SECTION I

About JSND
Department Summaries
Brochure of Services

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WHO WE ARE

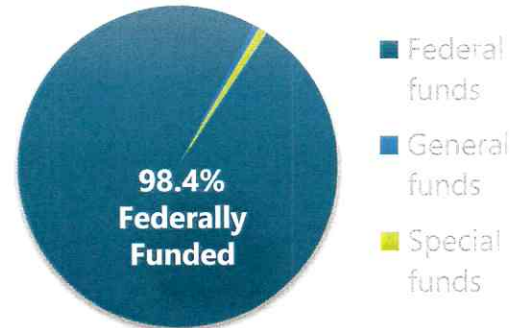### NORTH Dakota | Job Service
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OUR WORK:
Connect Employers and Job Seekers
Labor Market Information
Unemployment Insurance Benefits

OUR EMPLOYEES:
156 FTE's and 38 temp employees

98.4% Federally Funded

- Federal funds
- General funds
- Special funds

OUR CUSTOMERS:
Employers ~ Job Seekers ~ Populations with Barriers ~ Public Policy Makers ~ The Unemployed ~ Workforce Partners

OUR BUDGET:
Operating Budget for the 21-23 Biennium is $65,405,492

HOW WE SERVE

Workforce Services connects employers and job seekers, offering a variety of programs and education. We work statewide with partners and the Workforce Development Council.

9 Workforce Centers
13 Workforce Programs

→ 2,600 Average walk-in customers/month
→ Over 2,000 Phone calls/month
→ 46,566 Services to Employers
→ Program Highlights:
   → 951 WIOA Youth and Adults Served
   → 522 Veterans Served
   → 1,946 H2A Visa Program Inspections
      → 33,593 Miles driven
      → 2,796 Placements

Workforce Connection
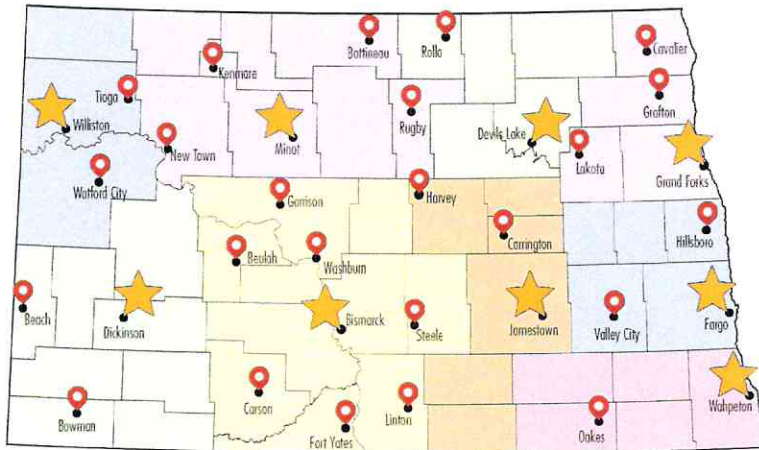### www.jobsnd.com

- 184,234 Users
- 80,411 Job Referrals
- 48,519 New Users
- 32,013 Job Orders

Workforce Connection is North Dakota's largest ad-free jobs database. It is available at no cost to both job seekers and employers!

2

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→ Job Fairs & Hiring Events
→ Rural Community Outreach
→ Career Expos, T-4 Events, Apprenticeship Expos, and High School Specific Events
→ WIOA Presentations
→ Tribal Community Outreach
→ DOCR and Recovery Center Outreach

Unemployment Insurance provides monetary benefits to unemployed workers which serves as an economic stabilizer allowing workers to stay and spend in ND.

20,000 UI Claimants/Year	26,000 Employers/Year	Economic Impact of $80M to $100M/Year

Labor Market Information (LMI) provides education and data to job seekers, students, employers, economic developers, and others for informed decision making.

→ 30+ LMI Products produced periodically
→ 32 Product training sessions with 471 participants
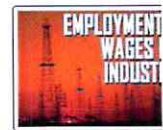→ Over 10,000 website visits

Dashboards

Employment and Wages by Occupation

Employment and Wages by Industry

Online Job Openings Report

North Dakota's Oil and Gas Economy

Area Profiles

Visit www.ndlmi.com for more LMI resources!

