



Senate

Appropriations Committee

JOB SERVICE  
NORTH DAKOTA  
TESTIMONY

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**Dakota** | Job Service  
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House Bill 1016  
Patrick Bertagnolli  
March 13, 2023

**SENATE APPROPRIATIONS COMMITTEE**  
**HB 1016**

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# TESTIMONY

# APPROPRIATIONS TESTIMONY

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(slide 1)

### WELCOME and INTRODUCTION

Good morning, Mr. Chairman and members of the Senate Appropriations Committee. My name is Patrick Bertagnoli, and I am the Executive Director of Job Service North Dakota (Job Service). I am here today to provide the appropriations testimony. Joining me today are three members of our leadership team including Nicole Lagasse, our Finance Manager, Darren Brostrom, our Unemployment Insurance Director and Deputy Director, and Phil Davis, our Workforce Services Director.

Job Service was established under North Dakota Century Code title 52 and is charged with administering the unemployment compensation program and the state's employment services. I was appointed to the Executive Director position with Job Service in February of 2022. I originally applied for the position because I wanted people to know the great things that this agency does, often not visible to the public. I already knew about many of the meaningful services Job Service provides based on my own personal experience, but I have learned that the agency does so much more than I even understood. Prior to coming to Job Service, I was not only a member of the Workforce Development Council, but I was also a customer of Job Service. I needed to hire employees as did every other oil and gas employer in the western part of the state. I invited Job Service staff to my organization to better understand the positions I was hiring for, and the skills needed to increase the quality and flow of applicants. Job Service employees matched my energy, and I was often asked by others how I was able to hire skilled employees so quickly. The answer was through my relationship with Job Service.

Now that I'm leading this team, I can proudly tell you what I knew before I came here. These employees are some of the most passionate and dedicated employees I've worked with throughout my career. They live and breathe Job Service, volunteer in their communities, and in short, they ride for the brand. They have strong connections within the communities, serve on boards, present to schools, and host multiple events across the state. They have solid partnerships with many employers, schools, regional Economic Development Councils, local chambers, and other workforce partners across the state. These employees are some of the best workforce experts in the state. They are knowledgeable about the employers they serve and workforce trends.

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### ORGANIZATIONAL STRUCTURE

Our agency is structured to provide the best service to our North Dakota citizens and deliver on our mission of *Meeting Workforce Needs*. We have a strong leadership team leading each of our three main business units. [See Appendix A for our Leadership Team Structure].

Our Workforce Services Department serves our communities through outreach, statewide events, education, career expos, and partnerships. There are several grants and contracts we work under to remove barriers to employment to help individuals successfully find meaningful employment. We also connect employers and job seekers via our career and employer services and hiring events.

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Our Unemployment Insurance Department provides critical financial assistance to individuals during periods of temporary layoff through the payment of unemployment insurance benefits. These benefit payments provide a direct benefit to individuals and businesses throughout the state. By relieving some of the financial pressures of job loss, workers are able to support their families and are more likely to remain within their community. Business is benefited by the continued spending of unemployed individuals. The Unemployment Insurance Department also works with over 26,000 employers, sets tax rates, and ensures the trust fund is solvent.

Our third function is our Labor Market Information Department. This department turns data into insights, allowing businesses, job seekers, policy makers, and others to make informed decisions based on labor market and economic data.

At this time, I'm going to share more information about our workforce services and the impact we have on the workforce in North Dakota.

(slide 3)

### WORKFORCE SERVICES

Workforce Services includes our Workforce Centers and our Workforce Programs Department. We have nine Workforce Centers across the state delivering key services to the citizens of North Dakota. Workforce Centers serve an average of 2,600 customers and take approximately 2,000 phone calls each month. During the last year, our Workforce Centers also provided over 46,000 services to employers throughout the state.

In 2022, our workforce team hosted 35 job fairs, 134 hiring events, facilitated the first Statewide Apprenticeship Expo and the first Nationwide Virtual Job Fair, held 48 student events, conducted 180 WIOA presentations, presented to multiple partners throughout the state, and conducted weekly outreach to rural communities, correctional facilities, and recovery centers. In total, we reached over 31,000 individuals.

Our Workforce Centers are also home to the Virtual One Stop System. This is North Dakota's largest ad-free jobs database. The platform is offered at no charge to job seekers and employers. We currently have over 184,000 users with 48,500 of those being new users. In the last year, our staff placed 32,013 job orders for employers, and we made 80,411 job referrals.

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### Program Highlights

Typically, the clients we work with have one or more significant barriers impacting the ability to be hired and maintain employment. Barriers may be as simple as obtaining the necessary tools or transportation, or they could be more complex cases such as substance abuse, a criminal record, insufficient support services, inadequate access to technology, or a lack of technical or soft skills to succeed in today's workplace.

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Every client we work with is different and we strive to positively impact our clients by helping them remove barriers to obtaining meaningful employment and becoming self-sufficient through our 13 workforce programs. With the limited time we have together today, I'd like to highlight a few of our programs, but I encourage you to read through the appendices included with our testimony to learn more about the many services and successes we have within these programs. *[See Appendix B for more information on our Workforce Services area including numbers served and performance measurements]*

#### WIOA

We are able to help citizens of our state remove barriers under the Workforce Innovation and Opportunity Act (WIOA). WIOA serves three main demographics: youth, adult, and dislocated workers. During the 2021 program year, we served 951 participants of which 80% were either employed or in training one year after exiting the program. This program has a big impact on the workforce, and I'd like to share a couple of success stories with you.

