate of pay for beginning teachers will increase. That will cause substitute teacher pay to increase. Based upon preliminary estimates, the cost of increased substitute pay would be \$3.7 million per year. Has a fiscal note been requested?

Question Five:

What Will the Education Impact of Late School Openings Be?

Many communities, especially low-wealth counties, challenged by large numbers of atrisk students, are attempting to squeeze in as many days of schooling as possible in advance of state testing dates – and, based on rising student performance rates, those extra days seem to be making a difference. Many of those counties are among the poorest and most diverse in the state, Hoke County among them. Has anyone attempted to estimate what the educational impact of late school openings will be on these counties if they lose two or three weeks of instruction before tests are given?

Question Six:

Why Are Bill Supporters Relying on Flawed Research?

The ECU study that claims that the economic benefit of a late school opening date would be \$1-\$2 billion was based their study on 240 parent responses to a survey available only on the website of Save Our Summers (SOS), the advocacy group working with the tourism industry in support of the bill. The survey was not available to other parents, and no attempt was made to have a representative sample – one that would include families in which both parents work, single parent families, families who do not have access to a computer, or parents who do not support the goals of SOS. A predictable 100% of the 240 respondents to the survey said they would extend their vacations if schools opened later; and, based on that response, the researchers arrived at their \$1-\$2 billion estimate. Is the General Assembly going to require that a credible study be done before enacting legislation supported by inflated claims?

Question Seven:

Couldn't the State Make Use of the 10 Days Rather than Giving People the Same Pay for Less Work?

North Carolina, like other states across the nation, has the shortest instructional year in the industrial world. The average number of instructional days in other industrial countries is 207 compared to North Carolina's 180. Instead of giving up ten days of work while continuing to pay for them, has the General Assembly considered adding 5 or 10 days of instruction to the school calendar in an effort to make the school year more competitive with those of countries around the world? The only additional cost would be the cost of transportation for students to and from schools – the state is already paying the cost of salaries, utilities, *etc.*

Summary:

The school calendar issue, like most facing the General Assembly, is not a simple either/or proposition. The list of questions raised in this discussion paper is not an inclusive list – there are other equally difficult and troubling questions that could have been included.

At a minimum, however, these questions deserve to be debated and answered before action is taken on the school calendar bill.

This discussion paper is provided as a public service to North Carolina's educational policymakers by the following organizations:

North Carolina Association of School Administrators North Carolina School Boards Association Public School Forum of North Carolina

attachnust #6

Chris Floyd (Rep. C. Wilson)

From: Louise C. Lee [louise@nc.rr.com]

Sent: Wednesday, June 16, 2004 9:55 PM

To: Chris Floyd (Rep. C. Wilson)

Subject: SOS-NC message to the Commerce Committee on 6/16/04

My name is Louise Lee. I am the co-founder of Save Our Summers – NC. I am also a parent and I taught here in Wake County for 14 years. I want to thank you for the opportunity to speak today.

As I pondered what to say today, I decided not to rattle off a list of research studies or statistics – you've seen all of that anyway. I'm going to keep this simple, just like the premise of Save Our Summers. SOS-NC supporters have seen a frightening trend as start dates for traditional schools have carved a larger and larger chunk out of summers. Let me share with you just a few reasons why this is such a concern. Children need time with families to experience opportunities that come only through trips, summer camps, jobs, and "down time". Many families depend upon older children for financial assistance from summer job earnings. Also, there is a huge health concern about athletes and band members out in the extreme heat of July, not to mention children who have long trips on buses that have baked in the sun all day.

The list goes on and on. In 2002, the median school start date for the 117 school systems in North Carolina was August 7th. That means ½ before that date and ½ after. In 2003, that date moved back a day, to August 6th. This is why we're here. This is why 16,000 parents, grandparents, and other concerned citizens have spoken out so strongly to you!

Issues such as the economy and vacations are vitally important as you weigh this decision. I want to end, however, by impressing upon you that the Save Our Summers initiative goes even deeper. Our views cut to the core of what the phrase "best education for our children" is all about. Some leaders see test scores as the "end-all" in education. We at Save Our Summers know that these must be coupled with opportunities for children to develop inventive minds, to make their own decisions, to let their creative juices flow...you get my point.

As I came in the front door of this building today, this brochure [in my hand] caught my eye. It says, "North Carolina Belongs to Children". They truly are the future of this state. So please, no matter what you hear today, always remember that statement. This [holding up brochure] is what it's all about. Thank you.

Thanks, Louise Lee louise@nc.rr.com

ATTENDANCE

House Committee on Commerce 2003-2004 SESSION

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DATES	5-26-04	6-16-04	3.										
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COMMERCE

June 16, 2004

Name of Committee

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Linda Hess	Over Banks As of REALTORS
DAVE RENCSOK	WECKOR
STARLON CREDLE	WASHINGTON-BEAUFORT COUNTY REALTORS
MKKY BOONE	Prudential
Charlie Bunleson	Book Mtw Realty + Reals
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Judie Estes	LATAMANING CILLB H'UILLE
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Jon Shmes	Carolina Pubs Inc.
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JANE CLARK	NCAR
BILL BASS	NCAR
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SCOTT F YAMANASHI	CTA NC TEACHER
Lestie A. Galaty	CTANC Charlotte Teacher
John Havan	CTANC TEACHER
Judy Kidd	President, Classroom Teachers Assoc. CTI CTANC lerrow Teacher Assoc. NC - Teacher
Sheldon Sparling	CTATC larrow Teacher Ask-NC - Teacher
Don Palmer.	Davida Conty Rd Education
Kanny MEredith	DAVILSON County Bd . + Education
Laurie Doantria	BCAR
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alden Thompson	Davidson County Bd 988.
Fred Mork	DAVIDEN COURT STROUT
Steve Jones	Ashaboro Cuty Schools BOE
Barbara Jackson	NC assur of Reactors
JOHN EASTERUNG	NCAR
BRUCE WILLIAMS	NEAR

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Shirley Morrison	Jacksonville Board & PEXATORS Bes-Elect
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House Pages

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3.	Name: Paul Curry	-
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MINUTES

HOUSE COMMITTEE ON COMMERCE

June 22, 2004

The House Committee on Commerce met on Tuesday, June 22, 2004 in Room 1228 of the Legislative Building at 12:00 P.M. The following members were present: Rep. Connie Wilson, Chair, Vice Chairs Jim Harrell and John Sauls, Representatives Blust, Cole, Decker, Dickson, Dockham, England, Farmer-Butterfield, Frye, Goforth, Hunter, Parmon, Rhodes, Stam and West, Ex officio members Rep. Culpepper and Eddins. A visitor registration sheet indicates visitors present and is attached as a part of the record.

Rep. Culpepper opened the meeting by welcoming members and guest. Having a quorum, the meeting was called to order at 12:00 P.M. He recognized the following pages, Chelsea Allen of McDowell County and sponsored by Rep. Gillespie, Shana Simpson of Guilford County and sponsored by Rep. Adams, Kelly Starnes of Caldwell County and sponsored by Rep. Starnes, Brooke Whisenant of CaldwellCounty and sponsored by Rep. Starnes, Abbe Holland of McDowell County and sponsored by Rep. Gillespie, Harrison Goforth of Buncombe County and sponsored by Rep. Goforth, who were assigned to the meeting.

Rep. Culpepper called the meeting to order at 12:02 pm and recognized Rep. Connie Wilson to speak on the bill.

HB-1464 – SCHOOL CALENDAR CHANGES

AN ACT TO REDUCE THE NUMBER OF NONINSTRUCTIONAL TEACHER WORKDAYS; TO PROVIDE THAT PUBLIC SCHOOLS SHALL OPEN AFTER AUGUST 25 AND CLOSE NOT AFTER JUNE 10, EXCEPT IN UNUSUAL CIRCUMSTANCES OR IN YEAR-ROUND SCHOOLS; TO ENSURE THAT TEACHERS MAY BE PAID IN AUGUST IF THEY SO DESIRE; AND TO PROVIDE THAT SALARIES NOT DECREASE AS A RESULT OF THE REDUCTION IN TEACHER WORKDAYS.

A proposed committee substitute HB 1464 was adopted on June 16, 2004

Rep. Culpepper recognized the following presenters to speak on the bill:

Eddie Davis, Vice Chairman – NCAE
Leanne Winner – NC School Board Association
Ronnie Watson – Citizen from Carteret County
Howard Lee, Chairman – State Board of Education
David Mandt, Director of Marketing – Paramount Carowinds

Stephanie Simpson – North Carolina Realtors Association
Susan Harrison – Wake County Schools
Erica Peterson – Agribusiness Council
Robert Schofield – Justice & Community Development Center
Harris Prevost – Grandfather Mountain
Leslie B. Coman – NCCBI
Billy Sewell, President – Platinum Corral, LLC
Deborah Greenblatt, Parent of Special Needs Child
Ellen Graves, PENC
Zander Guy, Mayor of Siler city

Rep. Culpepper adjourned the meeting at 12:58 PM.

Respectfully submitted,

Representative Bill Culpepper

Presiding Chair

Chris Floyd

Committee Clerk

Agenda Meeting Notice Attendance Record Visitor Registration List

AGENDA

HOUSE COMMITTEE ON COMMERCE

June 16, 2004 Room 1228 LB 1:00 P.M.