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INTRODUCTION

Job Service North Dakota (JSND) was established under North Dakota Century Code Title 52 and is charged with administering the unemployment compensation program and the state's employment services. To facilitate these services, JSND has organized with three main departments: Workforce Services, Unemployment Insurance, and Labor Market Information. Department summaries follow:

Unemployment Insurance (UI)

UI is a critical program to the citizen and employer communities of North Dakota. The program serves several roles that truly benefit North Dakota. Some of these benefits include:

- Provides a very cost-effective financial safety net to citizens of North Dakota who find themselves temporarily unemployed due to no fault of their own.
- Serves as an economic stabilizer by providing financial assistance to community members, allowing them to make purchases within their communities for basic needs, housing, etc. Without UI benefit payments, large layoffs in a community not only negatively impact individual citizens but could devastate businesses that rely upon expenditures from these individual citizens.
- Serves as a retention tool by allowing highly skilled and trained individuals to stay within their communities in North Dakota rather than looking to other states for consistent employment as a result of unemployment, whether due to employer closure, lay off, or seasonal layoff.
- In a normal year, $80 to $100 million of benefits are paid to unemployed individuals within North Dakota. In more extreme situations such as natural disasters, UI, through the Disaster Unemployment Assistance program, provides critical benefits to business owners and farmers, both critical components of the North Dakota economy. An extremely rare but incredibly impactful benefit of the UI program occurred during the pandemic. Throughout the pandemic, the UI program provided over $1.2 billion in benefits to North Dakota citizens.

The benefits of the UI program are accomplished via taxes collected from North Dakota employers. With 68% of North Dakota's employers paying the lowest tax rate of 0.08% on a taxable wage base of $40,800, yearly premiums paid by most employers amounts to $32.64 per employee per year.

Labor Market Information

The Labor Market Information Center (LMIC) is the official source for North Dakota Labor Market Information. The LMIC promotes North Dakota's economic health by providing information to help people understand our economy and make informed labor market choices. LMIC collects, analyzes, and publishes statistical data and reports on North Dakota's labor force, industries, occupations, employment projections, wages, and other important labor market and economic data.

Workforce and labor market information is essential to our economy, providing for the efficient operation of labor markets by supplying quality labor market intelligence. *Accurate, Objective, Relevant, Timely, and Accessible* workforce and labor market information is critical for:

- Building a skilled workforce that spurs business competitiveness and economic growth;
- Strengthening career pathways and guiding skill attainment for good jobs, economic opportunity, and career growth;
- Understanding the rapidly changing nature of work and how it impacts the workforce and U.S. economy; and
- Spending workforce training and education funds effectively.

Job seekers, educators, and students can:
- Assess job skills, set goals, and research training providers
- Research possible career choices
- Research regional labor market information, such as wages

Employers, economic developers, and other workforce professionals can:
- Research labor market information on wages and economic data
- Assess the current trends in North Dakota's job market
- Review the current economic climate for an industry anywhere in North Dakota
- Analyze the labor market in areas of North Dakota where you may want to locate your business

Labor markets cannot function efficiently and effectively without quality information to support the investment decisions of the workforce development system—Federal and State policymakers; State and local Workforce Development Boards; Federal, State, and local government agencies; and frontline staff—and the investment decisions of business managers, workers, students, jobseekers, and educators.

WORKFORCE SERVICES

Workforce Services includes both the Workforce Centers and Workforce Programs Departments. Workforce Services is critical and impacts North Dakota's workforce by serving the communities throughout the state, removing barriers to employment, and connecting employers and job seekers.

There are nine (9) Workforce Centers across the state delivering key services through 13 different federal and state-contracted programs. Workforce Programs is responsible for the implementation, maintenance, and compliance of the policies and procedures related to these programs.

Employer Services
Workforce Services assists employers with employment needs including:
- Job postings, job fairs, assessments, consultative services, and virtual recruiter services
  - In the last year, 32,013 job orders were created and 80,411 referrals to jobs were made through the virtual one-stop system and JSND staff.
  - In May of 2022, JSND hosted the first-ever Nationwide Virtual Job Fair attracting 160 employers and job seekers from 20 states and 6 countries

- Rapid Response services to employers to help support employees affected by business closings including unemployment insurance education, employment support, workshops, and reverse job fairs.
- New Jobs Training Program, a program offering up to a 10-year income tax reimbursement to help offset costs of providing workers with education and training for new positions
- Work Opportunity Tax Credit for employers who hire citizens with barriers to employment
  - JSND received 14,548 applications in 2021
- H2A Visa Agricultural Program allows agricultural employers to seek foreign labor when domestic talent is not available
  - In the last program year, JSND drove 33,500 miles to conduct 1,946 inspections, resulting in the placement of 2,796 workers

Job Seeker Services

Workforce Services assists job seekers by offering a variety of services:
- In person services to include job search, labor market, transferrable skills, resume building, job applications, interview preparation, and other services specific to each individual
  - In 2022, the Workforce Centers averaged 2,600 in-person customers each month and took over 2,000 phone calls each month
  - Rural outreach is conducted on a bi-monthly basis to 24 communities and four tribal reservations outside of the Workforce Center location
- The Virtual One Stop (VOS) system is North Dakota's largest ad-free jobs database and offers job seekers the ability to create resumes, search and apply for jobs, and mock interview for jobs
  - VOS currently has 184,234 active users of the system with 48,519 new users
  - VOS has seen over 5M pageviews in the last year
- Educational workshops are also offered within the Workforce Centers. The topics include job searches, resume writing, interview skills, networking, and how to spot job scams