Maame was taking a language class at the Adult Learning Center and was referred to Job Service for WIOA services. She entered the training program for a Certified Nursing Assistant (CNA) at Bismarck State College and completed her language work at the same time. Once she was certified, we helped her find employment. She was hired as a CNA with not only a sign-on bonus, but at a wage that exceeds the 75<sup>th</sup> percentile. Our WIOA funds not only helped Maame with her CNA training, but also helped her purchase the scrubs she is wearing in this photo.

Alysse is enrolled in our Crossroads program, which provides teenage parents help toward graduating from high school and to also work toward their goals post high school. Alysse started her journey in high school and went on to college for an AAS in Dental Hygiene. She stayed in the program through the duration of earning her degree and also enrolled in WIOA for tuition assistance. While attending college, she also worked part-time. She graduated from the Dental Hygiene program with honors and passed her licensing exam. Just this last June, one month after graduation, she found full-time employment in her field.

Ashleigh is an adult WIOA participant. She came to us with a high school diploma and was working 2-3 manual labor jobs including cleaning and maintenance and clerking at a retail store. She also picked up overtime when she could. Ashleigh applied for CDL training through TrainND Southwest, and she earned her Class A driver's license. In April of this year, within two weeks of receiving her license she applied, interviewed, and was hired at Northern Improvement. This upskilling and subsequent employment resulted in Ashleigh earning a significantly higher wage than her previous positions.

Ashleigh is not alone in gaining employment requiring a CDL. Job Service is extremely active in working to fill the critical in-demand transportation positions open within North Dakota. Using Bismarck as an example, we send our local CDL training candidates through Bismarck State College. They are currently getting 40-60% of their CDL program applicants from our referrals and they are consistently booked 3 months out.

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While these participants are just three of our success stories, we have many more. We also know that we can make a greater impact, which is why we are requesting an appropriation for a Job Placement Pilot Program. This initiative was 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. This 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.

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 2020, 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. Without tapping into this labor pool and preparing ex-offenders for the workforce, employers will continue to have difficulty filling in-demand positions.

This program, if funded, would supplement the existing services provided by Job Service through WIOA by serving a minimum of 150 participants per year with temporary employees who would be based out of our Fargo and Bismarck Workforce Centers. These employees would work directly with DOCR Case Managers and F5 Project representatives to identify employers and participants, and to ensure a successful transition to employment.

Our request is for \$640,000 of general funds which will pay for two temporary employees and support services to include basic needs such as housing, transportation, tools, work clothing, and equipment that are not otherwise paid for by the WIOA federal funding.

(slide 6)

#### JVSG

The Jobs for Veterans State Grant (JVSG) supports veterans who have barriers to employment. During the last year, we served 522 veterans. When compared to other states, North Dakota veterans have the highest labor participation in the nation.

The photo you see on this slide is of Stephen. Stephen is a North Dakota Marine Veteran Reservist. He's a campaign war veteran with three deployments, two to Iraq and one to Afghanistan, as a Military Police Officer. In June of 2022, Stephen completed his education with a Masters in Natural Resource Management from NDSU through the VA Veteran Readiness and Employment Program (VR&E). Stephen was excited and ready to hit the job market and was assigned a Veterans Employment Representative at Job Service.

Stephen had applied for several positions in the cities of Fargo and Moorhead as a Parks Superintendent, Conservationist, and anything remotely close to his degree. Although he

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received interviews for all the positions he applied for, he was not able to secure a job. Our Veteran Employment Representative worked with Stephen to create a targeted resume and fine-tune his interview skills and we worked to get him in front of an area business where he applied for a job, interviewed, and was offered the position. He started working as a Natural Resource Inspector in November of 2022.

Our veteran representatives work not only with job seekers, but with employers by making connections and educating employers on the value of hiring veterans, just like they did with Stephen. I'd like to thank one of our businesses today, All Embracing Home Care, LLC, a Grand Forks business. They were recently recognized and received the Gold Award with the Hire Vets Medallion Program. Employers like this are at the forefront, taking the initiative to understand the skills and value veterans have as they transition into the civilian workforce. So, thank you, All Embracing Home Care, for leading the way in hiring our veterans.

(slide 7)

#### H2A Visa Agricultural Program

The next program I would like to highlight is the H2A Visa Agricultural Program, also known as the Foreign Labor Certification Program. Job Service has been administering this program since 2007. The 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. Job Service provides employers with a quality inspection as required by the US Department of Labor.

This program has grown exponentially from processing 219 H2A applications in 2007 to 846 in 2022 and conducting 203 housing inspections in 2007 to 1,946 in 2022. [See Appendix C for Historical Foreign Labor Statistics] With the number of housing inspections conducted in 2022, our employees have driven over 33,500 miles facilitating the placement of 2,796 workers. North Dakota has a large land mass with remote farming communities and H2A workers are vital to these communities. David Lagein is a farmer and Towner County Commissioner who said, "The H2A Program was a life saver for us!"