OPENING REMARKS

Representative Connie Wilson, Chair

AGENDA ITEMS

THE FOLLOWING BILLS WILL BE CONSIDERED:

HB 1464 School Calendar Changes – Rep. Connie Wilson, Culpepper, Miner, Hill

ADJOURNMENT

NORTH CAROLINA HOUSE OF REPRESENTATIVES COMMITTEE MEETING NOTICE AND BILL SPONSOR NOTIFICATION 2003-2004 SESSION

You are hereby notified that the Committee on Commerce will meet as follows:

DAY & DATE:	Tuesday, June 22, 2004								
TIME:	12:00 PM								
LOCATION:	Room 1228 Legislative Building								
The following bills	will be considered (Bill # & Short Title & Bill Sponsor):								
HB1464 School Calendar Changes - Rep. Connie Wilson, Culpepper, Miner, Hill									
	Respectfully, Representative Connie Wilson Chair								
I hereby certify this 9:00AM on June 21	notice was filed by the committee assistant at the following offices at , 2004								
Principa Reading	l Clerk Clerk - House Chamber								
Chris Floyd (Comm	nittee Assistant)								

GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2003

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HOUSE BILL 1464* PROPOSED COMMITTEE SUBSTITUTE H1464-CSRH-63 [v.11]

D

6/16/2004 11:35:33 AM

Short Title: School Calendar Changes.		(Public)
Sponsors:		
Referred to:		·

May 17, 2004

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A BILL TO BE ENTITLED

AN ACT TO REDUCE BY 10 THE NUMBER OF NONINSTRUCTIONAL TEACHER WORKDAYS: TO PROVIDE THAT PUBLIC SCHOOLS SHALL OPEN NO SOONER THAN AUGUST 25 AND CLOSE NO LATER THAN JUNE 10 EXCEPT IN YEAR-ROUND SCHOOLS OR IN SCHOOLS IN LOCAL SCHOOL ADMINISTRATIVE UNITS THAT HAVE BEEN CLOSED EIGHT DAYS PER YEAR DURING ANY FOUR OF THE LAST 10 YEARS BECAUSE OF SEVERE WEATHER CONDITIONS, ENERGY SHORTAGES, POWER FAILURES, OR OTHER EMERGENCY SITUATIONS: TO ENSURE THAT TEACHERS ARE PAID IN AUGUST; TO PROVIDE THAT LOCAL BOARDS OF EDUCATION SCHEDULE FIVE NONINSTRUCTIONAL TEACHER WORKDAYS AT THE BEGINNING OF THE SCHOOL YEAR AND AT THE END OF EACH ACADEMIC OUARTER, AND THAT THESE DAYS ARE PROTECTED FOR TEACHERS TO COMPLETE INSTRUCTIONAL AND **ADMINISTRATIVE DUTIES:** TO **PROVIDE** CLASSROOM NONINSTRUCTIONAL TEACHER WORKDAYS MAY CONTINUE TO BE DESIGNATED AS DAYS ON WHICH TEACHERS WITH ACCUMULATED VACATION LEAVE MAY TAKE THAT LEAVE AND TO REQUIRE AT LEAST TWO OF THOSE DAYS THAT ARE SCHEDULED BY THE SCHOOL'S PRINCIPAL TO BE DESIGNATED AS DAYS ON WHICH TEACHERS WITH ACCUMULATED VACATION LEAVE MAY TAKE THAT LEAVE: TO ALLOW ANY OF THE NONINSTRUCTIONAL TEACHER WORKDAYS THAT ARE SCHEDULED BY THE SCHOOL'S PRINCIPAL TO BE DESIGNATED AS MAKE-UP DAYS FOR DAYS MISSED DUE TO INCLEMENT WEATHER: TO DEFINE "YEAR-ROUND SCHOOL" AS HAVING A SCHOOL CALENDAR THAT COVERS AT LEAST 11 CALENDAR MONTHS; TO PROVIDE THAT THE REDUCTION IN TEACHER WORKDAYS DOES NOT REDUCE THE

ANNUAL RATE OF PAY FOR TEACHERS AND OTHER EMPLOYEES; TO PROVIDE THAT NOTHING IN THIS ACT SHALL BE CONSTRUED AS CHANGING THE PAY CYCLE FOR NON-CERTIFIED EMPLOYEES; TO PROVIDE THAT NOTHING IN THIS ACT REQUIRES THE GENERAL ASSEMBLY TO APPROPRIATE FUNDS FOR ITS IMPLEMENTATION OR REQUIRES LOCAL SCHOOL ADMINISTRATIVE UNITS TO EXPEND ADDITIONAL FUNDS FOR ITS IMPLEMENTATION; AND TO PROVIDE THAT THIS ACT APPLIES TO SCHOOLS BEGINNING WITH THE 2005-2006 SCHOOL YEAR.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-84.2 reads as rewritten:

"§ 115C-84.2. School calendar.

- School Calendar. Each local board of education shall adopt a school calendar consisting of 220-210 days all of which shall fall within the fiscal year. A school calendar shall include the following:
 - A minimum of 180 days and 1,000 hours of instruction covering at (1) least nine calendar months. The local board shall designate when the 180 instructional days shall occur. The number of instructional hours in an instructional day may vary according to local board policy and does not have to be uniform among the schools in the administrative unit. Local boards may approve school improvement plans that include days with varying amounts of instructional time. If school is closed early due to inclement weather, the day and the scheduled amount of instructional hours may count towards the required minimum to the extent allowed by State Board policy. The school calendar shall include a plan for making up days and instructional hours missed when schools are not opened due to inclement weather.
 - (Applies only to 2002-2003 school year See editor's note.) (1a) Notwithstanding subdivision (1) of this subsection, a local board may decide to make up a maximum of three instructional days by adding instructional hours to previously scheduled instructional days. A local board shall make this decision only if all of the following criteria are met:
 - The days to be made up were missed when schools were unable a. to be opened due to unusual and extraordinary inclement weather conditions.
 - It would cause undue hardship to parents, children, and teachers b. to make up those days.
 - The school calendar continues to have a minimum of 1,000 c. instructional hours covering at least nine months.
 - The additional hours must equal the regularly scheduled d. number of instructional hours at each school.

If a local board adds instructional hours to previously scheduled days under this subdivision, the local school

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administrative unit is deemed to have a minimum of 180 days of instruction, teachers employed for a 10-month term are deemed to have been employed for the days being made up, and all other employees shall be compensated as if they had worked the days being made up.

(2) A minimum of 10 annual vacation leave days.

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- (3) The same or an equivalent number of legal holidays occurring within the school calendar as those designated by the State Personnel Commission for State employees.
- (4) Eight-Five days, as designated by the local board, for use as teacher workdays, additional instructional days, or other lawful purposes. A local board may delegate to the individual schools some or all of the eight days to schedule under subdivision (5) of this subsection. A local board may schedule different purposes for different personnel on any given day and is not required to schedule the same dates for all personnel workdays. These days shall be protected to allow teachers to complete instructional and classroom administrative duties. The local school administrative unit shall not impose any additional tasks on these days. The local board shall schedule one of these days at the beginning of the school year and one at the end of each academic quarter.
- (5) The remaining days scheduled by each school's principal for any of the purposes allowed under subdivision (4) of this subsection. use as teacher workdays, additional instructional days, or other lawful purposes. Before scheduling these days, the principal shall work with the school improvement team to determine the days to be scheduled and the purposes for which they should be scheduled. Days may be scheduled and planned for different purposes for different personnel and there is no requirement to schedule the same dates for all personnel. However, if during the last two years the local school administrative unit has made up an average of at least eight days for school closing because of inclement weather, the local board may designate up to two In order to make up days for school closing because of inclement weather, the local board may designate any of these days as additional make-up days to be scheduled after the last day of student attendance.

Local boards and individual schools are encouraged to use the calendar flexibility in order to meet the annual performance standards set by the State Board. Local boards of education shall consult with parents and the employed public school personnel in the development of the school calendar.

Local boards and individual schools <u>may designate any of the days scheduled under subdivision</u> (4) of this subsection and shall designate at least two of the days scheduled <u>under subdivision</u> (5) of this subsection as days on which teachers may take accumulated vacation leave. Local boards and individual schools shall give teachers at

least 14 calendar days' notice before requiring a teacher to work instead of taking vacation leave on days scheduled in accordance with subdivision (4) or (5) of this subsection. A teacher may elect to waive this notice requirement for one or more such of these days.

