

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2017**

**SESSION LAW 2017-57  
SENATE BILL 257**

AN ACT TO MAKE BASE BUDGET APPROPRIATIONS FOR CURRENT OPERATIONS  
OF STATE DEPARTMENTS, INSTITUTIONS, AND AGENCIES, AND FOR OTHER  
PURPOSES.

The General Assembly of North Carolina enacts:

**PART I. TITLE OF ACT AND INTRODUCTION**

**TITLE OF ACT**

**SECTION 1.1.** This act shall be known as the "Current Operations Appropriations Act of 2017."

**INTRODUCTION**

**SECTION 1.2.** The appropriations made in this act are for maximum amounts necessary to provide the services and accomplish the purposes described in the budget in accordance with the State Budget Act. Savings shall be effected where the total amounts appropriated are not required to perform these services and accomplish these purposes, and the savings shall revert to the appropriate fund at the end of each fiscal year, except as otherwise provided by law.

**PART II. CURRENT OPERATIONS AND EXPANSION GENERAL FUND**

**CURRENT OPERATIONS AND EXPANSION/GENERAL FUND**

**SECTION 2.1.** Appropriations from the General Fund of the State for the maintenance of the State departments, institutions, and agencies, and for other purposes as enumerated, are made for the fiscal biennium ending June 30, 2019, according to the following schedule:

<b>Current Operations – General Fund</b>	<b>FY 2017-2018</b>	<b>FY 2018-2019</b>
<b>EDUCATION</b>		
Community Colleges System Office	\$ 1,121,815,001	\$ 1,141,757,845
Department of Public Instruction	9,046,403,622	9,425,109,426
Appalachian State University	134,672,993	134,672,993
East Carolina University		
Academic Affairs	214,598,809	214,598,809
Health Affairs	74,373,798	75,014,745
Elizabeth City State University	31,964,712	31,154,712
Fayetteville State University	52,116,162	52,116,162



Unified State Plan, as needed, to reflect the inclusions to the State-developed criteria required by subsection (a) of this section.

**SECTION 15.12.(c)** On or before October 1 of each year, the local Workforce Development Boards shall submit a report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the Joint Legislative Education Oversight Committee, and the Fiscal Research Division on prior State fiscal year program activities, objectives, and accomplishments and prior State fiscal year itemized expenditures and fund sources. The report shall also contain a list of grant recipients and the amount received by the grant recipients.

#### **APPRENTICESHIPNC/TRANSFER STATE APPRENTICESHIP PROGRAM**

**SECTION 15.13.(a)** All functions, powers, duties, obligations, resources, and appropriations vested in the Apprenticeship Program and the Apprenticeship Council are transferred to, vested in, and consolidated into the North Carolina Community Colleges System Office as a Type I transfer, as defined in G.S. 143A-6. The State Board of Community Colleges, the Community Colleges System Office, and the Office of State Budget and Management are authorized to take all other steps necessary to consolidate the Apprenticeship Program and the Apprenticeship Council into the Community Colleges System Office. Joint delivery of Apprenticeship and Community College workforce training programs shall ensure coordination of program delivery and appropriate classroom training supporting the needs of students and employers.

**SECTION 15.13.(b)** Chapter 94 of the General Statutes is repealed.

**SECTION 15.13.(c)** Chapter 115D of the General Statutes is amended by adding a new Article to read:

"Article 1A.  
"ApprenticeshipNC.

#### **"§ 115D-11.5. Purpose.**

The purposes of this Article are to open to young people the opportunity to obtain training that will equip them for profitable employment and citizenship; to set up, as a means to this end, a program of voluntary apprenticeship under approved apprentice agreements providing facilities for their training and guidance in the arts and crafts of industry and trade, with parallel instruction in related and supplementary education; to promote employment opportunities for young people under conditions providing adequate training and reasonable earnings; to relate the supply of skilled workers to employment demands; to establish standards for apprentice training; to coordinate workforce education and customized training tools to fill talent pipeline gaps, as appropriate, with local business and industry; to establish an Apprenticeship Council and apprenticeship committees and sponsors to assist in effectuating the purposes of this Article; to leverage the collaborative and regional structure of the community college service areas with the Collaboration for Prosperity Zones set out in G.S. 143B-28.1; to provide for a Director of ApprenticeshipNC within the Community Colleges System Office; to provide for reports to the legislature and to the public regarding the status of apprentice training in the State; to establish a procedure for the determination of apprentice agreement controversies; and to accomplish related ends.