(slide 8)

The H2A program is impactful in bringing needed seasonal workers to our agricultural employers across the state; However, it's growth hinders our ability to dedicate time to our other workforce services. To continue providing these valuable services, we are making a request for general funds in the amount of \$484,310. This request is for two full-time employees and related travel costs. These employees would be housed in one of the four centrally located Workforce Centers to include Bismarck, Minot, Devils Lake, and Jamestown. These employees would travel to farm and ranch locations to have continued dialogue with the Ag producers about housing needs, employer rights, and foreign worker rights. The employees would also conduct housing inspections per the Department of Labor requirements and provide a report of needed improvements and follow up. During the off-season months of July-September, the employees would provide rural outreach to smaller communities to bring awareness and education about the program, along with training



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opportunities and other skill-building resources to align individuals with needed services and to remove barriers to employment.

(slide 9)

### Workforce Outreach

I mentioned previously that Job Service has connected with over 31,000 individuals during the last year. This is an example of the strong presence we have in the communities we serve. We partner with many employers, schools, and chambers to create awareness to careers for middle-school and high-school students. We also facilitate presentations in schools and at community events, and conduct outreach to tribal communities, New Americans, correctional facilities, recovery centers, and to some of our rural communities. We also provide a venue for statewide workforce and career events. In May of last year, we launched our first ever Nationwide Virtual Job Fair with 160 employers. This event attracted job seekers from 20 states and 6 countries. Our second virtual job fair was held on February 8<sup>th</sup> of this year, and we were able to improve these numbers by attracting job seekers from 29 states and 14 countries. This past year, we also hosted our first statewide Virtual Apprenticeship Expo with 25 exhibitors and 700 students.

Our employees are not only involved in their communities from a professional standpoint, but many volunteer with different organizations either serving on boards for causes they are passionate about or participate in other groups with their children. One such employee has a daughter in Girl Scouts, and this led to Job Service participating in a career exploration event for girl scouts in Bismarck and Fargo. You can see one of our employees working with a student in the Girl Scout program in the photo on this slide. The student is experiencing different careers through a virtual reality experience using the CareerView XR. We are fortunate to have these viewers in both Fargo and Bismarck through a partnership with Be More Colorful.

Despite our best efforts, we only have 9 Workforce Center locations and limited staff. This prohibits us from providing adequate services to job seekers and employers in our rural communities. Having a presence in these communities to facilitate workforce needs including educating, engaging, and aligning communities, schools, and industries is vital to having a cohesive presence throughout the state.

(slide 10)

Through our rural outreach initiatives, we have developed great relationships with Career and Technical Education (CTE) communities and schools throughout the state. The success of these partnerships has resulted in Job Service being asked to have an expanded presence in more rural type CTE centers to further align our communities, workforce, and schools, as well as support the momentum of the CTE curriculum and career exploration. This presents an opportunity for Job Service to provide additional outreach and workforce activities, including upskilling and training opportunities that may not otherwise be available, to citizens in rural areas.

During our House testimony, we asked for \$390,000 in general funds for a pilot project to provide an on-site full-time temporary employee at a CTE center in the eastern and western parts of the state.

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The funding would have supported the temporary employees and program administration. This funding was not approved by the House.

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### FUNDING

I'd like to take some time to talk about the Job Service budget. We are 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 offered by Job Service must meet negotiated levels of performance and every grant and contract has countless reporting requirements that are carried out by our staff monthly, quarterly, and annually.

The limited general funds we receive support the following activities and services:

1. Job Spidering Technology – Job spidering is a sophisticated technology tool which provides job seekers with thousands of jobs to choose from within one state website. Jobs are integrated from corporate websites from businesses with 25 or more employees, online job boards, regional hospitals, government sites, local newspapers, and community job boards. Job Spidering represents about 75% of the job listings with Job Service, or 104,670/year (8,700/month).
2. Mobile App – The mobile app is an extension of the employment services systems and is offered at no charge to job seekers. This app expands the work search reach, is flexible and increases the use of the job search portal. Job seekers can update resumes, search for jobs, and communicate with staff. Approximately 400 unique users are registered monthly with a typical user being in the 19-40 age group with an average session time of 82 minutes.
3. State Social Security Administration Liaison – These dollars fund 25% of an FTE to assist state and local government employers with issues related to Social Security and Medicare wage reporting.

The limited special funds we receive are for the New Jobs Training Program. For more than 25 years, the state has administered this program which provides incentives to primary-sector businesses who are creating new employment opportunities through business expansion or relocation to North Dakota. The program allows businesses to receive funding in the form of a loan, grant, or self-financing option for up to ten years to offset the cost of training new employees. Funds are available through capturing state income tax generated from newly-created, permanent, full-time positions. [See Appendix D for the most recent New Jobs Training annual report]

(slide 12)

From 2012 through 2022, the Job Service budget has remained fairly flat. This flat federal funding has not kept up with inflation for over a decade. This chart shows the flat federal funding over the years and a hypothetical equation if that funding had been adjusted for inflationary purposes. As you can see from this chart, as the funding remains flat, the gap between inflation and actual funding grows. In addition to funding not being adjusted for inflation, the federal dollars are not adjusted to support state level program increases such as legislative wage adjustments and IT cost increases.