(b) Limitations. – The following limitations apply when developing the school

- (b) Limitations. The following limitations apply when developing the school calendar:
 - (1) The total number of teacher workdays for teachers employed for a 10 month term shall not exceed 200-190 days.
 - (2) The calendar shall include at least 42 consecutive days when teacher attendance is not required unless: (i) the school is a year-round school; or (ii) the teacher is employed for a term in excess of 10 months. At the request of the local board of education or of the principal of a school, a teacher may elect to work on one of the 42 days when teacher attendance is not required in lieu of another scheduled workday.
 - (3) School shall not be held on Sundays.
 - (4) Veterans Day shall be a holiday for all public school personnel and for all students enrolled in the public schools.
- (c) Emergency Conditions. During any period of emergency in any section of the State where emergency conditions make it necessary, the State Board of Education may order general, and if necessary, extended recesses or adjournment of the public schools.
- (d) Opening and Closing Dates. Local boards of education shall determine the dates of opening and closing the public schools under subdivision (a)(1) of this section. Except for year-round schools, the opening date for students shall not be before August 25 and the closing date for students shall not be after June 10. On a showing of good cause, the State Board of Education may waive this requirement to the extent that school calendars are able to provide sufficient days to accommodate anticipated makeup days due to school closings. A local board may revise the scheduled closing date if necessary in order to comply with the minimum requirements for instructional days or instructional time. Different opening and closing dates may be fixed for schools in the same administrative unit. For purposes of this subsection, the term 'good cause' means that schools in the local school administrative unit have been closed eight days per year during any four of the last 10 years because of severe weather conditions, energy shortages, power failures, or other emergency situations.
- (e) Year-round schools. Local boards of education may designate schools as year-round schools. As used in this Chapter, the term "year-round school" means the school has a school calendar that covers at least 11 calendar months."

SECTION 2. G.S. 115C-302.1(b) reads as rewritten:

"(b) Salary Payments. – State-allotted teachers shall be paid for a term of 10 months. State-allotted months of employment for vocational education to local boards shall be used for the employment of teachers of vocational and technical education for a term of employment to be determined by the local boards of education. However, local boards shall not reduce the term of employment for any vocational agriculture teacher

personnel position that was 12 calendar months for the 1982-83 school year for any school year thereafter.

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Each local board of education shall establish a set date on which monthly salary payments to State-allotted teachers shall be made. This set pay date may differ from the end of the month of service. The daily rate of pay for teachers shall equal one twenty-second one twenty-first of the monthly rate of pay. Except for teachers employed in a year-round school or paid in accordance with a year-round calendar, or both, the initial pay date for teachers shall be no later than August 31 and shall include a full monthly payment. Subsequent pay dates shall be spaced no more than one month apart and shall include a full monthly payment.

Teachers may be prepaid on the monthly pay date for days not yet worked. A teacher who fails to attend scheduled workdays or who has not worked the number of days for which the teacher has been paid and who resigns, is dismissed, or whose contract is not renewed shall repay to the local board any salary payments received for days not yet worked. A teacher who has been prepaid and continues to be employed by a local board but fails to attend scheduled workdays may be subject to dismissal under G.S. 115C-325 or other appropriate discipline.

Any individual teacher who is not employed in a year-round school may be paid in 12 monthly installments if the teacher so requests on or before the first day of the school year. The request shall be filed in the local school administrative unit which that employs the teacher. The payment of the annual salary in 12 installments instead of 10 shall not increase or decrease the teacher's annual salary nor in any other way alter the contract made between the teacher and the local school administrative unit. Teachers employed for a period of less than 10 months shall not receive their salaries in 12 installments.

Notwithstanding this subsection, the term "daily rate of pay" for the purpose of G.S. 115C-12(8) or for any other law or policy governing pay or benefits based on the teacher salary schedule shall not exceed one twenty-second of a teacher's monthly rate of pay."

SECTION 3. For certified and non-certified employees employed on or after the effective date of this act, the annual rate of pay beginning with the 2005-2006 school year shall not be reduced as the result of this act. Furthermore, nothing in this act shall be construed to change the pay cycle for non-certified employees. The State Board of Education shall report annually to the Joint Legislative Education Oversight Committee on local compliance with this section.

SECTION 4. Nothing in this act shall require the General Assembly to appropriate funds to implement it or require a local school administrative unit to spend additional funds to implement it.

SECTION 5. This act becomes effective July 1, 2004, and applies to school years beginning with the 2005-2006 school year.

ATTENDANCE

House Committee on Commerce 2003-2004 SESSION

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House Pages

1.	Name: Chelsea Allen
	County: McDowell
	sponsor: Mitch Gillespie
2.	Name: Shana Simpson
	County: GWI ford
	Sponsor: Alma Adans
3.	Name: Kelly Starnes
	County: <u>Caldwell</u>
	Sponsor: Edgar V Stavrus
4.	Name: Bowke Whisenant
	County: Caklwell
	Sponsor: Edgar V Starres
5.	Name: Abbie Hollard
	County: MEDowell
	Sponsor: Mitch Gillespie
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HOUSE	COMMERCE

Name of Committee

June 22, 2004

Date

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June 22, 2004

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Faul Pully	PWK9L
Stam Flanner	NCHCAD
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PAUL MAHONEY	COPSTAT
DON LOASTON	HPHW.
Julie Woodstr	NCCBI
Florand Pearl	Grannille Court School Bood Chairman
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Name of Committee

June 22, 2004

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Michael Moore	Town of Suif City
Paul Dyy	ACFPCD D
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Jim Causby	NCASA
Dale Hawkins	WET N WILD EMERALD POINTE
Rick Zechini	NC ASSOC. OF TEFACTOR)
Frank Rush	Town of Emoused Isle
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HOUSE COMMITTEE ON COMMERCE

June 30, 2004

The House Committee on Commerce met on Wednesday, June 30, 2004 in Room 1228 of the Legislative Building at 12:00 P.M. The following members were present: Rep. Connie Wilson, Chair, Vice Chairs Jim Harrell and John Sauls, Representatives Cole, Daughtridge, Decker, Dickson, Dockham, England, Farmer-Butterfield, Frye, Goforth, Hunter, Parmon, Rhodes, Stam and West, Ex officio members Rep. Culpepper and Eddins. A visitor registration sheet indicates visitors present and is attached as a part of the record.

Rep. Culpepper opened the meeting by welcoming members and guest. Having a quorum, the meeting was called to order at 1:00 P.M. He recognized the following pages, Sirena Bedfern of Guilford County and Glenda Easterling of Montgomery County and sponsored by Speaker Morgan, Josh Patton and Marc Epstein of Mecklenburg County and sponsored by Speaker Black, who were assigned to the meeting.

HB-1464 – SCHOOL CALENDAR CHANGES

AN ACT TO REDUCE THE NUMBER OF NONINSTRUCTIONAL TEACHER WORKDAYS; TO PROVIDE THAT PUBLIC SCHOOLS SHALL OPEN AFTER AUGUST 25 AND CLOSE NOT AFTER JUNE 10, EXCEPT IN UNUSUAL CIRCUMSTANCES OR IN YEAR-ROUND SCHOOLS; TO ENSURE THAT TEACHERS MAY BE PAID IN AUGUST IF THEY SO DESIRE; AND TO PROVIDE THAT SALARIES NOT DECREASE AS A RESULT OF THE REDUCTION IN TEACHER WORKDAYS.

Rep. Culpepper recognized the following presenters:

Kim Lee - parent

Mrs. Lee spoke about the need for family time and students summer jobs that some students need to help fund their education.

Linda Peterson – parent of a special need child.

Mrs. Peterson's primary concern is for ADD and LD students and their difficulty in adjusting to different schedules.

Dianne Poge - parent and previous teacher

Mrs. Poge stated that there are 20,000 signatures across NC who wants this bill to pass. They want to see their children learn and excel. She referred to the bill as a dream bill and would be a win- win for everybody.

Linda Suggs – State Board of Education

She reiterated Mr. Lee's concern about abolishing ten workdays from the school calendar. (See attachment #1)

Lynn Marshbanks

She spoke on taking exams after Christmas; get a break and come back for the new semester.

Kim Bennett, parent

Being very passionate about it, she feels it is the very best bill for middle class families. Students would stay in school longer and, sports could be better organized. Money is available for underprivileged children to go to camps but because of the school begin date they are unable to attend

Don Palmer - Davidson County School Board

He was a teacher years ago and agreed that some changes need to be made in the school calendar.

Rep. Culpepper thanked the presenters and recognized Rep. Wilson to explain the bill. Amendments were received as follows:

Amendment #1 sent forth by Farmer-Butterfield asking for a Study Commission. Chair ruled it out of order. (See attachment #2)

Amendment #2 H1464-ARH-101 [v.1] sent forth by Rep. Goforth changing 180 calendar days to 185 calendar days. Failed. (See attachment #3)

Amendment #3 H1464-ARH-105 [v.3] sent forth by Rep. Goforth. Failed (Attachment #4)

Amendment #4 H1454-ARH-118 [v.1] sent forth by Rep. Dockham. Failed (Attachment #5)

Amendment #5 H1464-ARO-57 [v.2] sent forth by Rep. Dickson. Failed (Attachment #6)

After much discussion by the members of the committee, Rep. Parham made a favorable motion to the Committee Substitute, unfavorable to the original bill. Rep. Dockham moved for a substitute motion favorable to Committee Substitute, unfavorable to original bill and referred to Education. The committee moved for adoption to Parham's motion.

There being no further business, Rep. Culpepper adjourned the meeting at 1:45 P.M.