Removing barriers to employment is a critical component to the work performed within the workforce centers under both federal grants and state contracted services. These services are provided through case management services and clients are tracked up to 2 years following program completion.
- Workforce Innovation and Opportunity Act (Employment and Training program)
  - 951 adults, youth, and dislocated workers were served during the last program year.
- Jobs for Veterans State Grants
  - 522 Veteran participants served in the last program year
- State contracts with the Department of Health and Human Services include:
  - BEST – Basic Employment Skills Training for participants on SNAP benefits
  - PRIDE – Parental Responsibility Initiative for the Development of Employment which helps noncustodial parents find employment or better paying jobs so they can meet their child support obligations.
    - 67% increase in child support payments through June of 2021

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    o JOBS – Jobs Opportunity and Basic Skills is available to citizens in Cass and Richland Counties for those on the TANF program

JSND also offers a variety of services within the communities throughout North Dakota. Over the last year, JSND staff connected with 31,000 individuals at various events including:

- Community and school presentations
- Career Expos
- Job Fairs and Hiring Events
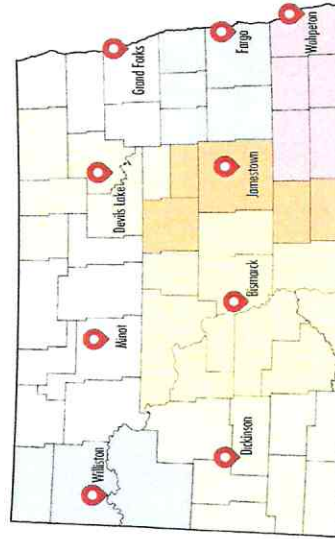- Community and Board presence
- Community Outreach

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OUR MISSION
Meeting Workforce Needs

OUR CORE VALUES
Purposeful, Respectful, Collaborative, Loyal

OUR STATEGIC ANCHORS
Integrity First
Service Before Self
Excellence in All We Do

OUR BUSINESS
Providing Workforce and Unemployment Services

OUR LOCATIONS

- Grand Forks
- Fargo
- Wahpeton
- Devils Lake
- Jamestown
- Minot
- Bismarck
- Williston
- Dickinson

american job center

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PARENTAL RESPONSIBILITY INITIATIVE FOR THE DEVELOPMENT OF EMPLOYMENT (PRIDE)
This program helps non-custodial parents find and maintain employment to meet child support obligations and to attain self-sufficiency.

JOB SEEKER SERVICES
A variety of services including education, resume assistance, assessments, career guidance, and training which are designed to help workers find employment.

WORK OPPORTUNITY TAX CREDIT (WOTC)
This federally funded program provides tax incentives to ND businesses who hire job seekers facing employment barriers.

EMPLOYER SERVICES
A variety of services to employers including recruitment, referrals, job orders, job fairs, and assisting with restructuring or layoffs.

LABOR MARKET INFORMATION (LMI)
Provides workforce data and education to job seekers, students, employers, economic developers, and other workforce professionals.

NEW JOBS TRAINING
This program provides incentives to primary sector employers who create new full-time permanent employment opportunities.

TRADE ADJUSTMENT ASSISTANCE (TAA)
Offers a variety of benefits and reemployment services to workers who become unemployed as a result of foreign competition.

JOB OPPORTUNITY & BASIC SKILLS (JOBS)
Helps TANF recipients become self-sufficient by guiding participants in the removal of barriers to employability.

WIOA YOUTH
Provides an array of services to youth ages 14-24 who may have barriers to academic or employment success.

VETERANS
Helps veterans and qualified individuals who may have barriers to finding employment.

REEMPLOYMENT SERVICES PROGRAM (RSP)
Offers individualized services to unemployment insurance claimants including education, training, and referrals leading to successful employment outcomes.

BASIC EMPLOYMENT SKILL TRAINING (BEST)
Helps recipients of SNAP benefits gain skills and work experience in order to obtain regular employment.

CROSSROADS
Provides employment education, career guidance, and assistance to support teen parents' continued participation in school.

WIOA ADULT AND DISLOCATED WORKERS
Provides job training, education, and employment services aimed at improving employability.

UNEMPLOYMENT INSURANCE
The unemployment insurance program is an economic stabilizer during downturns.

We work with employers to set rates and collect insurance premiums.

