



NORTH CAROLINA GENERAL ASSEMBLY

2025 Session

Legislative Fiscal Note

Short Title: North Carolina CARDINAL Corps Act.
Bill Number: Senate Bill 578 (First Edition)
Sponsor(s): Sen. Sophia Chitlik and Sen. Paul A. Lowe, Jr.

SUMMARY TABLE

FISCAL IMPACT OF S.B.578, V.1

	<u>FY 2025-26</u>	<u>FY 2026-27</u>	<u>FY 2027-28</u>	<u>FY 2028-29</u>	<u>FY 2029-30</u>
State Impact					
General Fund Revenue	-	-	-	-	-
<u>Less Expenditures</u>	<u>1,485,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
General Fund Impact	(1,485,000)	-	-	-	-
NET STATE IMPACT	(1,485,000)	-	-	-	-

FISCAL IMPACT SUMMARY

S.B. 578, CARDINAL Corps Act, creates a new fellowship program to be administered by the NCWorks Commission. Section 8 of S.B. 578 appropriates \$1,485,000 in nonrecurring funds for FY 2025-26. Therefore, the fiscal impact of the bill is \$1,485,000 in FY 2025-26.

FISCAL ANALYSIS

S.B. 578 establishes a fellowship program, the NC Communities Advancing Real Development by Investing in Newly Accomplished Leaders (CARDINAL) Corps, to provide fellowship opportunities for recent high school graduates, persons who recently completed the general education development (GED) exam, and persons recently returned from United States military deployment. The program will be administered by the NCWorks Commission. The NCWorks Commission is the State's Workforce Development Board and is staffed by the Division of Workforce Solutions (DWS) within the NC Department of Commerce.

The program reimburses participating host organizations, including businesses, schools, local governments, and private nonprofits, up to \$30,200 for hosting fellows. Participating organizations must match State funds on the basis of \$1 for every \$1 in State funding provided.

Fellowships must be in the fields of disaster relief and recovery, education, public safety, public service, farming and food security, or services to military families and veterans. Fellowships must



last 9 months. Fellows will receive a salary of up to \$600 per week and will receive a completion award of \$5,000 upon finishing the fellowship. These costs would be paid by the host organization. The host organization would be reimbursed by the CARDINAL Corps program.

Section 3 of S.B. 578 limits the reimbursement to host organizations to \$30,200 per fellow. In addition, the NCWorks Commission is required to host a biannual conference of fellows at a cost of up to \$1,000 per fellow. Therefore, the total per fellow cost of the program would be a maximum of \$31,200.

As the CARDINAL Corps is a new program, there is no estimate available for the demand for the program. The table below shows what the cost would be based on the number of participating fellows and the per-fellow cost of \$31,200. The costs presented in this table are not the fiscal impact of the bill. The fiscal impact of the bill is determined by the amount appropriated in the bill.

Table 1: Total Program Cost Based on Program Participation Levels

<i>Per Fellow Cost: \$31,200</i>					
# Fellows	50	100	200	500	1,000
Program Cost	\$1,560,000	\$3,120,000	\$6,240,000	\$15,600,000	\$31,200,000

To administer the program, the NCWorks Commission and DWS have stated they would require additional staff as the number of fellows increases. Specifically, the NCWorks Commission stated they would need a program manager I and a program analyst II to administer the program, and DWS would need a budget analyst to manage the program's financials. The total salaries and benefits for these positions are shown in the table below.

Table 2: Total Salary and Benefit Costs for Staff to Administer the Program

Position	Annual Salary	Social Security Cost	Retirement Cost	Health Cost	FTE	Total Salary and Benefits
Program Manager I	\$67,852	\$5,191	\$16,312	\$8,095	1	\$97,449
Program Analyst II	\$64,621	\$4,944	\$15,535	\$8,095	1	\$93,194
Budget Analyst	\$64,621	\$4,944	\$15,535	\$8,095	1	\$93,194
Total Cost						\$296,037

As there is no estimate available for how many fellows would participate in the program, there is no estimate for when the NCWorks Commission and DWS would need the additional staff. This analysis assumes the NCWorks Commission would need a program manager to establish the program in FY 2025-26, and additional staff would be needed beginning in FY 2026-27. The actual staffing needs of the NCWorks Commission and DWS would depend on the level of participation in the program, which cannot be estimated at this time. The costs have been adjusted for inflation using the standard inflation rates from Moody's as of January 2025.

Table 3: Position Costs for Staff to Administer Program, FY 2025-26 through FY 2029-30

	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
FTE	1.000	3.000	3.000	3.000	3.000
Total Position Cost	\$97,449	\$296,037	\$308,189	\$319,136	\$328,821

S.B. 578 does not include administrative funding for the NCWorks Commission or DWS. The Commission and DWS have stated they cannot accommodate these costs within their existing budgets.

Section 8 of S.B. 578 encourages the Department of Commerce to seek philanthropic contributions to support this program, offsetting the need for State funding. To the extent that the Department and the NCWorks Commission are able to raise funds, these funds would decrease the amount of State funding needed to operate the program.

The actual cost of the bill is the appropriation for the program. Section 8 of S.B. 578 appropriates \$1,485,000 in nonrecurring funds for the program. In FY 2025-26, the fiscal impact of the bill is \$1,485,000.

Currently, no funds are appropriated for the program after FY 2025-26. Therefore, the fiscal impact after FY 2025-26 is \$0.

TECHNICAL CONSIDERATIONS

S.B. 578 does not include administrative funding for the NCWorks Commission or DWS.

DATA SOURCES

NC DEPARTMENT OF COMMERCE

LEGISLATIVE FISCAL NOTE – PURPOSE AND LIMITATIONS

This document is an official fiscal analysis prepared pursuant to Chapter 120 of the General Statutes and rules adopted by the Senate and House of Representatives. The estimates in this analysis are based on the data, assumptions, and methodology described in the Fiscal Analysis section of this document. This document only addresses sections of the bill that have projected direct fiscal impacts on State or local governments and does not address sections that have no projected fiscal impacts.

CONTACT INFORMATION

Questions on this analysis should be directed to the Fiscal Research Division at (919) 733-4910.

ESTIMATE PREPARED BY

Jennifer Ford

ESTIMATE APPROVED BY

Brian Matteson, Director of Fiscal Research
Fiscal Research Division
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