Respectfully submitted,

Representative Bill Culpepper

Presiding Chair

Chris Floyd

Committee Assistant

Attachment #1 Attachment #2 Attachment #3 Attachment #4 Attachment #5 Attachment #6

Agenda Meeting Notice Attendance Record Visitor Registration List

2003 COMMITTEE REPORT HOUSE OF REPRESENTATIVES

The following report(s) from standing committee(s) is/are presented: By Representative Connie Wilson (Chair) for the Committee on COMMERCE.
Committee Substitute for H.B. 1464 A BILL TO BE ENTITLED AN ACT TO REDUCE THE NUMBER OF NONINSTRUCTIONAL TEACHER WORKDAYS; TO PROVIDE THAT PUBLIC SCHOOLS SHALL OPEN AFTER AUGUST 25 AND CLOSE NOT AFTER JUNE 10, EXCEPT IN UNUSUAL CIRCUMSTANCES OR IN YEAR-ROUND SCHOOLS; TO ENSURE THAT TEACHERS MAY BE PAID IN AUGUST IF THEY SO DESIRE; AND TO PROVIDE THAT SALARIES NOT DECREASE AS A RESULT OF THE REDUCTION IN TEACHER WORKDAYS
With a favorable report.
☐ With a favorable report and recommendation that the bill be re-referred to the Committee on Appropriations ☐ Finance ☐ ☐.
With a favorable report, as amended.
☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the Committee on Appropriations ☐ Finance ☐ ☐.
With a favorable report as to the committee substitute bill (#), \(\subseteq \) which changes the title, unfavorable as to (the original bill), (Committee Substitute Bill #), (and recommendation that the committee substitute bill #) be re-referred to the Committee on)
☐ With a favorable report as to House committee substitute bill (#), ☐ which changes the title, unfavorable as to Senate committee substitute bill.
☐ With an unfavorable report.
With recommendation that the House concur.
With recommendation that the House do not concur.
With recommendation that the House do not concur; request conferees.
With recommendation that the House concur; committee believes bill to be material.
With an unfavorable report, with a Minority Report attached.
☐ Without prejudice.
With an indefinite postponement report.
With an indefinite postponement report, with a Minority Report attached.
With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

AGENDA

HOUSE COMMITTEE ON COMMERCE

June 30, 2004 Room 1228 LB 12:00 P.M.

OPENING REMARKS

Representative Bill Culpepper

Representative Connie Wilson, Chair Commerce Committee

AGENDA ITEMS

THE FOLLOWING BILLS WILL BE CONSIDERED:

HB 1464 School Calendar Changes – Rep. Connie Wilson, Culpepper, Miner, Hill

ADJOURNMENT

NORTH CAROLINA HOUSE OF REPRESENTATIVES COMMITTEE MEETING NOTICE AND BILL SPONSOR NOTIFICATION 2003-2004 SESSION

You are hereby notified that the Committee on COMMERCE will meet as follows:

DAY & DATE:	Wednesday, June 30, 2004
TIME:	12:00 PM
LOCATION:	Room 1228 Legislative Building
The following bills	will be considered (Bill # & Short Title & Bill Sponsor):
HB 1464 Sc Hill	hool Calendar Changes – Rep. Connie Wilson, Culpepper, Miner,
	Respectfully, Representative Connie Wilson Chair
I hereby certify this 5:00 p.m. on June 2	notice was filed by the committee assistant at the following offices at 9, 2004.
Principa Reading	l Clerk Clerk - House Chamber
Chris Floyd (Comm	nittee Assistant)

GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2003

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HOUSE BILL 1464*

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(Public) Short Title: School Calendar Changes. Representatives C. Wilson, Culpepper, Miner, Hill (Primary Sponsors); Sponsors: LaRoque, Church, Daughtridge, Decker, Jones, McHenry, Parmon, Preston, and K. Williams. Referred to: Commerce.

May 17, 2004

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A BILL TO BE ENTITLED

AN ACT TO REDUCE THE NUMBER OF NONINSTAUCTIONAL TEACHER WORKDAYS; TO PROVIDE THAT PUBLIC SCHOOLS SHALL OPEN AFTER AUGUST 25 AND CLOSE NOT AFTER JUNE 10, EXCEPT IN UNUSUAL CIRCUMSTANCES OR IN YEAR-ROUND SCHOOLS; TO ENSURE THAT TEACHERS MAY BE PAID IN AUGUST IF THEY SO DESIRE; AND TO PROVIDE THAT SALARIES NOT DECREASE AS A RESULT OF THE REDUCTION IN TEACHER WORKDAYS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-84.2 reads as rewritten:

"§ 115C-84.2. School calendar.

- School Calendar. Each local board of education shall adopt a school calendar consisting of 220-210 days all of which shall fall within the fiscal year. A school calendar shall include the following:
 - A minimum of 180 days and 1,000 hours of instruction covering at (1) least nine calendar months. The local board shall designate when the 180 instructional days shall occur. The number of instructional hours in an instructional day may vary according to local board policy and does not have to be uniform among the schools in the administrative unit. Local boards may approve school improvement plans that include days with varying amounts of instructional time. If school is closed early due to inclement weather, the day and the scheduled amount of instructional hours may count towards the required minimum to the extent allowed by State Board policy. The school calendar shall include a plan for making up days and instructional hours missed when schools are not opened due to inclement weather.

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- (1a) (Applies only to 2002-2003 school year See editor's note.)

 Notwithstanding subdivision (1) of this subsection, a local board may decide to make up a maximum of three instructional days by adding instructional hours to previously scheduled instructional days. A local board shall make this decision only if all of the following criteria are met:
 - a. The days to be made up were missed when schools were unable to be opened due to unusual and extraordinary inclement weather conditions.
 - b. It would cause undue hardship to parents, children, and teachers to make up those days.
 - c. The school calendar continues to have a minimum of 1,000 instructional hours covering at least nine months.
 - d. The additional hours must equal the regularly scheduled number of instructional hours at each school.

If a local board adds instructional hours to previously scheduled days under this subdivision, the local school administrative unit is deemed to have a minimum of 180 days of instruction, teachers employed for a 10-month term are deemed to have been employed for the days being made up, and all other employees shall be compensated as if they had worked the days being made up.

- (2) A minimum of 10 annual vacation leave days.
- (3) The same or an equivalent number of legal holidays occurring within the school calendar as those designated by the State Personnel Commission for State employees.
- (4) Eight Five days, as designated by the local board, for use as teacher workdays, additional instructional days, or other lawful purposes. A local board may delegate to the individual schools some or all of the eight days to schedule under subdivision (5) of this subsection. A local board may schedule different purposes for different personnel on any given day and is not required to schedule the same dates for all personnel workdays. These days shall be protected to allow teachers to complete instructional and classroom administrative duties. The local school administrative unit shall not impose any additional tasks on these days. The local board shall schedule one of these days at the beginning of the school year and one at the end of each academic quarter.
- (5) The remaining days scheduled by each school's principal for any of the purposes allowed under subdivision (4) of this subsection. Before scheduling these days, the principal shall work with the school improvement team to determine the days to be scheduled and the purposes for which they should be scheduled. Days may be scheduled and planned for different purposes for different personnel and there is

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no requirement to schedule the same dates for all personnel. However, if during the last two years the local school administrative unit has made up an average of at least eight days for school closing because of inclement weather, the local board may designate up to two of these days as additional make-up days to be scheduled after the last day of student attendance.

Local boards and individual schools are encouraged to use the calendar flexibility in order to meet the annual performance standards set by the State Board. Local boards of education shall consult with parents and the employed public school personnel in the development of the school calendar.

Local boards and individual schools shall give teachers at least 14 calendar days' notice before requiring a teacher to work instead of taking vacation leave on days scheduled in accordance with subdivision (4) or (5) of this subsection. A teacher may elect to waive this notice requirement for one or more such days.

- Limitations. The following limitations apply when developing the school calendar:
 - (1) The total number of teacher workdays for teachers employed for a 10 month term shall not exceed 200-190 days.
 - The calendar shall include at least 42 consecutive days when teacher (2) attendance is not required unless: (i) the school is a year-round school: or (ii) the teacher is employed for a term in excess of 10 months. At the request of the local board of education or of the principal of a school, a teacher may elect to work on one of the 42 days when teacher attendance is not required in lieu of another scheduled workday.
 - (3) School shall not be held on Sundays.
 - Veterans Day shall be a holiday for all public school personnel and for **(4)** all students enrolled in the public schools.
- Emergency Conditions. During any period of emergency in any section of the State where emergency conditions make it necessary, the State Board of Education may order general, and if necessary, extended recesses or adjournment of the public schools.
- (d) Opening and Closing Dates. - Local boards of education shall determine the dates of opening and closing the public schools under subdivision (a)(1) of this section. Except for year-round schools, the opening date for students shall not be before August 25 and the closing date for students shall not be after June 10. The State Board of Education may waive this requirement on a showing of good cause. A local board may revise the scheduled closing date if necessary in order to comply with the minimum requirements for instructional days or instructional time. Different opening and closing dates may be fixed for schools in the same administrative unit. For purposes of this subsection, the term 'good cause' means that schools in the local school administrative unit have been closed an average of eight days per year during any five of the last 10 years because of severe weather conditions, energy shortages, power failures, or other emergency situations."