Those premiums are used to provide weekly monetary benefits to eligible unemployed workers who count on partial income replacement payments to help cover expenses while they look for work or wait to return to work after a short or seasonal layoff.

FOREIGN LABOR CERTIFICATION
Helps both agricultural and nonagricultural employers find workers.

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VISIT US AT JOBSND.COM FOR MORE INFORMATION ON OUR PROGRAMS.

SECTION II

Vacant FTE Detail

VACANT FTE DETAIL

This response is in reference to item #3 on the Legislative Greensheet for adding federal funding for 9 FTE vacant unfunded positions in the amount of $1,166,890.

Summary:

The previous budget system allowed vacant positions with zero salary; however, the new budget system requires an allocation for salaries. The 9 FTE positions are held in the event there is a need to hire additional staff due to federal program requirements that receive additional funds.

Detail:

- The vacant FTE list is a long-standing aspect of our appropriation bills.
- These vacant positions are included within our approved FTE count from the 2021 Legislative Session.
- Although the positions are within the JSND approved FTE count and are considered "funded" in that regard, the designation of funded indicates that JSND has the authority to expend federal funds available to us in order to utilize the positions. This provides JSND the ability to utilize the positions should federal funding be available to us. Federal funding did not provide that option during the 2021-2023 biennium, and we are currently uncertain as to the 2023-2025 biennium.
- The availability of the vacant positions for utilization by JSND is important to ensure effective, timely operation of the federal programs we administer. Rapid changes and priority projects of the United States Department of Labor (USDOL), the federal agency charged with allocating federal funds to JSND, can result in the need to ramp up quickly. Having positions available to act quickly without needing to move through normal channels to adjust FTE counts provides us the ability to rapidly integrate new initiatives that benefit the citizens of North Dakota. Job Service has been a good steward of our FTE count in the past and has been conservative with the public funds provided to us to carry out our mission.

SECTION III

Funding History

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FUNDING

Job Service North Dakota (JSND) is 98.4% federally funded.

- The federal funds are complex and siloed, meaning the buckets of federal dollars do not allow transfers between programs, so while one program may have an excess of funds, those dollars must be spent only within that program.
- All programs must meet negotiated levels of performance and every grant and contract has countless reporting requirements and are subject to scheduled audits

History

- From 2012 through 2022, the budget has remained fairly flat
- Federal funding has not kept up with inflation for over a decade
- Federal dollars are not adjusted to support state level program increases such as legislative wage adjustments and IT cost increases
- The chart below identifies each federal funding bucket
  - o Other Federal dollars noted in the chart below are for other federal grants including Jobs For Veterans State Grant, Workforce Opportunity Tax Credit, Foreign Labor Certification, Trade Adjustment Assistance, Jobs Opportunity & Basic Skills, Parental Responsibility Initiative for the Development of Employment and Basic Employment Skill Training.
  - o Above base funding noted is additional funding for the UI Administration Grant and is based on workloads. These dollars are not guaranteed and are only allocated if there is money remaining that the federal government has not distributed to states
- Funding is based on workload. However, the funding provided may not truly reflect this as the USDOL allocates dollars based on their available funds after funding USDOL operations. The funding model also "punishes" for efficiency. The faster work is completed, the lower the funding. JSND staffing levels require efficient operations so our minutes per unit are lower than other states, which lowers our funding.

Biennium	09-11		11-13		13-15		15-17		17-19		19-21		21-23	
Wagner Peyser	$5,302,783	$5,302,783	$5,292,177	$5,282,176	$5,005,887	$5,005,890	$4,992,444	$5,111,188	$5,046,612	$5,016,412	$4,997,358	$5,035,043	$5,036,558	$5,066,886
Workforce Innovation & Opportunity Act	5,294,922	5,104,054	4,446,938	4,438,612	4,207,404	4,464,523	4,535,464	4,896,212	5,052,953	5,139,909	5,155,726	5,205,190	5,267,546	5,258,265
Unemployment Insurance Base	6,117,771	6,316,983	6,729,310	6,372,004	6,534,481	5,975,768	6,413,040	6,585,016	6,919,384	6,699,120	6,593,205	6,546,303	7,071,994	7,276,340
Unemployment Insurance Above Base	947,363	494,607	319,479	576,560	616,343	1,123,952	1,751,963	390,095	106,649	43,508	3,089,432	1,376,878	0	0
Labor Market Information	947,317	928,392	938,958	865,457	873,675	872,971	847,502	863,004	873,198	871,289	900,965	890,437	903,918	917,241
Other Federal Programs	8,877,015	5,724,745	5,972,136	4,497,699	4,107,466	2,373,978	6,106,596	2,683,638	3,595,046	2,995,377	2,506,392	2,912,691	4,422,210	1,219,960
Total Federal Funding	**27,487,171**	**23,871,564**	**23,698,998**	**22,032,508**	**21,345,256**	**19,817,082**	**24,647,009**	**20,529,153**	**21,593,842**	**20,765,615**	**23,243,078**	**21,966,542**	**22,702,226**	**19,738,692**
	$51,358,735		**$45,731,506**		**$41,162,338**		**$45,176,162**		**$42,359,457**		**$45,209,620**		**$42,440,918**	