#### **"§ 115D-11.6. Apprenticeship Council.**

The State Board of Community Colleges shall appoint an Apprenticeship Council composed of four representatives each from employer and employee organizations respectively and three representatives from the public at large. One State official designated by the Department of Public Instruction and one State official designated by the Department of Commerce shall be a member ex officio of the council, without vote. The terms of office of the members of the Apprenticeship Council shall be designated by the State Board. Any member

appointed to fill a vacancy occurring prior to the expiration of the term of his or her predecessor shall be appointed for the remainder of the term. Each member of the Council not otherwise compensated by public moneys, shall be reimbursed for transportation and shall receive such per diem compensation as is provided generally for boards and commissions under the biennial maintenance appropriation acts for each day spent in attendance at meetings of the Apprenticeship Council. The State Board of Community Colleges shall annually appoint one member of the Council to act as its chair.

The Apprenticeship Council shall meet at the call of the State Board of Community Colleges and shall aid the State Board and the Community Colleges System Office in formulating policies for the effective administration of this Article. The Apprenticeship Council shall establish standards for apprentice agreements which in no case shall be lower than those prescribed by this Article, shall recommend rules and regulations to the State Board of Community Colleges as may be necessary to carry out the intent and purposes of this Article, and shall perform other functions as the State Board of Community Colleges may direct. Not less than once a year the Apprenticeship Council shall make a report through the Community Colleges System Office of its activities and findings to the legislature and to the public.

**"§ 115D-11.7. ApprenticeshipNC.**

The State Board of Community Colleges is hereby directed to appoint a Director of ApprenticeshipNC, which appointment shall be subject to the confirmation of the State Apprenticeship Council by a majority vote. Upon the recommendation of the Director, the State Board of Community Colleges may appoint and employ clerical, technical, and professional help as necessary to effectuate the purposes of this Article. The Director shall supervise clerical, technical, and professional staff appointed to administer the ApprenticeshipNC program.

**"§ 115D-11.8. Powers and duties of Director of ApprenticeshipNC.**

The Director, under the supervision of the President of the North Carolina Community College System or the President's designee and with the advice and guidance of the Apprenticeship Council, is authorized to administer the provisions of this Article; in cooperation with the Apprenticeship Council and apprenticeship committees and sponsors, to set up conditions and training standards for apprentice agreements, which conditions or standards shall in no case be lower than those prescribed by this Article; to act as secretary of the Apprenticeship Council; to approve for the Council any apprentice agreement that meets the standards established under this Article; to terminate or cancel any apprentice agreement in accordance with the provisions of the agreement; to keep a record of apprentice agreements and their disposition; to issue certificates of completion of apprenticeship; and to perform other duties as are necessary to carry out the intent of this Article, including other on-the-job training necessary for emergency and critical civilian production. The administration and supervision of related and supplemental instruction for apprentices, coordination of instruction with job experiences, and the selection and training of teachers and coordinators for the instruction is the responsibility of State and local boards responsible for career and technical education.

**"§ 115D-11.9. Apprenticeship committees and program sponsors.**

(a) As used in this Article:

- (1) "Apprenticeship agreement" means a written agreement between an apprentice and either his or her employer or an apprenticeship committee or sponsor acting as agent for employers, which agreement satisfies the requirements of G.S. 115D-11.11.
- (2) "Apprenticeship committee" means those persons designated by the sponsor, and approved by the Apprenticeship Council, to act for it in the administration of the apprenticeship program. A committee may be "joint," i.e., it is composed of an equal number of representatives of the employer and of the employees represented by a bona fide collective bargaining agent

and has been established to conduct, operate, or administer an apprenticeship program and enter into apprenticeship agreements with apprentices. A committee may be "unilateral" or "nonjoint" which shall mean a program sponsor in which employees or a bona fide collective bargaining agent is not a party.