SECTION 2. G.S. 115C-302.1(b) reads as rewritten:

"(b) Salary Payments. – State-allotted teachers shall be paid for a term of 10 months. State-allotted months of employment for vocational education to local boards shall be used for the employment of teachers of vocational and technical education for a term of employment to be determined by the local boards of education. However, local boards shall not reduce the term of employment for any vocational agriculture teacher personnel position that was 12 calendar months for the 1982-83 school year for any school year thereafter.

Each local board of education shall establish a set date on which monthly salary payments to State-allotted teachers shall be made. This set pay date may differ from the end of the month of service. The daily rate of pay for teachers shall equal one twenty-second one twenty-first of the monthly rate of pay. If requested by the teacher, the initial pay date for a teacher who is not employed in a year-round school shall be no later than August 31 and shall include a full monthly payment. Subsequent pay dates shall be spaced no more than one month apart and shall include a full monthly payment.

Teachers may be prepaid on the monthly pay date for days not yet worked. A teacher who fails to attend scheduled workdays or who has not worked the number of days for which the teacher has been paid and who resigns, is dismissed, or whose contract is not renewed shall repay to the local board any salary payments received for days not yet worked. A teacher who has been prepaid and continues to be employed by a local board but fails to attend scheduled workdays may be subject to disassal under G.S. 115C-325 or other appropriate discipline.

Any individual teacher who is not employed in a year-round school may be paid in 12 monthly installments if the teacher so requests on or before the first day of the school year. The request shall be filed in the local school administrative unit which that employs the teacher. The payment of the annual salary in 12 installments instead of 10 shall not increase or decrease the teacher's annual salary nor in any other way alter the contract made between the teacher and the local school administrative unit. Teachers employed for a period of less than 10 months shall not receive their salaries in 12 installments."

SECTION 3. G.S. 115C-316(a)(2) reads as rewritten:

School Employees Paid on an Hourly or Other Basis. - Salary "(2) employees other than those covered payments G.S. 115C-272(b)(1), 115C-285(a)(1) and (2), 115C-302.1(b) and 115C-316(a)(1) shall be made at a time determined by each local board of education. If requested by the school employee, the initial pay date for one of these employees who is employed for a term of 10 calendar months and is not employed in a year-round school shall be no later than August 31 and shall include a full monthly payment. Subsequent pay dates shall be spaced no more than one month apart and shall include a full monthly payment. Expenditures for the salary of these employees from State funds shall be within allocations made by the State Board of Education and in accordance with rules and regulations approved by the State Board of Education concerning allocations of State funds: Provided, that school funds. School employees employee

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for a term of 10 calendar months in year-round schools shall be paid in 12 equal installments: Provided further, that any installments. Any individual school employee employed for a term of 10 calendar months who is not employed in a year-round school may be paid in 12 monthly installments if the employee so requests on or before the first day of the school year. Such This request shall be filed in the local school administrative unit which-that employs the employee. The payment of the annual salary in 12 installments instead of 10 shall not increase or decrease said-the annual salary nor in any other way alter the contract between the employee and the said local school administrative unit. Employees may be prepaid on the set pay date for days not yet worked. An employee who fails to attend scheduled workdays or who has not worked the number of days for which the employee has been paid and who resigns or is dismissed shall repay to the local board any salary payments received for days not yet worked. An employee who has been prepaid and who continues to be employed by a local board but fails to attend scheduled workdays may be subject to dismissal or other appropriate discipline. The daily rate of pay shall equal the number of weekdays in the pay period. Included within the term of employment shall be provided for full-time employees annual vacation leave at the same rate provided for State employees, computed at one-twelfth (1/12) of the annual rate for State employees for each calendar month of employment, to be taken under policies determined by each local board of education. On a day that employees are required to report for a workday but pupils are not required to attend school due to inclement weather, an employee may elect not to report due to hazardous travel conditions and to take one of his-that employee's annual vacation days or to make up the day at a time agreed upon by the employee and his the employee's immediate supervisor or principal. On a day that school is closed to employees and pupils due to inclement weather, the employee shall work on the scheduled makeup day. Included within their term of employment, each local board of education shall designate the same or an equivalent number of legal holidays occurring within the period of employment as those designated by the State Personnel Commission for State employees."

SECTION 4. For school-based employees who are employed during the 2005-2006 school year in the same position in which they were employed during the 2004-2005 school year and who continue to work the same number of hours in a workday, the annual rate of pay beginning with the 2005-2006 school year shall not be reduced as the result of this act.

SECTION 5. This act becomes effective July 1, 2004, and applies to school years beginning with the 2005-2006 school year.

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GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2003

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HOUSE BILL 1464* PROPOSED COMMITTEE SUBSTITUTE H1464-PCS60517-RH-63

Short Title:	School Calendar Changes.	(Public)
Sponsors:		
Referred to:		

May 17, 2004

A BILL TO BE ENTITLED

AN ACT TO REDUCE BY TEN THE NUMBER OF NONINSTRUCTIONAL TEACHER WORKDAYS; TO PROVIDE THAT PUBLIC SCHOOLS SHALL OPEN NO SOONER THAN AUGUST 25 AND CLOSE NO LATER THAN JUNE 10 EXCEPT IN YEAR-ROUND SCHOOLS OR IN SCHOOLS IN LOCAL SCHOOL ADMINISTRATIVE UNITS THAT HAVE BEEN CLOSED EIGHT DAYS PER YEAR DURING ANY FOUR OF THE LAST TEN YEARS BECAUSE OF SEVERE WEATHER CONDITIONS, ENERGY SHORTAGES, POWER FAILURES, OR OTHER EMERGENCY SITUATIONS; TO ENSURE THAT TEACHERS ARE PAID IN AUGUST; TO PROVIDE THAT LOCAL EDUCATION SCHEDULE FIVE NONINSTRUCTIONAL BOARDS OF TEACHER WORKDAYS AT THE BEGINNING OF THE SCHOOL YEAR AND AT THE END OF EACH ACADEMIC QUARTER, AND THAT THESE DAYS ARE PROTECTED FOR TEACHERS TO COMPLETE INSTRUCTIONAL AND **PROVIDE ADMINISTRATIVE** TO **DUTIES**; CLASSROOM NONINSTRUCTIONAL TEACHER WORKDAYS MAY CONTINUE TO BE DESIGNATED AS DAYS ON WHICH TEACHERS WITH ACCUMULATED VACATION LEAVE MAY TAKE THAT LEAVE AND TO REQUIRE AT LEAST TWO OF THOSE DAYS THAT ARE SCHEDULED BY THE SCHOOL'S PRINCIPAL TO BE DESIGNATED AS DAYS ON WHICH TEACHERS WITH ACCUMULATED VACATION LEAVE MAY TAKE THAT LEAVE; TO ALLOW ANY OF THE NONINSTRUCTIONAL TEACHER WORKDAYS THAT ARE SCHEDULED BY THE SCHOOL'S PRINCIPAL TO BE DESIGNATED AS MAKE-UP DAYS FOR DAYS MISSED DUE TO INCLEMENT WEATHER; TO DEFINE "YEAR-ROUND SCHOOL" AS HAVING A SCHOOL CALENDAR THAT COVERS AT LEAST ELEVEN CALENDAR MONTHS; TO PROVIDE THAT THE REDUCTION IN TEACHER WORKDAYS DOES NOT REDUCE THE ANNUAL RATE OF PAY FOR TEACHERS AND OTHER EMPLOYEES;

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TO PROVIDE THAT NOTHING IN THIS ACT SHALL BE CONSTRUED AS CHANGING THE PAY CYCLE FOR NONCERTIFIED EMPLOYEES; TO PROVIDE THAT NOTHING IN THIS ACT REQUIRES THE GENERAL ASSEMBLY TO APPROPRIATE FUNDS FOR ITS IMPLEMENTATION OR REQUIRES LOCAL SCHOOL ADMINISTRATIVE UNITS TO EXPEND ADDITIONAL FUNDS FOR ITS IMPLEMENTATION; TO PROVIDE THAT THIS ACT APPLIES TO SCHOOLS BEGINNING WITH THE 2005-2006 SCHOOL YEAR; TO PROVIDE THAT THE ACT APPLIES IN ALL ONE HUNDRED COUNTIES AND IN ALL LOCAL SCHOOL ADMINISTRATIVE UNITS; AND TO PROVIDE THAT THE ACT IS EFFECTIVE WHEN IT 10. BECOMES LAW.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-84.2 reads as rewritten:

"§ 115C-84.2. School calendar.

- School Calendar. Each local board of education shall adopt a school calendar consisting of 220-210 days all of which shall fall within the fiscal year. A school calendar shall include the following:
 - A minimum of 180 days and 1,000 hours of instruction covering at (1) least nine calendar months. The local board shall designate when the 180 instructional days shall occur. The number of instructional hours in an instructional day may vary according to local board policy and does not have to be uniform among the schools in the administrative unit. Local boards may approve school improvement plans that include days with varying amounts of instructional time. If school is closed early due to inclement weather, the day and the scheduled amount of instructional hours may count towards the required minimum to the extent allowed by State Board policy. The school calendar shall include a plan for making up days and instructional hours missed when schools are not opened due to inclement weather.
 - (Applies only to 2002-2003 school year See editor's note.) (1a) Notwithstanding subdivision (1) of this subsection, a local board may decide to make up a maximum of three instructional days by adding instructional hours to previously scheduled instructional days. A local board shall make this decision only if all of the following criteria are met:
 - The days to be made up were missed when schools were unable a. to be opened due to unusual and extraordinary inclement weather conditions.
 - It would cause undue hardship to parents, children, and teachers b. to make up those days.
 - The school calendar continues to have a minimum of 1,000 c. instructional hours covering at least nine months.
 - The additional hours must equal the regularly scheduled d. number of instructional hours at each school.