SECTION IV

UI Technology Modernization

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CURRENT SYSTEM WAS IMPLEMENTED IN 1976, OVER 46 YEARS AGO
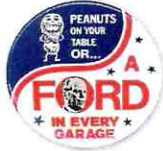### At that time in history:

Our country was celebrating our bicentennial. Unlike the mainframe, bicentennial quarters are now collectable

Apple Computers was started and the computers were essentially a keyboard mounted to a wooden box

Art Link was Governor

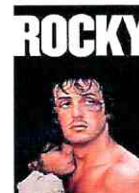Gerald Ford was President but lost to Jimmy Carter in the fall

41% of Job Service's employees were not even born

Cell Phones were not a thing

The rock group ABBA was at the top of the charts

The original Rocky movie was in theaters

THE RISK OF NOT MODERNIZING NOW IS HUGE

- Each day, the system gets closer to a major technology failure. With all the technology the system must interface with, and with all of the program changes initiated by the federal government, the system has been cobbled together and modified to accommodate changes. All of these changes have created very complicated failure points. At this point, it is not *if* the system fails, but *when*.
- The core applications supporting Unemployment Insurance is based on 46-year-old mainframe code. That code is written in a computer language that is next to impossible to find programmers to support.
- The system requires constant programming just to keep running and to keep up with changes. JSND has **two** programmers left from what used to be a pool of 15. One is eligible to retire and the other is very close.
- JSND has augmented our state programmers with contractors from offshore, primarily Eastern Europe and India. Offshore contracting is not an adequate or a permanent solution and it is not feasible to operate solely with offshore programmers.

HASN'T THIS BEEN TRIED ALREADY?

- JSND has been a part of two different projects to replace the UI system. Both projects required JSND to be a member of a consortium as a requirement for federal funding.
- In both cases above, a lack of funding and ultimately different goals and priorities of the consortium states caused the projects to fail. JSND with its small staff, needs a system with a great deal of automation to maintain timely claim processing. Other consortium states were

not interested in developing that level of automation as they have adequate staff to keep up with volume and did not want to invest in the level of automation required by JSND.

CAN'T WE JUST TAKE A SYSTEM FROM ANOTHER STATE?

- Due to state legislation creating unique laws in every state, no two states are the same. Taking a system designed specifically for one state has been proven to be almost impossible to successfully work in another state. However, there is a great deal of commonality between states, and vendors have built solutions where a base system can be purchased and then configured/modified to meet each state's need. It is our intent to utilize this format. It should be noted that this approach does minimize risk and speeds implementation, but remains an expensive process and is a very large and complex project.

WHAT IS BEING DONE TO ENSURE PROJECT SUCCESS AND MINIMIZE VENDOR FAILURE?

Many efforts are being made to minimize risk and ensure successful project completion:

- Collaborative efforts. We are working with NDIT, OMB, AG's Office, the National Association of State Workforce Agencies, the Information Technology Support Center (a quasi-federal partner that supports states with information technology projects), and other states.
- Best practices. We have consulted with other states, utilized our own experiences, and gathered information as to how to successfully complete a project such as this.
- Effective project oversight. JSND is following all state laws and policies that have been created to create an environment for success. We have engaged NDIT, initiated an Executive Steering Committee made up of JSND leadership, NDIT leadership, NDIT large project oversight staff, OMB leadership, and Legal Counsel. A procurement collaboration team made up of JSND staff, OMB procurement staff, and Legal Counsel from the Attorney General's office have also been active in the procurement process.
- As part of the contract with the successful vendor, safety nets such as monetary holdbacks for non-performance will be included.