- (3) "ApprenticeshipNC" means the statewide apprenticeship program administered by the Community Colleges System Office in accordance with this Article.
- (4) "Apprenticeship program" means a plan containing all terms and conditions for the qualification, recruitment, selection, employment, and training of apprentices, including such matters as the requirement for a written apprenticeship agreement.
- (5) "Employer" means any person, firm, corporation, or organization employing an apprentice whether or not such person, firm, corporation, or organization is a party to an apprenticeship agreement with the apprentice.
- (6) "Sponsor" means any person, firm, corporation, organization, association, or committee operating an apprenticeship program and in whose name the apprenticeship program is approved.

(b) An apprenticeship committee may be appointed by the Apprenticeship Council in any trade or group of trades in a city or trade area, whenever the apprentice training needs of the trade or group of trades justifies such establishment.

(c) The function of the apprenticeship committee, or sponsor when there is no apprenticeship committee, shall be to cooperate with school authorities in regard to the education of apprentices; in accordance with the standards set up by the apprenticeship committee for the same trade or group of trades, where a committee has been appointed, to work in an advisory capacity with employers and employees in matters regarding schedule of operations, application of wage rates, and working conditions for apprentices and to specify the number of apprentices which shall be employed locally in the trade under the apprenticeship agreements under this Article; to adjust apprenticeship disputes, subject to the approval of the Director; to ascertain the prevailing rate for journeymen in the city or trade area and specify the graduated scale of wages applicable to apprentices in the trade in that area; to ascertain employment needs in the trade or group of trades and specify the appropriate current ratio of apprentices to journeymen; and to make recommendations for the general good of apprentices engaged in the trade or trades represented by the committee. An apprenticeship committee may appoint a representative and delegate to the representative the authority for implementation and performance of any standards adopted by the committee pursuant to any of the aforementioned functions.

#### **"§ 115D-11.10. Definition of an apprentice.**

The term "apprentice" means a person at least 16 years of age who is covered by a written apprenticeship agreement approved by the Apprenticeship Council, which apprenticeship agreement provides for not less than 2,000 hours of reasonably continuous employment for the person for his or her participation in an approved schedule of work experience and for organized, related supplemental instruction in technical subjects related to the trade. A minimum of 144 hours of related supplemental instruction for each year of apprenticeship is recommended. The required hours for apprenticeship agreements and the recommended hours for related supplemental instruction may be decreased or increased in accordance with standards adopted by the apprenticeship committee or sponsor, subject to approval of the State Board of Community Colleges.

#### **"§ 115D-11.11. Contents of agreement.**

Every apprentice agreement entered into under this Article shall contain:

- (1) The names of the contracting parties.

- (2) The date of birth of the apprentice.
- (3) A statement of the trade, craft, or business which the apprentice is to be taught, and the time at which the apprenticeship will begin and end.
- (4) A statement showing (i) the number of hours to be spent by the apprentice in work on the job and (ii) the number of hours to be spent in related and supplemental instruction, which is recommended to be not less than 144 hours per year. In no case shall the combined weekly hours of work and of required related and supplemental instruction of the apprentice exceed the maximum number of hours of work prescribed by law for a person of the age of the apprentice.
- (5) A statement setting forth a schedule of the processes in the trade or industry division in which the apprentice is to be taught and the approximate time to be spent at each process.
- (6) A statement of the graduated scale of wages to be paid the apprentice and whether the required school time shall be compensated.
- (7) A statement providing for a period of probation of not more than 500 hours of employment and instruction extending over not more than four months, during which time the apprentice agreement shall be terminated by the Director at the request in writing of either party, and providing that after the probationary period the apprentice agreement may be terminated by the Director by mutual agreement of all parties or canceled by the Director for good and sufficient reason. The Council at the request of a joint apprentice committee may lengthen the period of probation.
- (8) A provision that all controversies or differences concerning the apprentice agreement which cannot be adjusted locally in accordance with G.S. 115D-11.9 shall be submitted to the Director for determination.
- (9) A provision that an employer who is unable to fulfill his or her obligation under the apprentice agreement may with the approval of the Director transfer the contract to any other employer; provided, that the apprentice consents and that the other employer agrees to assume the obligations of the apprentice agreement.
- (10) Any additional terms and conditions as may be prescribed or approved by the Director not inconsistent with the provisions of this Article.