If a local board adds instructional hours to previously scheduled days under this subdivision, the local school administrative unit is deemed to have a minimum of 180 days of instruction, teachers employed for a 10-month term are deemed to have been employed for the days being made up, and all other employees shall be compensated as if they had worked the days being made up.

- (2) A minimum of 10 annual vacation leave days.
- (3) The same or an equivalent number of legal holidays occurring within the school calendar as those designated by the State Personnel Commission for State employees.
- (4) Eight Five days, as designated by the local board, for use as teacher workdays, additional instructional days, or other lawful purposes. A local board may delegate to the individual schools some or all of the eight days to schedule under subdivision (5) of this subsection. A local board may schedule different purposes for different personnel on any given day and is not required to schedule the same dates for all personnel workdays. These days shall be protected to allow teachers to complete instructional and classroom administrative duties. The local school administrative unit shall not impose any additional tasks on these days. The local board shall schedule one of these days at the beginning of the school year and one at the end of each academic quarter.
- The remaining days scheduled by each school's principal for any of the (5) purposes allowed under subdivision (4) of this subsection. use as teacher workdays, additional instructional days, or other lawful purposes. Before scheduling these days, the principal shall work with the school improvement team to determine the days to be scheduled and the purposes for which they should be scheduled. Days may be scheduled and planned for different purposes for different personnel and there is no requirement to schedule the same dates for all personnel. However, if during the last two years the local school administrative unit has made up an average of at least eight days for school closing because of inclement weather, the local board may designate up to two In order to make up days for school closing because of inclement weather, the local board may designate any of these days as additional make-up days to be scheduled after the last day of student attendance.

Local boards and individual schools are encouraged to use the calendar flexibility in order to meet the annual performance standards set by the State Board. Local boards of education shall consult with parents and the employed public school personnel in the development of the school calendar.

Local boards and individual schools <u>may designate any of the days scheduled under</u> subdivision (4) of this subsection and shall designate at least two of the days scheduled

under subdivision (5) of this subsection as days on which teachers may take accumulated vacation leave. Local boards and individual schools shall give teachers at least 14 calendar days' notice before requiring a teacher to work instead of taking vacation leave on days scheduled in accordance with subdivision (4) or (5) of this subsection. A teacher may elect to waive this notice requirement for one or more such of these days.

- (b) Limitations. The following limitations apply when developing the school calendar:
 - (1) The total number of teacher workdays for teachers employed for a 10 month term shall not exceed 200-190 days.
 - (2) The calendar shall include at least 42 consecutive days when teacher attendance is not required unless: (i) the school is a year-round school; or (ii) the teacher is employed for a term in excess of 10 months. At the request of the local board of education or of the principal of a school, a teacher may elect to work on one of the 42 days when teacher attendance is not required in lieu of another scheduled workday.
 - (3) School shall not be held on Sundays.
 - (4) Veterans Day shall be a holiday for all public school personnel and for all students enrolled in the public schools.
- (c) Emergency Conditions. During any period of emergency in any section of the State where emergency conditions make it necessary, the State Board of Education may order general, and if necessary, extended recesses or adjournment of the public schools.
- (d) Opening and Closing Dates. Local boards of education shall determine the dates of opening and closing the public schools under subdivision (a)(1) of this section. Except for year-round schools, the opening date for students shall not be before August 25, and the closing date for students shall not be after June 10. On a showing of good cause, the State Board of Education may waive this requirement to the extent that school calendars are able to provide sufficient days to accommodate anticipated makeup days due to school closings. A local board may revise the scheduled closing date if necessary in order to comply with the minimum requirements for instructional days or instructional time. Different opening and closing dates may be fixed for schools in the same administrative unit. For purposes of this subsection, the term 'good cause' means that schools in the local school administrative unit have been closed eight days per year during any four of the last 10 years because of severe weather conditions, energy shortages, power failures, or other emergency situations.
- (e) Year-Round Schools. Local boards of education may designate schools as year-round schools. As used in this Chapter, the term 'year-round school' means the school has a school calendar that covers at least 11 calendar months."

SECTION 2. G.S. 115C-302.1(b) reads as rewritten:

"(b) Salary Payments. – State-allotted teachers shall be paid for a term of 10 months. State-allotted months of employment for vocational education to local boards shall be used for the employment of teachers of vocational and technical education for a term of employment to be determined by the local boards of education. However, local



boards shall not reduce the term of employment for any vocational agriculture teacher personnel position that was 12 calendar months for the 1982-83 school year for any school year thereafter.

Each local board of education shall establish a set date on which monthly salary payments to State-allotted teachers shall be made. This set pay date may differ from the end of the month of service. The daily rate of pay for teachers shall equal one twenty-second one twenty-first of the monthly rate of pay. Except for teachers employed in a year-round school or paid in accordance with a year-round calendar, or both, the initial pay date for teachers shall be no later than August 31 and shall include a full monthly payment. Subsequent pay dates shall be spaced no more than one month apart and shall include a full monthly payment.

Teachers may be prepaid on the monthly pay date for days not yet worked. A teacher who fails to attend scheduled workdays or who has not worked the number of days for which the teacher has been paid and who resigns, is dismissed, or whose contract is not renewed shall repay to the local board any salary payments received for days not yet worked. A teacher who has been prepaid and continues to be employed by a local board but fails to attend scheduled workdays may be subject to dismissal under G.S. 115C-325 or other appropriate discipline.

Any individual teacher who is not employed in a year-round school may be paid in 12 monthly installments if the teacher so requests on or before the first day of the school year. The request shall be filed in the local school administrative unit which that employs the teacher. The payment of the annual salary in 12 installments instead of 10 shall not increase or decrease the teacher's annual salary nor in any other way alter the contract made between the teacher and the local school administrative unit. Teachers employed for a period of less than 10 months shall not receive their salaries in 12 installments.

Notwithstanding this subsection, the term 'daily rate of pay' for the purpose of G.S. 115C-12(8) or for any other law or policy governing pay or benefits based on the teacher salary schedule shall not exceed one twenty-second of a teacher's monthly rate of pay."

SECTION 3. For certified and noncertified employees employed on or after the effective date of this act, the annual rate of pay beginning with the 2005-2006 school year shall not be reduced as the result of this act. Furthermore, nothing in this act shall be construed to change the pay cycle for noncertified employees. The State Board of Education shall report annually to the Joint Legislative Education Oversight Committee on local compliance with this section.

SECTION 4. Nothing in this act shall require the General Assembly to appropriate funds to implement it or require a local school administrative unit to spend additional funds to implement it.

SECTION 5. This act is effective when it becomes law and applies to school years beginning with the 2005-2006 school year. This act shall apply in all 100 counties and in all local school administrative units.



Page 5

Availability of Teacher Workdays for Professional Development

Professional Development Initiative Meeting June 18, 2004

Annual Vacation Leave (A benefit for teachers unique to North Carolina)

Experienced teachers earn 2.15 days/month, 21.5 days per year if employed 10 months. Law requires 10 to be scheduled in the school calendar by the local board of education.

21.5

-10.0 scheduled by local BOE per Gen. Statute 115C-84.2

11.5 optional days needed for experienced teachers to use annual leave if they wish

Teacher Workdays

20.0 teacher workdays, unless Christmas falls on Tues, Wed., or Thurs. (then 1 additional paid holiday and 1 less teacher workday)

Old Calendar Law (Revised in 1997)

- 20.0 Workdays
- -11.5 "optional" workdays needed so experienced teachers can use annual leave (see above)
 - 8.5 days that could be "protected" or designated as "mandatory" workdays (7.5 if Christmas falls on Tues., Wed., or Thurs.)

Proposed in HB 1464 PCS

- 10 Teacher Workdays (or total of 9 when Christmas falls on Tues., Wed., or Thurs.)
- 5 "Protected" from any meetings, other required activities, so teachers can work in classrooms; teachers could use annual leave on these days; one must be scheduled at the beginning of the school year, and one at the end of each academic quarter.
- 5 (4 days in years Christmas falls on Tues., Wed., or Thurs.) Scheduled by the school's principal in consultation with the school improvement team. Any of these days can be used for make-up days for school closing because of inclement weather; these make-up days would be required to be scheduled after the last student day. At least 2 of these days must be designated as days on which teachers may take accumulated vacation leave.

Net effects

- No days that could be scheduled for system-wide required activities, orientation for new teachers, or any other system-mandated activity.
- Probably no days that could be used even for principal-designated professional development (see 10-year chart of closings by LEA attached). If NO days were missed because of inclement weather, 3 days (or 2, when Christmas falls mid-week) could be used for professional development if school principal and school improvement team agree.
- Not enough days for experienced teachers to use all annual leave earned in a year, under any scenario. (Accumulated annual leave days over 30 would convert to sick leave, to be used or to be converted to service credit at retirement; up to 30 days of annual leave would be paid out in lump sum upon resignation, separation, or retirement.)