PLANNED SCHEDULE FOR VENDOR SELECTION:

EVENT	DATE
RFP issued	December 8, 2022
Deadline for Submission of Questions and Objections	December 22, 2022, 2:00 PM, C.T
Solicitation Amendment with Responses to Questions issued approximately (if required)	January 3, 2023
Deadline for Receipt of Proposals (Solicitation Closing)	February 24, 2023, 2:00 PM, C.T.
Initial evaluation completed by approximately	March 17, 2023
Demonstrations of most susceptible vendors. (RFP section 5.7)	April 3 – April 6, 2023
Proposal Demonstration evaluation completed approximately	April 14, 2023

STATE - Sandbox approximately	April 18 – 24, 2023
Proposal Evaluation completed by approximately	April 25, 2023
Negotiations approximately	May – June 2023
Notice of Intent to Award issued approximately	June 30, 2023
Deadline for Bidders List and Secretary of State Registration. Delete if not used	Prior to Contract Signing
Contract executed approximately	July 10, 2023
Contract start approximately	July 17, 2023

FINANCIAL DETAILS BROKEN DOWN BY YEAR AND PROJECTED EXPENDITURE TYPE:

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	TOTAL PROJECT IMPLEMENTATION COSTS
GOVERNANCE	$527,927	$538,864	$548,562	$558,441	$2,173,794
BENEFITS FUNCTIONAL	$669,813	$740,813	$754,720	$883,872	$3,049,218
TAX FUNCTIONAL	$434,438	$380,224	$520,697	$713,837	$2,049,196
TECH TEAM	$1,469,188	$1,497,996	$1,526,803	$1,555,611	$6,049,598
AUGMENTED STAFF	$2,461,015	$2,509,270	$2,557,526	$2,605,781	$10,133,592
VENDOR SERVICES	$6,000,000	$6,000,000	$6,000,000	$6,000,000	$24,000,000
LICENSING COSTS	$6,000,000	$2,000,000	$2,000,000	$2,000,000	$12,000,000
INFRASTRUCTURE FEES	$6,000,000	$2,000,000	$2,000,000	$2,000,000	$12,000,000
	$23,562,381	$15,667,167	$15,908,308	$16,317,542	$71,455,398

Definitions

Governance	This refers to project costs incurred for the oversight of the project. ND Century Code outlines requirements for large project oversight. The governance costs incurred included items such as NDIT project management costs, NDIT large project oversight, Attorney General legal oversight, OMB procurement oversight costs, executive oversight
Benefits Functional	This refers to the business staff costs incurred by JSND staff assigned to the project. These staff define requirements, work with vendors to articulate program needs, test developed software. These activities will be associated with the payment of test developed UI benefits.
Tax Functional	This refers to the business staff costs incurred by JSND staff assigned to the project. These staff define requirements, work with vendors to articulate program needs, test developed software. These activities will be associated with the employer and tax related items.
Tech Team	This refers to the state IT staff costs incurred by staff assigned to the project. These staff work on development items, interface with vendors, lead data migration efforts, develop data dictionaries, etc.
Augmented Staff	This refers to business and IT staff hired to assist state staff in maintaining current system operations, cover benefit and tax based daily activities, complete necessary programming, provide IT assistance with interfaces, etc.
Vendor Services	This refers to costs incurred through the primary vendor hired to replace and implement the new system. The vendor will be providing a completed UI system that must be customized to meet North Dakota law, policy, and regulations.
Licensing Costs	This refers to costs that will be incurred through the licensing of the new system and any necessary corresponding software needed to operate the system.
Infrastructure Fees	This relates to necessary infrastructure, hosting, and maintenance fees that will be incurred through the implementation of the new system.

Unemployment Insurance (UI) provides monetary benefits to unemployed workers during short-term layoffs. This **critical economic stabilizer** allows workers to support their families while staying & spending in North Dakota communities.

WHY IS A NEW SYSTEM NEEDED NOW?

Risk and need have been recognized and discussed for years. Multiple attempts at modernization through federally funded state consortiums have occurred, but lack of resources and competing priorities to meet each state's needs have prevented success. A breaking point has now been reached!

⚠️ MULTIPLE SYSTEM FAILURE & RISK POINTS ⚠️

⚠️ AGING MAINFRAME SYSTEM

Vendor specific 40-year-old technology
- Not industry standard; not widely used
- No formal training available for new programmers; requires primarily off-shore contractors due to limited trained USA staff

Outdated database technology
- Limited capability for interfaces, business intelligence, and modern web tools

External systems required for functionality
- Creates support complications
- Prevents data sharing with other agencies needing data

⚠️ STAFFING

Key staff losses
- Loss of 28 UI and IT staff over 17 years leaving only 2 UI programmers who do programming/analysis and manage contract programmers
- One is retirement eligible now and the other within 1.5 years
- Multiple years needed to gain system knowledge and expertise
- Further loss of staff would be devastating, negatively impacting system operation

⚠️ FUNDING

Long-term decline in federal funding requires sustainable, affordable system now
- Technology spend will continue to grow as technology ages

IMPACTS OF SYSTEM FAILURE OR SLOWDOWN

20,000 UI Claimants/ Year	**26,000 Employers/ Year**	**Economic Impact of $80 to $100 M**	**Stopped benefit payments could cause workforce outmigration**

