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Title.

Fiscal No. 1

Prepared by the Legislative Council staff for  
the House Appropriations - Education and  
Environment Division Committee  
February 7, 2023

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1016

Page 1, line 2, after "Dakota" insert "; and to provide for a report"

Page 1, replace lines 10 through 21 with:

"

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$28,994,942	\$6,496,929	\$35,491,871
Operating expenses	17,164,373	50,125,782	67,290,155
Capital assets	20,000	0	20,000
Grants	8,281,051	(226,539)	8,054,512
Reed Act - unemployment insurance computer modernization	<u>10,945,126</u>	<u>(30,126)</u>	<u>10,915,000</u>
Total all funds	\$65,405,492	\$56,366,046	\$121,771,538
Less estimated income	<u>64,995,263</u>	<u>49,742,586</u>	<u>114,737,849</u>
Total general fund	\$410,229	\$6,623,460	\$7,033,689
Full-time equivalent positions	156.61	2.00	158.61

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Unemployment insurance modernization project	<u>\$0</u>	<u>\$45,000,000</u>
Total other funds	<u>\$0</u>	<u>\$45,000,000</u>

The 2023-25 biennium one-time funding amounts are not part of the entity's base budget for the 2025-27 biennium. Job service North Dakota shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025."

Page 2, line 5, replace "\$10,945,126" with "\$10,915,000"

Page 2, after line 9, insert:

**"SECTION 5. ESTIMATED INCOME - UNEMPLOYMENT INSURANCE MODERNIZATION PROJECT - FEDERAL STATE FISCAL RECOVERY FUND - ONE-TIME FUNDING.** The estimated income line item in section 1 of this Act includes the sum of \$45,000,000 from federal funds derived from the state fiscal recovery fund for the unemployment insurance modernization project. This funding is considered a one-time funding item."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1016 - Job Service North Dakota - House Action**

	Base Budget	House Changes	House Version
Salaries and wages	\$28,994,942	\$6,496,929	\$35,491,871
Operating expenses	17,164,373	50,125,782	67,290,155
Capital assets	20,000		20,000
Grants	8,281,051	(226,539)	8,054,512
Reed Act - Computer modernization	10,945,126	(30,126)	10,915,000
<b>Total all funds</b>	<b>\$65,405,492</b>	<b>\$56,366,046</b>	<b>\$121,771,538</b>
Less estimated income	64,995,263	49,742,586	114,737,849
<b>General fund</b>	<b>\$410,229</b>	<b>\$6,623,460</b>	<b>\$7,033,689</b>
FTE	156.61	2.00	158.61

**Department 380 - Job Service North Dakota - Detail of House Changes**

	Adds Funding for the Cost to Continue Salaries <sup>1</sup>	Adds Funding for Salary and Benefit Increases <sup>2</sup>	Adjusts Funding for Salaries and Wages <sup>3</sup>	Adds FTE Positions for the H2A Foreign Agriculture Workers Program <sup>4</sup>	Adds Funding for Temporary Salaries and Vacant FTE Positions <sup>5</sup>	Adds Funding for a Job Placement Pilot Program <sup>6</sup>
Salaries and wages	\$204,809	\$2,156,981		\$439,818	\$3,355,321	\$340,000
Operating expenses				23,460		
Capital assets						
Grants						300,000
Reed Act - Computer modernization						
<b>Total all funds</b>	<b>\$204,809</b>	<b>\$2,156,981</b>	<b>\$0</b>	<b>\$463,278</b>	<b>\$3,355,321</b>	<b>\$640,000</b>
Less estimated income	204,416	2,137,407	(2,500,000)	0	3,355,321	0
<b>General fund</b>	<b>\$393</b>	<b>\$19,574</b>	<b>\$2,500,000</b>	<b>\$463,278</b>	<b>\$0</b>	<b>\$640,000</b>
FTE	0.00	0.00	0.00	2.00	0.00	0.00

	Adjusts Base Level Funding <sup>7</sup>	Adjusts Funding for Unemployment Insurance System Costs <sup>8</sup>	Adds One-Time Funding for the Unemployment Insurance Modernization Project <sup>9</sup>	Total House Changes
Salaries and wages				\$6,496,929
Operating expenses	(\$106,974)	\$5,209,296	\$45,000,000	50,125,782
Capital assets				
Grants	(526,539)			(226,539)
Reed Act - Computer modernization		(30,126)		(30,126)
<b>Total all funds</b>	<b>(\$633,513)</b>	<b>\$5,179,170</b>	<b>\$45,000,000</b>	<b>\$56,366,046</b>
Less estimated income	(633,728)	2,179,170	45,000,000	49,742,586
<b>General fund</b>	<b>\$215</b>	<b>\$3,000,000</b>	<b>\$0</b>	<b>\$6,623,460</b>
FTE	0.00	0.00	0.00	2.00

<sup>1</sup> Funding is added for the cost to continue salary increases.

<sup>2</sup> The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from \$1,429 to \$1,648 per month:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Salary increase	\$18,258	\$1,370,455	\$1,388,713
Health insurance increase	<u>1,316</u>	<u>766,952</u>	<u>768,268</u>
Total	\$19,574	\$2,137,407	\$2,156,981

<sup>3</sup> Funding of \$2.5 million for salaries and wages is reduced from federal funds and added from the general fund.

<sup>4</sup> Funding is added for salaries and wages (\$439,818) and operating expenses (\$23,460) for 2 FTE positions for the H2A foreign agriculture workers program.

<sup>5</sup> Federal funding is added for temporary salaries of 13 individuals (\$2,188,431) and 9 vacant FTE positions (\$1,166,890).

<sup>6</sup> Funding of \$640,000 from the general fund, of which \$340,000 is for salaries and wages for two temporary positions and \$300,000 is for grants, is added for a job placement pilot program for recently released formerly incarcerated individuals. Grant funding will be used for basic support needs, including housing, transportation, and work supplies and clothing.

<sup>7</sup> Base level funding is adjusted as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Adds funding for information technology rate increases	\$215	\$135,577	\$135,792
Adjusts federal funding for operating expenses, including data processing, travel, equipment and repairs, supplies, and printing	0	(242,766)	(242,766)
Reduces funding for the federal trade adjustment assistance for workers program to provide a total of \$1,866,010 from federal funds	<u>0</u>	<u>(526,539)</u>	<u>(526,539)</u>
Total	\$215	(\$633,728)	(\$633,513)

<sup>8</sup> Funding for unemployment insurance system costs is adjusted as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Adds federal funding for information technology contractual services for the unemployment insurance program	\$0	\$2,209,296	\$2,209,296
Adds funding for unemployment insurance administration and information technology inflation costs	3,000,000	0	3,000,000
Reduces Reed Act funds to provide a total of \$10,915,000 from federal funds	<u>0</u>	<u>(30,126)</u>	<u>(30,126)</u>
Total	\$3,000,000	\$2,179,170	\$5,179,170

<sup>9</sup> One-time funding of \$45 million from the federal State Fiscal Recovery Fund is added for the unemployment insurance modernization project.

This amendment also:

- Adds Section 2 to identify one-time funding appropriated in Section 1 for the 2023-25 biennium.
- Updates the amount of funding identified in Section 4 that is appropriated in Section 1 from federal Reed Act funds.
- Adds a section to identify the \$45 million appropriated for the unemployment insurance modernization project is one-time funding from the federal State Fiscal Recovery Fund.