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In the last decade, North Dakota's population has grown by over 106,000, or about 15.8%. Employer establishments has also grown by 7,716, or 28%. During that same time, Job Service staffing has decreased by 105 FTEs, or -40%. The staff decrease percent increases to -60% when looking at a 20-year period. The lack of funding has resulted in continually shrinking staff. While efficiencies have been made, and technology has been leveraged, staffing levels have dipped to a level where providing services to our growing population is becoming problematic as there is a greater need for services. For example, just in our WIOA program alone, we are serving almost 9,600 more customers than we did 10 years ago. This funding shortfall has also resulted in the closure of 7 of our 16 Workforce Centers.

With limited funding available and the strict requirements with federal funding, it is difficult to reward employees for their work and accomplishments. Minimally, we follow the state's legislative increases, but are restrained due to the lack of additional funds to provide meaningful recognition and rewards. The reduction in approved staffing levels also forces us to hire temporary employees of which we see fewer applications and a higher level of declined offers for employment due to the temporary status. Retaining newer employees has also been a challenge as we experience a higher rate of turnover, often losing those employees to better opportunities in the state or the private sector. Additionally, we project that 50.7% of our employees are eligible to retire within the next 10 years. Not only will this impact the need to hire multiple employees, but the potential loss of institutional knowledge is concerning. *[See more staffing information including challenges and comparisons in Appendix E, Agency Workforce Summary]*

(slide 14)

Many other surrounding states receive state dollars to help offset the additional costs in both workforce and unemployment insurance services, however, Job Service operates with minimal general fund dollars. We have captured the state comparisons on this slide using the states with which we typically compare ourselves: Wyoming, South Dakota, and Montana. Like North Dakota, these states have the same federal programs we do including the Workforce Innovation and Opportunity Act (WIOA), Unemployment Insurance, and Wagner-Peyser. These states are also small, and South Dakota and Wyoming are also considered a single-area state under WIOA with one state-level workforce board. While North Dakota has the least amount of Workforce Centers, it is also the only state that does not receive any state funds for workforce. North Dakota is also the only state that does not charge employers an unemployment insurance fee and does not receive any state funds for unemployment insurance.

(slide 15)

While funding remains flat, costs continue to increase resulting in a reduction of funds available to serve the citizens of North Dakota. In the past, when the Office of Management and Budget recommended legislative increases for staff, Job Service has never asked for any additional funding. Instead, we were placed in a difficult position to decide what services and/or staff to cut to stay within the approved budget. This is a very difficult position for our agency to be placed in, especially given the focus on workforce and the impact we make for the citizens and businesses of North Dakota. With

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no federal funding changes on the horizon, and the lack of federal funding dollars over the years, we cannot continue to absorb the legislative pay increases without drastically impacting the services to our citizens.

We are asking for a general fund appropriation of \$2,500,000 to help offset the increase for the compensation package being proposed from the Office of Management and Budget. This will allow Job Service to continue providing services to the citizens and will not place us in a position to make the choice to cut staff and/or services to stay within the approved budget.

(slide 16)

The Unemployment Insurance Department consists of several smaller departments including benefits, administration, tax, quality control, appeals, and support. These departments work collaboratively to establish tax rates, and process claims and benefit payments. The work they do serves a dual purpose as both a workforce and an economic stabilizer.

The Unemployment Insurance program is 100% federally funded. Federal funding is based off of congressional budgets and United States Department of Labor (USDOL) allocations grounded upon Administration priorities. With congress continuing to fund government operations via continuing resolutions (CR), UI administrative funding has remained for the most part flat over the last decade or longer. The exception to the flat funding is the above-base funds provided by the United States Department of Labor when they have not expended their entire federal appropriation and workloads in the states has exceeded projected workloads. The funding is sporadic and when provided comes one quarter after the associated increase in workload occurs.

In 2019<sup>1</sup>, the National Association of State Workforce Agencies (NASWA) conducted a survey and found that supplemental funding using both general fund appropriations and employer contributions from fees, taxes, and assessments is utilized in many states. In fact, over 20 states provide supplemental funding to their Unemployment Insurance programs. In addition, 30 states allow the state to charge an administrative tax and/or fee to employers to help supplement the program costs.

While federal funding remains flat, the program growth and requirements continue to increase and become more complex. This requires shifting staff time from customer-focused activities to other unfunded federally mandated activities. This highlights the need for support of the Unemployment Insurance program as the current federal funding model is not sustainable for smaller states.

(slide 17)

Due to the lack of adjustments for inflation in federal funding, the increasing IT maintenance and hosting cost increases, as well as increased federal requirements and complexity, we are requesting a general fund appropriation of \$3,000,000 for unemployment insurance administration operating expenses, most of which relate to the increasing IT costs, which will have a direct impact to citizen services.

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<sup>1</sup> No study was completed in 2020 or 2021 due to the pandemic

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(slide 18)

In the Governor's Legislative Budget Address, he specifically mentioned the legacy unemployment insurance system. This system was implemented in 1976, 46 years ago, when Art Link was North Dakota's Governor and President Gerald Ford lost to Jimmy Carter in the presidential election. Although many of you may remember these events from your youth, 41% of our own staff were not even born when we implemented this technology system.

The current system is not industry standard or widely used. The technology is so antiquated that employees who had knowledge of the system have retired, passed away, or are planning to retire. This requires us to contract with primarily off-shore contractors, which raises red flags for IRS requirements. The outdated technology also limits our ability to interface with other agencies and entities and prevents timely data analysis and business intelligence.