BENEFITS

IMPROVED CUSTOMER EXPERIENCE

- Mobile application
- Online payments
- Online employer entries
- Extended hours of services
- Additional language capability
- Interactive customer correspondence
- Interfaces for integration to other systems
- Linkage to other state entities

LEVERAGE REAL-TIME DATA WITH BUSINESS INTELLIGENCE

- Timely, critical workforce data allowing for improved decision making
- In-depth data analysis and reporting
- Enhanced flexibility for ad-hoc reporting
- Addition of dashboards

SUSTAINABLE TECHNOLOGY PLATFORM

- Availability of IT resources to support and maintain the system
- Elimination of proprietary system reduces technical debt
- Industry-standard technologies
- Improved training and succession planning

ARCHITECTURAL DESIGN TO IMPROVE CAPABILITY & SECURITY

- Integrated identity verification for improved security
- Improved maintenance and interfacing with standard technology
- Elimination of external systems
- Scalability at multiple system levels
- Provides system documentation, easing support and maintenance

CONFIGURATION FRAMEWORK TO SUPPORT CHANGE

- Faster production time for changes
- Less reliance on programming staff
- Robotic Process Automation (RPA) creates efficiencies

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SECTION V

Workforce Services Appropriations Supplement

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INTRODUCTION

The Job Service North Dakota 2023-2025 House Appropriations testimony included requested appropriations for three workforce programs. Each is explained in more detail below:

JOB PLACEMENT PILOT PROGRAM

The Job Placement Pilot Program is an initiative approved and recommended by the Workforce Development Council (WDC) with a main objective to connect recently or soon-to-be released ex-offenders with in-demand positions within North Dakota.

REQUESTED APPROPRIATION
JOB PLACEMENT PILOT PROGRAM

IMPACT IN 2022

1,400 Releases/Year
40% Recidivism Rate

GENERAL FUND REQUEST

$640,000
Temp Employees
Support Services

Why do we need this program?

- Ex-Offenders were identified by the WDC as a population who experience barriers to entering the workforce, including the life-long impact of a criminal conviction on their record.
- As of 2022, North Dakota averaged 1,400 prisoner releases each year
  - Without a steady paycheck allowing for basic needs to be met, such as housing and food, many ex-offenders return to the prisons as indicated by North Dakota's recidivism rate of 40.3% in 2021
- Ex-offenders are a target group to fill in-demand positions in skilled trades, transportation, IT, and a wide variety of other industries

How many people will you serve?

- This program, serve a minimum of 150 participants per year

Will others be involved in this program?

- This program would be a collaborative effort with the Department of Corrections and Rehabilitation (DOCR), the F5 project, and others to ensure wrap-around, supportive services are provided

What will the funds pay for?

- $340,000 is for the salary and benefits for 2 temporary employees over the next biennium
  - Employees would be based out of the Fargo and Bismarck Workforce Centers
- $300,000 is designated for supplemental support services such as housing, transportation, tools, work clothing and equipment that is not otherwise paid for by the WIOA federal funding

H2A VISA AGRICULTURAL PROGRAM

Since the early 2000's, JSND has been administering the H2A Foreign Labor Certification Program. This program provides assistance to agricultural employers who have a shortage of domestic workers. The program brings non-immigrant foreign workers to the U.S. to perform agricultural labor on a temporary or seasonal basis. Worker housing provided by the employer receives a quality inspection by JSND as outlined by the US Department of Labor.

REQUESTED APPROPRIATION
H2A VISA AGRICULTURAL PROGRAM

IMPACT IN 2022

1,946 Inspections in 2022
2,796 Workers Placed
33,593 Miles Driven

GENERAL FUND REQUEST

$484,310
2 FT Employees
Related Travel Costs

Why do we need to fund this program?
H2A workers are vital to rural farming communities.

- Currently, JSND receives the 6th highest number of H2A applications in the United States.
- The program has grown exponentially
  - 203 inspections in 2007 to 1,946 today
- The current staffing hours and time to travel to locations is unsustainable for the long-term
- Without additional funding to support additional staff, other workforce services will be reduced due to the time and staffing needed to conduct the required housing inspections

Foreign Labor Over the Years

2007   2012   2017   2022
■ H2B Apps ■ H2A Apps ▓ Housing Inpsections

What will the funds pay for?
- $460,850 is for 2 full-time employees over the next biennium
  - Includes both salary and benefits
  - Employees would be based out of one of the centrally located Workforce Centers
- $23,460 is designated for travel expenses for staff to travel to the inspection locations

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CAREER AND TECHNICAL EDUCATION (CTE) PARTNERSHIP

The CTE partnership is a pilot project to support the work of the CTE Centers and align schools, communities, and the workforce. This partnership will allow for a presence in the rural communities to serve employers and job seekers.