Number of Days for LEA School Closings School Years 1994/95 - 2003/04 (Individual School Closings Not Included)

LEA	2003	2002	2001	2000	1999 2000	1998 1999	1997 1998	1996 1997	1995 1996	1994 1995
010 Alamance-Burlington	7	8	3	0	13	_	0	3	=	2
020 Alexander County	ω	∞	0	2	9	4	0	3	10	
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040 Anson County	5	5	2	0	9	0	0	_	4	0
050 Ashe County	4	91	7	10	12	13	15	15	22	14
060 Avery County	17	91	∞	16	13	=	18	12	22	14
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080 Bertie County	1	3	0	7	91	2		1	9	
090 Bladen County	9	7	0	1	11	2	0	n	7	0
100 Brunswick County	-	2	7	0	6	3	0	9	0	0
110 Buncombe County	10	∞	4	9	7	7	∞	9	18	4
111 Asheville City	7	9	4	Ж	5	4	9	5	15	4
120 Burke County	6	∞	0	æ	9	5	0	2	11	2
130 Cabarrus County	9	7		0	9	0	0	-	7	-
132 Kannapolis City	9	7	7	0	5	0	0	-	7	-
140 Caldwell County	80	∞	_	3	9	9	0	7	10	1
150 Camden County	7	7	7	-	8	3	_	-	5	2
160 Carteret County	Ŋ	7	_	-	7	3	0	2	_	_
170 Caswell County	6	9	0	0	12	-	0	3	11	2
180 Catawba County	7	7	7	-	4	7	0	2	6	-
181 Hickory City	9	9	2	_	2	3	0	2	6	-
182 Newton-Conover	9	7	7	-	2	2	0	2	6	1
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210 Edenton/Chowan 220 Clay County	230 Cleveland County 231 Kings Mountain	232 Shelby City	240 Columbus County	241 Whiteville City	250 Craven County	260 Cumberland County	270 Currituck County	280 Dare County	290 Davidson County	291 Lexington City	292 Thomasville City	300 Davie County	310 Duplin County	320 Durham County	330 Edgecombe County	340 Forsyth County	350 Franklin County	360 Gaston County	370 Gates County	380 Graham County	390 Granville County	400 Greene County	410 Guilford County	420 Halifax County	421 Roanoke Rapids City	422 Weldon City	430 Harnett County

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720 Perquimans County 730 Person County 740 Pitt County	750 Polk County	760 Randolph County	/61 Asheboro City	/ /0 Richmond County	780 Robeson County	790 Rockingham County	800 Rowan-Salisbury	810 Rutherford County	820 Sampson County	821 Clinton City	830 Scotland County	840 Stanly County	850 Stokes County	860 Surry County	861 Elkin City	862 Mount Airy City	870 Swain County	880 Transylvania County	890 Tyrrell County	900 Union County	910 Vance County	920 Wake County	930 Warren County	940 Washington County	950 Watauga County	960 Wayne County	970 Wilkes County

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6	12	23	1000
3	c	10	366
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2	7	-	223
3	6	13	969
9	6	13	844
980 Wilson County	990 Yadkin County	995 Yancey County	State Total



PUBLIC SCHOOLS OF NORTH CAROLINA

STATE BOARD OF EDUCATION :: Howard N. Lee, Chairman WWW.NCPUBLICSCHOOLS.ORG DEPARTMENT OF PUBLIC INSTRUCTION :: Michael E. Ward, State Superintendent

Remarks to House Commerce Committee Regarding HB 1464, School Calendar Changes

June 30, 2004

To reiterate remarks made by SBE Chairman Howard N. Lee to the committee last week:

- Devastating to abolish 10 teacher workdays.
- Nearly 13,000 teachers in NC don't hold clear licenses and need workdays to complete licensure requirements, acquire needed professional development, and work with mentors.
- In addition, General Assembly has mandated renewal credits in reading for K-8 teachers.
- Also, House Committee on Appropriate Education for Students on Long-Term Suspension recommended renewal credits in diversity, anger management, etc. for ALL teachers (Rep. Parmon and Rep. Sauls served on this committee).
- Likely to be no days available for such staff development (see chart of school closings for last 10 years).
- You also heard Chairman Lee say last week that he shares your concerns about the increasingly early start dates of the instructional year for students.
- He is committed to convening a special task force to look into all the issues involved and to recommend solutions to the General Assembly that will shorten the year for students without sacrificing critical teacher workdays.
- He will invite Tourism and other stakeholders to participate in crafting these recommendations.
- He is confident that this can be accomplished in time for recommendations to be implemented by the 2005-2006 school year, which is the same timeline this bill proposes.

SBE discussed this issue extensively this morning in the monthly SBE meeting.

- SBE members fully support Chairman Lee's proposal and share his concerns.
- Adopted resolution at May meeting (attached).
- Appalled that a decision that so dramatically affects education has not been heard in an education policy committee.
- Also appalled at what they're hearing from some teachers about the value of teacher workdays and professional development. While they are confident that this is not universally true, they are also committed to examining those issues to ensure that teacher workdays are effectively used to improve instruction for children and that professional development for NC teachers is of the highest quality.

Respectfully submitted. Linda S. Suggs Legislative Liaison, State Board of Education, Department of Public Instruction

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PUBLIC SCHOOLS OF NORTH CAROLINA

STATE BOARD OF EDUCATION:: Howard N. Lee, Chairman WWW.NCPUBLICSCHOOLS.ORG
DEPARTMENT OF PUBLIC INSTRUCTION:: Michael E. Ward, State Superintendent

North Carolina State Board of Education

Position Statement on House Bill 1464 School Calendar Changes

Progress made by North Carolina's public schools in the last decade is a result of a strong partnership between educators, parents, local communities, business leaders, and state policymakers committed to an aggressive focus on

- creating an education system of high standards and excellence;
- providing all children the opportunity to realize their full potential, including those students most vulnerable to academic failure;
- promoting teaching as a profession; and
- improving the quality of professional development to ensure that all students are taught by highly qualified teachers.

The SBE is sensitive to the issues raised by the state's travel and tourism industry; however, there is concern about the long-term implications and unintended consequences of legislation to change the school calendar as currently written.

The SBE is adamantly opposed to reducing the number of non-instructional teacher workdays. North Carolina's instructional school year is already significantly shorter than others in the industrialized world. Providing teachers these workdays for professional development and planning helps to assure that the 180 instructional days for students provide the strongest instructional program possible.

The SBE strongly believes that it is the responsibility of the SBE to set standards for the school year and that school calendar decisions should be made at the local level. The SBE is concerned that H.B. 1464 presents an encroachment on local control.

The SBE strongly recommends that the General Assembly commission a comprehensive study of the issues and implications of the school calendar on student learning, family interests, and the impact on the state's economy and competitiveness.

Howard N. Lee, Chairman NC State Board of Education Michael E. Ward, State Superintendent Department of Public Instruction

<u>June 3, 2004</u>

Date



NORTH CAROLINA GENERAL ASSEMBLY **AMENDMENT**

House Bill 1464*

H1464-ARH-119 [v.1]	(to	IENDMENT NO be filled in by rincipal Clerk)
111 101 11101 1117 [1.1.]	•	Page 1 of 1
	Date	,2004
Comm. Sub. [YES] Amends Title [YES] H1464-CSRH-63[v.11]		
Representative Farmer-But	terfield	
following phrase: ", EXC	on page 1, line 4, by inserting be CEPT FOR THOSE IN THE THE WILSON COUNTY SCHO	EDGECOMBE COUNTY
the following: "This act shall ap 115C-84.2(d), as amended	d the PCS on page 5, line 40, by a pply to all local school administre in Section 1 of this act, shall not the Wilson County School Systems	rative units, except that G.S. ot apply to the Edgecombe
SIGNEDAmendment Sponsor		
SIGNEDCommittee Chair if Senate	Committee Amendment	
ADOPTED	FAILED	TABLED

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NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

House Bill 1464*

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AMENDMENT NO. #2 (to be filled in by H1464-ARH-101 [v.1] Principal Clerk) Page 1 of 1 Date ______,2004 Comm. Sub. [YES] Amends Title [YES] H1464-CSRH-63[V.11] Representative Goforth moves to amend the bill on page 1, line 3, by deleting "10" and by substituting "5"; and further moves to amend the PCS on page 1, line 4, by inserting after the word "WORKDAYS;" the phrase "TO INCREASE BY FIVE THE NUMBER OF **INSTRUCTIONAL DAYS:":** and further moves to amend the PCS on page 2, line 14, by deleting "210" and by substituting "215"; and further moves to amend the PCS on page 2, line 16, by deleting "180" and by substituting the phrase "180 185"; and further moves to amend the PCS on page 4, line 8, by deleting "190" and by substituting "195". SIGNED Amendment Sponsor SIGNED Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED

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NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT House Bill 1464*

