

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

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PRINCIPAL CLERK

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SENATE BILL DRS45511-LRa-153

Short Title: Short Term Compensation Study. (Public)

Sponsors: Senator Woodard (Primary Sponsor).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT CREATING THE JOINT LEGISLATIVE STUDY COMMITTEE ON SHORT TERM
3 COMPENSATION AND APPROPRIATING FUNDS FOR THAT PURPOSE.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.(a)** Creation. – There is created the Joint Legislative Study Committee
6 on Short Term Compensation (Committee) because preserving employees' jobs and employers'
7 trained workforces during times of lowered economic activity is vital to the economic health and
8 well-being of this State. The Committee shall consist of 12 voting members who are legislators
9 and three nonvoting ex officio members, as follows:

- 10 (1) Six members of the House of Representatives appointed by the Speaker of the
11 House of Representatives, with at least two members from the minority party,
12 upon the recommendation of the House Minority Leader.
13 (2) Six members of the Senate appointed by the President Pro Tempore of the
14 Senate, with at least two members of the minority party, upon
15 recommendation of the Senate Minority Leader.
16 (3) Three ex officio members, including (i) a person elected by the voting
17 members of the Committee to represent employers, (ii) a person elected by the
18 voting members of the Committee to represent employees, and (iii) the
19 Assistant Secretary of the Department of Commerce in charge of the Division
20 of Employment Security or that person's designee.

21 Vacancies on the Committee shall be filled by the appointing authority. The President
22 Pro Tempore of the Senate and the Speaker of the House of Representatives shall each designate
23 a cochair. A quorum of the Committee shall be a majority of its voting members. The Committee
24 may meet at any time upon the joint call of the cochairs.

25 **SECTION 1.(b)** Study. – The Committee shall do all of the following in its study of
26 short term compensation (STC) as authorized by the Middle Class Tax Relief and Job Creation
27 Act of 2012 (P.L. 112-96) and augmented by the Coronavirus Aid, Relief, and Economic Security
28 Act (P.L. 116-136), and, if a short term compensation statute is to be enacted, as may be required
29 by section 3306(v) of the Federal Unemployment Tax Act (FUTA):

- 30 (1) Study whether implementing STC in North Carolina would be an effective
31 alternative to layoffs for employers experiencing a reduction in available
32 work.
33 (2) Review STC programs operational in other states to determine best practices
34 and consider whether a successful statutory model already in existence is
35 potentially adaptable to the North Carolina context.



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1 (3) Consider any statutory or policy changes necessary to establish STC
2 successfully in North Carolina.

3 (4) Examine any other data or matters related to STC.

4 **SECTION 1.(c)** Report. – The Committee shall report its findings and any legislative
5 proposals to the 2023 General Assembly. The Committee will terminate upon filing its report.

6 **SECTION 1.(d)** Powers. – The Committee, while in the discharge of its official
7 duties, may exercise all powers provided for under G.S. 120-19 and G.S. 120-19.1 through
8 G.S. 120-19.4, including the power to request all officers, agents, agencies, and departments of
9 the State to provide any information, data, or documents within their possession, ascertainable
10 from their records, or otherwise available to them.

11 **SECTION 1.(e)** Administration. – The Legislative Services Commission, through
12 the Legislative Services Officer, shall assign professional staff to assist the Committee in its
13 work. The Directors of Legislative Assistants of the Senate and of the House of Representatives
14 shall assign clerical staff to the Committee, and the expenses relating to the clerical employees
15 shall be borne by the Committee. Members of the Committee shall receive per diem and
16 necessary travel and subsistence expenses in accordance with G.S. 120-3.1, 138-5, and 138-6, as
17 applicable. The Committee may hold meetings in the Legislative Building or the Legislative
18 Office Building.

19 **SECTION 2.** Appropriation. – There is appropriated from the General Fund to the
20 General Assembly the sum of fifty thousand dollars (\$50,000) for the 2022-2023 fiscal year to
21 support the work of the Committee.

22 **SECTION 3.** Effective Date. – This act becomes effective July 1, 2022.