(slide 19)

The unemployment system has a great impact on the services provided by Job Service. Throughout the year, we can impact 20,000 claimants. During times of layoff, we issue unemployment benefit payments to eligible individuals. In turn, this allows them to support their families and stay in North Dakota. We have more than 26,000 employers covered by the Unemployment Insurance program and filing quarterly wage reports with us. When employees are laid off from work and receive benefit payments, they are more likely to stay and spend in North Dakota, creating an \$80-\$100M yearly economic impact to the state. If the technology system were to fail, and the chances of this happening grows each day, benefit payments would stop, potentially for extended timeframes. The burden on our workforce and employers would be extreme, potentially forcing workers to look for jobs in other states.

You might be asking yourself how we have survived all these years with old technology, or you might be wondering how we managed to be one of the top states to implement and meet reporting requirements during the pandemic. The answer is, it hasn't been easy. Without the dedicated staff working long hours to patch together programming requirements, or retirees coming back to work during the pandemic, we would not have been able to process the number of claims or implement the required programming.

(slide 20)

The need to modernize our technology is not new to us and is something we have discussed with the legislative body for many years. We have worked with the federal government and other states to attempt to modernize our system several times since the early 2000's. These efforts have been funded by the federal government, although at unrealistically low levels. Additionally, funding has come with federal "strings" attached. The strings attached were items such as implementing federal administration priorities and most impactfully required that states work in a consortium with other states. While the sharing of costs among states seems to be a logical approach, each state has varying state laws surrounding their Unemployment Insurance programs and each state has differing priorities. These differences and priorities have prevented successful development of a new

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system. This is a common story across the nation. At this point, the federal government has pulled all financial support for system modernization efforts other than some small federal priority projects that they hope states will integrate into their systems. As of today, 28 states are now actively engaged in some level of modernization with the systems being funded by the states themselves through state funds and employer fees or via American Rescue Plan Act (ARPA) funding. In 2021, Job Service made a request to the North Dakota legislative body for ARPA funding during the special session, however, our request was not supported, and funding was not received.

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That brings us to today and the reason for our request for an appropriation for Unemployment Insurance Technology Modernization. Without state funding, we can't move forward. We have taken the initial step of issuing a Request for Information with the initial results returning estimated costs of about \$75,000,000. These costs include vendor estimates, risk and contingency factors, licensing fees, State staff time, and outside contractors as needed. Implementation times indicate the project could take up to 4 years to complete. In the 2023-2025 Biennium, per the Governor's recommendation, we requested \$45,000,000 in Strategic Investment and Improvement Funds (SIIF) to begin the modernization project. The house approved the amount but changed the funding source to the Federal State Fiscal Recovery Fund.

(slide 22)

## APPROPRIATIONS

With the system modernization being our final request, I would like to summarize all of our appropriation requests.

Throughout this testimony, we have noted the new funding requests as recommended by the Governor. These include the H2A Visa Program for \$484,310; the Job Placement Pilot Program for \$640,000; the Career and Tech Ed Partnership Program for \$390,000; Additional Salary and Wages expense of \$2,500,000 to cover the proposed compensation and benefit package, and pay equity; UI Administration operating costs of \$3,000,000 to adjust for inflationary costs and to account for increased program complexity and system costs; and finally \$45,000,000 during the next biennium to support our efforts to modernize the unemployment insurance system.

We are asking for the ongoing support of the general funds for Job Spidering, Mobile Application, and State SSA Liaison funding of \$415,474, as well as ongoing support of special funds for the New Jobs Training Program in the amount of \$611,460. We are also requesting a Federal Funds base budget in the amount of \$69,126,389. In addition to these funds, we are requesting that the long-standing language in our appropriation bill which will allow us to accept all federal funds received by Job Service in excess of those funds appropriated in section 1 of our bill for the biennium beginning July 1, 2023 and ending June 30, 2025. This critical continuing appropriation language is necessary due to the way in which the US Department of Labor provides funding to the agency and has been long considered necessary by the legislative body.

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(slide 23)

Slide 23 summarizes our base budget, optional budget requests, Governor's recommendations and House adjustments, which compile our 2023-25 appropriation request. Changes from the base budget include:

### Salary

- A base budget request for increased salary appropriations in the unemployment department due to increased temporary staffing
- A base budget request as recommended in the Governor's budget for the salary increases in the next biennium, 6% in the first year and 4% in the second year, and health insurance increases for employee benefits. This increase is requested to be funded by General Funds in the amount of \$2,500,000 due to the insufficient Federal funding over the years.
- An optional budget request for the H2A VISA Program for \$460,850 to cover the costs for two FTE
- An optional budget request for the Job Placement Pilot Program for \$340,000 to cover the costs for two temporary employees

### Operating Expenses

- A base budget request increase to the operating expense line item for IT contractual services due to inflationary costs
- An optional budget request for the H2A VISA Program for \$23,460 to cover travel costs
- An optional budget request for the UI Administration operating costs of \$3,000,000 to adjust for inflationary costs and to account for increased program complexity and system costs
- An optional budget request of \$45,000,000 for the unemployment insurance modernization project

### Grants

- A base budget request related to training dollars paid to citizens which was decreased under our WIOA, TAA, ATAA, and TRA grants.
- An optional budget request for the Job Placement Pilot Program for \$300,000 for program costs

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## CONCLUSION

I've been with Job Service North Dakota for less than a year, but I can honestly say I'm humbled to be here and impressed by how committed the employees are to this organization and how passionate they are about the work they do. That work is incredibly important in building a skilled workforce and limiting the impact of downturns for healthy, vibrant communities.