**"§ 115D-11.12. Approval of apprentice agreements; signatures.**

No apprentice agreement under this Article shall be effective until approved by the Director. Every apprentice agreement shall be signed by the employer, or by an association of employers or an organization of employees as provided in G.S. 115D-11.13, and by the apprentice, and if the apprentice is a minor, by either of the minor's parents, or by any person, agency, organization, or institution standing in loco parentis. Where a minor enters into an apprentice agreement under this Article for a period of training extending into his or her majority, the apprentice agreement shall likewise be binding for a period as may be covered during the apprentice's majority.

**"§ 115D-11.13. Rotation of employment.**

For the purpose of providing greater diversity of training or continuity of employment, any apprentice agreement made under this Article may in the discretion of the Director of ApprenticeshipNC be signed by an association of employers or an organization of employees instead of by an individual employer. In this case, the apprentice agreement shall expressly provide that the association of employers or organization of employees does not assume the obligation of an employer but agrees to use its best endeavors to procure employment and training for the apprentice with one or more employers who will accept full responsibility for all the terms and conditions of employment and training set forth in the agreement between the

apprentice and employer association or employee organization during the period of each employment. The apprentice agreement in this case shall also expressly provide for the transfer of the apprentice, subject to the approval of the Director, to such employer or employers who shall sign in written agreement with the apprentice, and if the apprentice is a minor with his or her parent or guardian, as specified in G.S. 115D-11.12, contracting to employ the apprentice for the whole or a definite part of the total period of apprenticeship under the terms and conditions of employment and training set forth in the agreement entered into between the apprentice and employer association or employee organization.

**"§ 115D-11.14. Limitation.**

Nothing in this Article or in any apprentice agreement approved under this Article shall invalidate any apprenticeship provision in any collective agreement between employers and employees that sets up higher apprenticeship standards. None of the terms or provisions of this Article apply to any person, firm, corporation, or crafts unless, until, and only so long as the person, firm, corporation, or crafts voluntarily elects that the terms and provisions of this Article apply. Any person, firm, corporation, or crafts terminating an apprenticeship agreement shall notify the Director of ApprenticeshipNC."

**SECTION 15.13.(d)** Notwithstanding G.S. 115D-11.6, as enacted by this section, the current members serving on the Apprenticeship Council pursuant to G.S. 94-2 as of July 1, 2017, shall serve the remainder of their terms. Thereafter, as terms expire, or when a vacancy occurs prior to the expiration of a term, members of the Apprenticeship Council shall be appointed by the State Board of Community Colleges in accordance with G.S. 115D-11.6, as enacted by this section.

**SECTION 15.13.(e)** Within 90 days of the date this act becomes law, the Department of Commerce shall submit a Workforce Innovation and Opportunity Act State Plan amendment to the United States Department of Labor to designate the Community Colleges System Office as the State agency responsible for the administration of ApprenticeshipNC as provided for in this section.

**JMAC ELIGIBILITY MODIFICATION**

**SECTION 15.14.(a)** G.S. 143B-437.012 reads as rewritten:

**"§ 143B-437.012. Job Maintenance and Capital Development Fund.**

...

(d) Eligibility. – A business is eligible for consideration for a grant under this section if it satisfies the conditions of either subdivision ~~(1)~~(1), (1a), or (2) of this subsection and satisfies subdivision (4) of this subsection:

- (1) The business is a major employer. A business is a major employer if the business meets the following requirements:
  - a. The Department certifies that the business has invested or intends to invest at least two hundred million dollars (\$200,000,000) of private funds in improvements to real property and additions to tangible personal property in the project within a six-year period beginning with the time the investment commences.
  - b. The business employs at least 2,000 full-time employees or equivalent full-time contract employees at the project that is the subject of the grant at the time the application is made, and the business agrees to maintain at least 2,000 full-time employees or equivalent full-time contract employees at the project for the full term of the grant agreement.
  - c. The project is located in a development tier one area at the time the business applies for a grant.

**EFFECTIVE DATE**

**SECTION 39.7.** Except as otherwise provided, this act becomes effective July 1, 2017.

In the General Assembly read three times and ratified this the 22<sup>nd</sup> day of June, 2017.

s/ Philip E. Berger  
President Pro Tempore of the Senate

s/ Tim Moore  
Speaker of the House of Representatives

VETO Roy Cooper  
Governor

Became law notwithstanding the objections of the Governor at 10:38 a.m. this 28<sup>th</sup> day of June, 2017.

s/ James White  
House Principal Clerk