Why is JSND making this request?

- Communities have requested this approach to address the workforce needs in rural areas
- With only 9 Workforce Center locations, JSND does not have a constant presence in the rural communities
- With additional funding, there is a potential to have a greater impact on the workforce
- Serving the rural communities in this capacity would allow connection to employers and provided needed employment services to job seekers including upskilling and training, and other job-related services that are not otherwise available

REQUESTED APPROPRIATION
CTE PARTNERSHIP

IMPACT

Rural Communities
Workforce Engagement & Alignment

GENERAL FUND REQUEST

$390,000
2 Temp Employees
Program Administration Costs

How does this request differ from the request CTE is making for workforce staff?

- These services are geared toward employers and adult learners who are utilizing the CTE centers in the rural communities

What will the funds pay for?

- $340,000 is for the salary and benefits for 2 temporary employees over the next biennium
- $50,000 is designated for program administration costs

SECTION VI

Additional Funding Requests Supplement

INTRODUCTION

Job Service North Dakota (JSND) made two additional funding requests in the appropriations testimony.

REQUESTED APPROPRIATION
SALARIES AND WAGES

- Federal funding has not been adjusted for inflation
- Federal funding is not adjusted for the compensation package (salary, benefits, and pay equity) as approved by the legislature

IMPACT
Direct impact to citizen services

GENERAL FUND REQUEST
$2,500,000

REQUESTED APPROPRIATION
UI ADMINISTRATION OPERATING EXPENSE

- Federal funding has not been adjusted for inflation
- No additional federal funds for increased federal requirements and complexity
- IT maintenance and hosting costs are increasing exponentially

IMPACT
Direct impact to citizen services

GENERAL FUND REQUEST
$3,000,000

Why are you requesting additional funds?

- JSND budget reflects fairly flat federal funding since 2012
- No adjustments have been made to the federal funding for inflation
- Federal dollars are not adjusted to support state level program increases such as legislative wage adjustments
- Federal dollars are not adjusted to support increased IT and other state program costs

How have you continued to operate in the past without additional funding?

- JSND has never requested additional funds to offset the legislative increases
- We were forced to make decisions to either cut services or staff
- Staff has been reduced by almost 60% over the last 20 years
- The funding shortfall resulted in needing to close 7 of the 16 workforce centers
- We have had to hire temporary staff due to the inability to pay employees equitable wages
  - Resulted in fewer applications and higher turnover for these positions

How do other states manage?

- Many other surrounding states receive state dollars to help offset the additional costs in both workforce and unemployment insurance services
- North Dakota is typically compared to Wyoming, South Dakota, and Montana because they are considered small states and have the same federal programs

STATE COMPARISON

State	Population	Workforce Centers	State Funds for Workforce	Employer UI Fee	State Funds for UI
North Dakota	774,948	9	No	No	No
Wyoming	578,803	18	Yes	Yes	Yes
South Dakota	895,376	14	Yes	Yes	Yes
Montana	1,104,271	17	Yes	Yes	Yes

- South Dakota and Wyoming are also considered a single-area state under WIOA with one state-level workforce board
- For UI services supplemental funding using both general fund appropriations and employer contributions from fees, taxes, and assessments is utilized in many states
  - Over 20 states provide supplemental funding to their Unemployment Insurance programs
  - 30 states allow the state to charge an administrative tax and/or fee to employers to help supplement the program costs

STATES THAT SUPPORT UNEMPLOYMENT OPERATIONS VIA FEES OR GENERAL FUNDS

Does the request for $3M pay for wages of regular UI staff?

- The $2.5M request is for the salary and benefit increases for **all** staff, including regular UI staff
- The $3M is primarily related to the increasing programmatic costs related to UI Administration
  - Increased federal requirements
  - Increased program complexity
  - Increased IT maintenance and hosting costs
  - There are continually increasing IT changes and cost increases. One example of this is an upcoming replacement of the state Interactive Voice Response (IVR) system. NDIT is replacing this system and charges the agencies using the system for the rewrite
  - Each year, we hire temporary staff for a number of months to handle the seasonal workload. Some of the requested funding would be used for this purpose

Why ask for the Wage Support and the UI Administration Support at this time?

- Efficiencies in people, processes, and technology have been leveraged to capacity
  - Staffing levels have dipped to a level where providing services to a growing population is becoming problematic. There is a greater need for services with a population increase of 15.8% in the last decade and business establishments increasing by 28%
- Program requirements continue to increase and become more complex
- IT maintenance and hosting costs have increased
- Federal funding model is no longer sustainable
- 50% of JSND staff are eligible to retire during the next 10 years, requiring the need to hire FTE's and not temporary staff to replace those retiring