I thank you for your time today and I will now entertain questions from the committee.

SLIDES





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JOB SERVICE NORTH DAKOTA – HB 1016

PAT BERTAGNOLLI

MARCH 13, 2023

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# JOB SERVICE NORTH DAKOTA

## WORKFORCE SERVICES

- Serve our Communities
- Remove Barriers to Employment
- Connect Employers and Job Seekers

## UNEMPLOYMENT INSURANCE

- UI Benefit Payments
- Tax Rates
- Trust Fund

## LABOR MARKET INFORMATION

- Labor and Economic Data
- Education and Insights for Informed Decision Making

IMPACTING NORTH DAKOTA'S WORKFORCE

# WORKFORCE SERVICES



## 9 WORKFORCE CENTERS

Average 2,600 Customers/Month  
Average 2,000 Phone Calls/Month  
46,566 Services to Employers in the last year



## COMMUNITY IMMERSION

Connected with over 31,000 Individuals in the last year at local, statewide, and virtual events



## VIRTUAL ONE-STOP SYSTEM

Largest Ad-Free Workforce Database in North Dakota available at no cost to employers or job seekers

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

# PROGRAM HIGHLIGHTS - WIOA

WORKFORCE  
INNOVATION  
AND  
OPPORTUNITY  
ACT

951 SERVED

## OUR IMPACT

**Maame**  
Certified Nurse Asst.



WIOA Adult Program

**Alysse**  
Dental Hygienist



Crossroads/WIOA  
Youth Program

**Ashleigh**  
Class A CDL Driver



WIOA Adult Program

# 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



# PROGRAM HIGHLIGHTS - JVSG

## OUR IMPACT

JOBS FOR  
VETERANS  
STATE GRANT  
(JVSG)

522 SERVED

**Stephen**  
Marine Veteran and  
Natural Resource Inspector



JVSG Veteran Program



# PROGRAM HIGHLIGHTS – H2A

## OUR IMPACT

H2A Visa  
Agricultural  
Program

33,500+ Miles Driven

1,946 Inspections

2,796 Placements

*"The H2A Program was a life saver for us!"*

-David Lagein, Farmer and Towner County  
Commissioner

# REQUESTED APPROPRIATION

## H2A VISA AGRICULTURAL PROGRAM

### IMPACT IN 2022

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

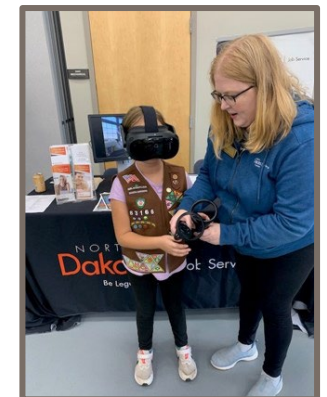
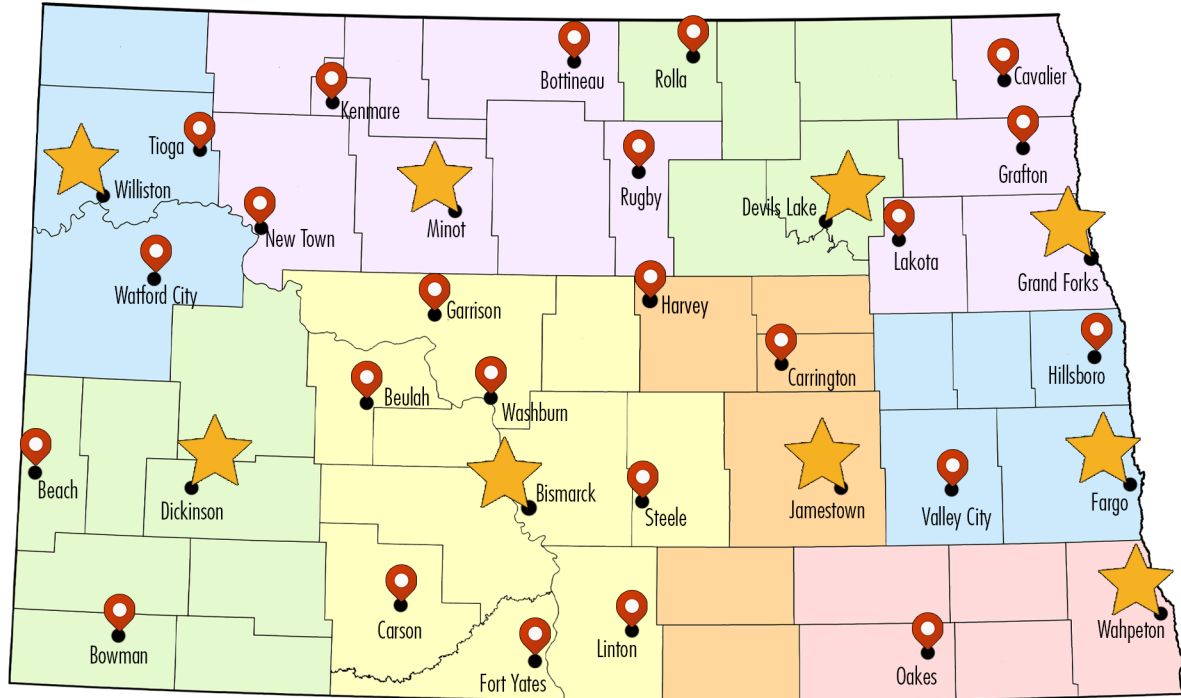
### GENERAL FUND REQUEST