AMENDMENT NO. 3 (to be filled in by Principal Clerk) H1464-ARH-105 [v.3] Page 1 of 1 .2004 Comm. Sub. [YES] Amends Title [YES] H1464-CSRH-63[V.11] Representative Goforth moves to amend the PCS on page 1, line 4, by inserting before the word "SHALL" the following phrase ", EXCEPT FOR THOSE IN THE ASHEVILLE CITY, OR THE BUNCOMBE COUNTY SCHOOL SYSTEMS, " MOUNT AIRLY CITY, ELKIN CITY, SURRY COUNTY, AND ALLEGHANY SCHOOL SYSTEMS. and further moves to amend the PCS on page 5, line 40, by adding at the end of that line the following: "This act shall apply to all local school administrative units, except that G.S. 115C-84.2(d), as amended in Section 1 of this act, shall not apply to the Asheville City School System and the Buncombe County School System.". Amendment Sponsor SIGNED -Committee Chair if Senate Committee Amendment

FAILED _____

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NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT House Bill 1464*

H1464-ARH-118 [v.1]	(MENDMENT NO to be filled in by Principal Clerk) Page 1 of 1
	Date	,2004
Comm. Sub. [YES] Amends Title [YES] H1464-CSRH-63[v.11]		
Representative Dockham		
	n page 1, line 4, by inserting both THOSE IN DAVIDSO	
the following: "This act shall ap	the PCS on page 5, line 40, by ply to all local school adminis in Section 1 of this act, sh	trative units, except that G.S.
SIGNEDAmendment Sponsor		
SIGNED		·
Committee Chair if Senate (Committee Amendment	
ADOPTED	FAILED	TABLED

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NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT House Bill 1464*

H1464-ARO-57 [v.2]	,	AMENDMENT NO	_ f 1
	D	ate,200	<u>04</u>
Comm. Sub. [YES] Amends Title [NO] H1464-CSRH-63 [v.11	ı]		
Representative Dickson	<u>n</u>		
moves to amend the PO	CS on page 5, lines 39-40, by r	rewriting the lines to read:	
beginning with the 200		uly 1, 2004, applies to school yeates to all local school administration.".	
SIGNEDAmendment Sponsor			
SIGNEDCommittee Chair if Ser	nate Committee Amendment		
ADOPTED	FAILED	TABLED	

HOUSE COMMERCE

June 30, 2004

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Fred Moch	Douldran County School
M mi ca Saundors	Wake County Purent
Kathy Hartknot	NC CSE
Linke Garry	other of 1. Gove.
Geoff Coltrane	Office of Gomes Ed Policy
Barbar Cansler	PRIGR
Ann sustay	Intern Rop. Sauls
Linda My Lamb	Wake Con Parent (X4.)
- Musis Porter	Snith & more
Star Sh	8 mc
PAUS SOUS	Assa
· land	NCRA
Juny the	SOS
Caroll Saule	80HS
Colleen Kuchanek	Hafar : Caldwell, P. H.
Ellie Collwell	Hafer + Calchell P.A.
Nick Nance	Mayon laylor
Jenniter Allen	Marpin Taylor

June 30, 2004

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
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June ous	Pulle Mod tous
John Poplat	
QUEAN HARISON	WCPS5
John Mchillan	MFOF
May Thrower	RESOLC
18- Gent Wilms	NCHBH
Xyk Higgin	NC School Bool assoc.
Claude Platos	NC JUSA'ce Center
RAMACIO	NC Justice Contay
Sutch frame Us	NO. SIDA
Eden Alaves	PENC
Rop Courses	
Leve Goldenn	wise
John McKey ()	600 0 4975
- Janfir Unam	NCSPA
Mith	NCPAPIT.
Adam Pridemer	NURSA
Kmbennott	MOM
Michael House	NCAE
Carolin M Kinney	NCAE
Don Palme	Parison Co. Ed Education
Peninmanno	

House Commerce	June 30, 2004	
Name of Committee	Date	
VISITORS: PLEASE SIGN BELOW A	ND RETURN TO COMMITTEE ASSISTANT	· .
NAME	FIRM OR AGENCY	
Du Can Coe	Classnerm Toa chers Assoc	• •
BM BOOKON	CLASS MON TEACHERS ASSOC.	· •
Katherine garge	NCASA	•
Konne Wonney	NCSBA	
Cavin Savel	Rep Glazier	_
JANE /Ly	NECAT	_
stephani lugsia	NCAR	_
Ju Dek	Gar OFFE	_
Leslie Buseaux Coma	NCCBI	,
DAVO BAROS	Poyner + Spruille Cp	·
Estherine Vaira	Flectucties	
John Cyrus	me Grand	
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Ken Lee	505-	
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Alexon Schauser	NCOPT	
Pobler Williams	NCOPF	
Thomas White	Buncowsu County	
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Katharma Ihmit	Mit Board of Education	
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House Commerca	G-30-2004	<i>(</i>
Name of Committee	Date	
VISITORS: DI EASE SION REI OW A	ND RETURN TO COMMITTEE ASSISTANT	
VISITORS. PELASE SIGN BELOW.	IND ICTORY TO COMMITTEE ASSISTANT	•
NAME	FIRM OR AGENCY	
Lucie Woodson	NCCBI	
GEORGE SUDDATH	NCSIA	
Manay Remberton	Concerned citizen	
Rebeloit R. Hotellin	Concerned Mother	
Ell Wilson)	DCATL (
Lennifer Andinan	NASH NC/Covenant	
Matt Milloughay	NEWAL	•
Gence Pemberton	student pavent	
Vane Mahmin	CAPSTRAT, NC	
RODIE DAVIS	NUNK	
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Rick King L	very concerned + frustrated prient + wi	Fatt school later
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S. SCHERR	PRIVATE CITIZEN	
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House Pages

1.	Name: Sirena Meditern	
	County: Gulford	
	Sponsor: Solh. Marcan	
2.	Name: Glenda Fosterling	
	County: Montgomery	
	Sponsor: 30K, Morgan	
3.	Name: Josh Patton	
	County: Mecklenburg	
	Sponsor: Spk Black	
4.	Name: Marc Epstein	
	County: Spkr Black	
•	Sponsor:	
5.	Name:	
	County:	
	Sponsor:	
Sgt-At-Arms		
1.	Name: BILL FREEMAN	
2.	Name: EARL Thankington	
3.	Name: Phillip Schaenbran	
4.	Name: FRANK PREVO	

North Carolina General Assembly Pending House Committee on

Commerce

Date: 07/12/2004

Time: 12:51
Page: 001 of 001
Leg. Day: H-140/S-143

2003-2004 Biennium <u>Date</u> Short Title

Date

Latest Action

37= LIVABLE STATE MINIMUM WAGE.

H 02-20-2003 Ref To Com On Economic Growth Bill

and Community Development 863 SCHOOLS START AFTER LABOR DAY. H 04-07-2003 Ref To Com On Economic Growth

and Community Development

'\$' indicates the bill is an appropriations bill. A bold line indicates the bill is an appropriations bill. indicates that the text of the original bill was changed by some action. '=' indicates that the original bill is identical to another bill.

(Rule 36(a) Bill Sponsor Form)

MEMORANDUM

DATE:

July 1, 2004

TO:

Representative(s) Connie Wilson

Bill Sponsor(s)

FROM:

Representative(s) Connie Wilson

Committee Chair(s)

SUBJECT:

House Bill Pending in the Committee on Commerce

Pursuant to House Rule 36(a) all House bills and resolutions shall be reported from the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make except in the case where the primary sponsor(s) requests in writing to the Chair(s) of the standing committee or permanent subcommittee that the House bill not be considered.

If you would like to request that the Committee on Commerce not consider HB863, a form is included at the bottom of this page for that purpose. Please sign, date and return the form to Room <u>503</u>. This form may not be returned by e-mail because it requires the original signature of the bill sponsor(s).

MEMORANDUM

TO:

Representative(s) Connie Wilson

Committee Chair(s)

FROM:

Representative(s) Connie Wilson

Bill Sponsor(s)

SUBJECT:

HB 863, Schools Start After Labor Day.

I request that the Committee on Commerce not consider HB 863

Sponsor(s) Signature

(Rule 36(a) Bill Sponsor Form)

MEMORANDUM

DATE:

July 1, 2004

TO:

Representative(s) Adams

Bill Sponsor(s)

FROM:

Representative(s) Connie Wilson

Committee Chair(s)

SUBJECT:

House Bill Pending in the Committee on Commerce

Pursuant to House Rule 36(a) all House bills and resolutions shall be reported from the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make except in the case where the primary sponsor(s) requests in writing to the Chair(s) of the standing committee or permanent subcommittee that the House bill not be considered.

If you would like to request that the Committee on Commerce not consider HB37, a form is included at the bottom of this page for that purpose. Please sign, date and return the form to Room 503. This form may not be returned by e-mail because it requires the original signature of the bill sponsor(s).

MEMORANDUM

TO:

Representative(s) Connie Wilson

Committee Chair(s)

FROM:

Representative(s) Alma Adams

Bill Sponsor(s)

SUBJECT:

HB 37, LIVING STATE MINIMUM WAGE.

I request that the Committee on Commerce not/consider HB 37

Sponsor(s) Signature

7-5 Date