\$484,310  
2 FT Employees  
Related Travel Costs





# WORKFORCE OUTREACH



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

# REQUESTED APPROPRIATION CTE PARTNERSHIP

## IMPACT

Rural Communities  
Workforce Engagement & Alignment

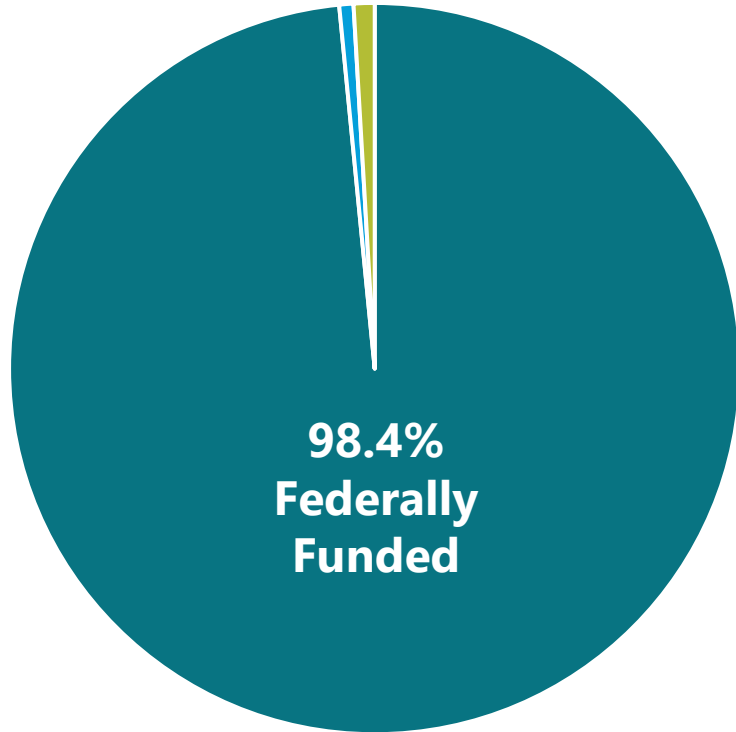
## GENERAL FUND REQUEST

\$390,000  
2 Temp Employees  
Program Administration Costs



*\*Appropriation Request not approved by the House*

# FUNDING 2021-2023



- Federal Funds
- General Funds
- Special Funds

## GENERAL FUNDS



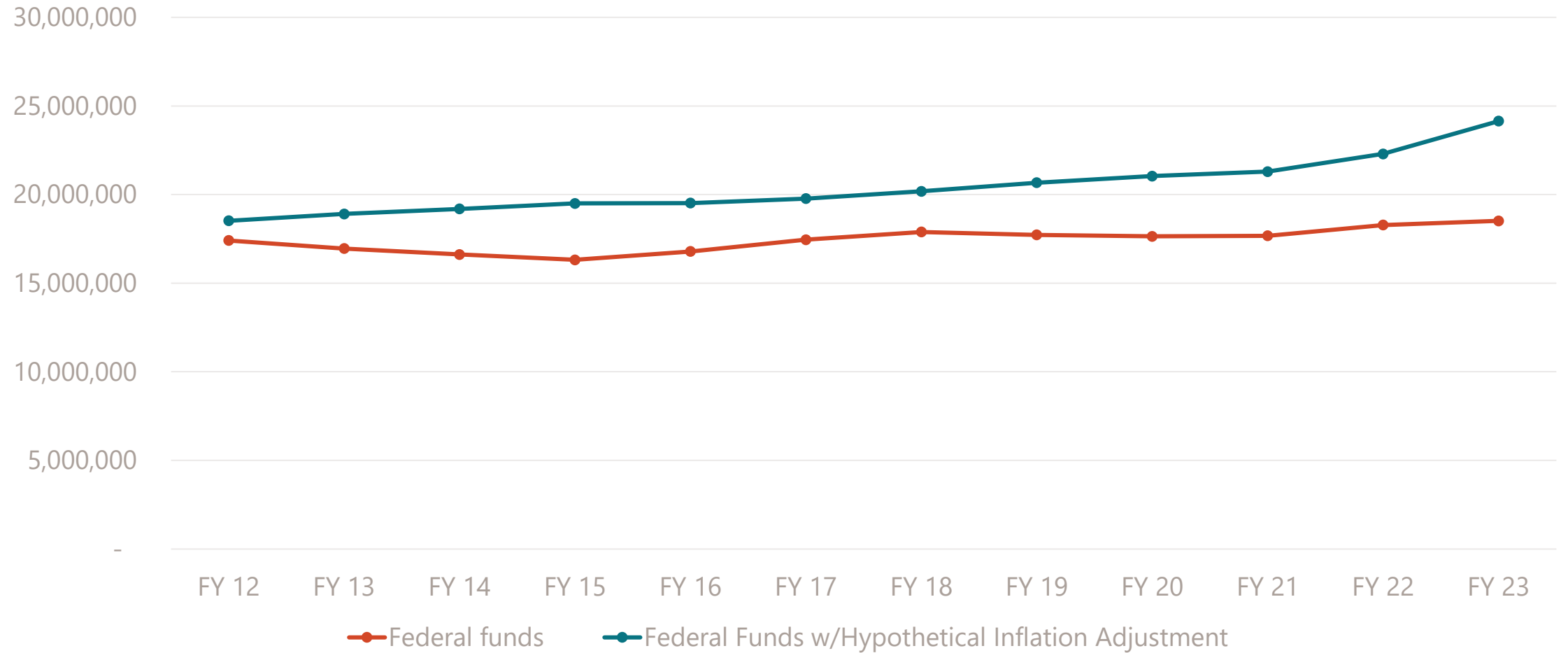
- Job Spidering
- Mobile App
- State SSA Liaison

## SPECIAL FUNDS

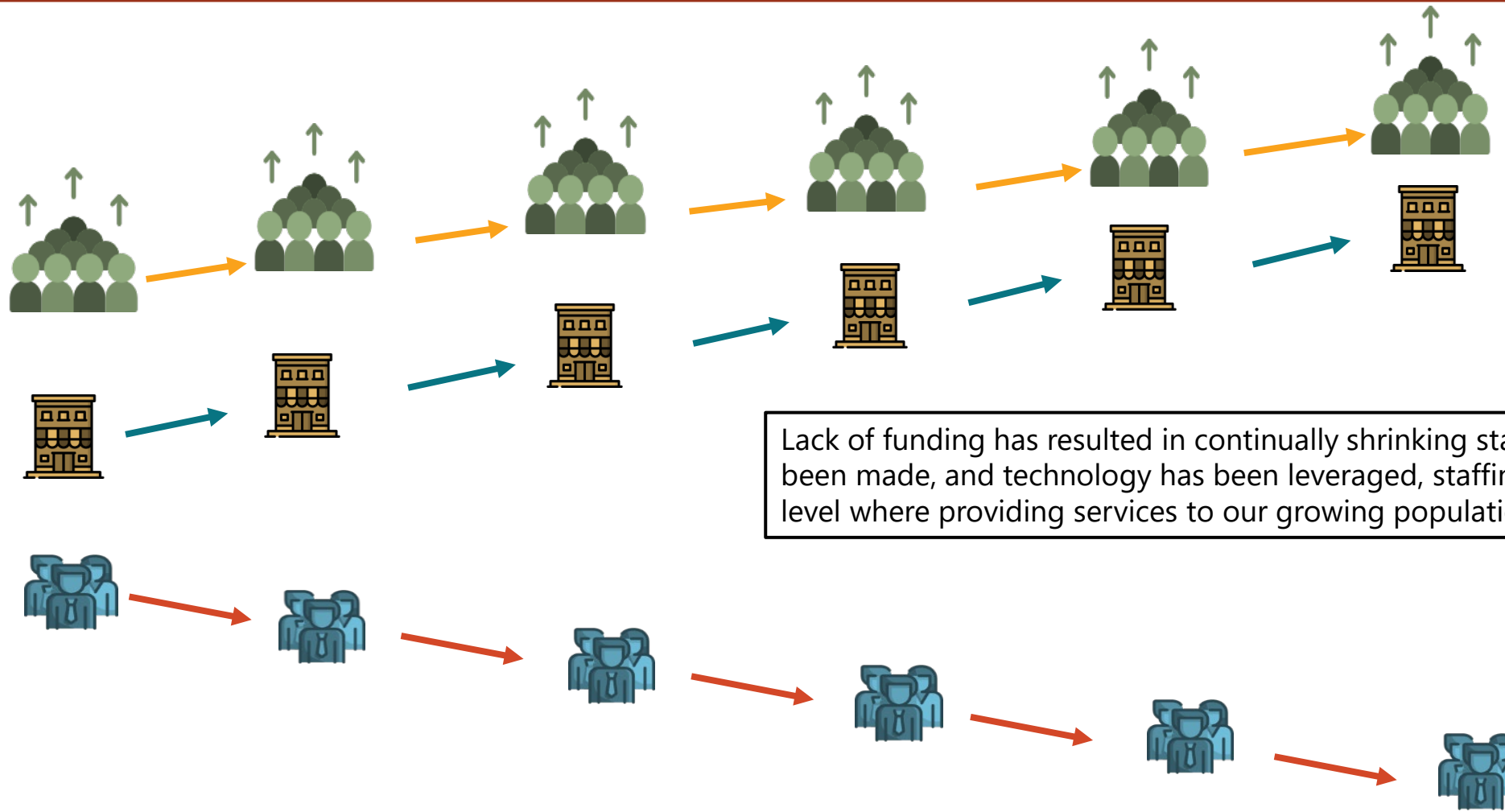


New Jobs Training:  
Worker education and training when employers create new jobs

# FUNDING HISTORY



# STATE AND BUSINESS COMMUNITY GROWTH VERSUS JOB SERVICE STAFFING



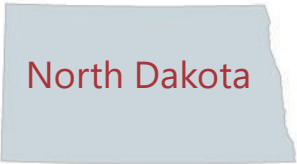



State population has grown by 106,000 in the last decade

Businesses have grown 7,700 in the last decade

Lack of funding has resulted in continually shrinking staff. While efficiencies have been made, and technology has been leveraged, staffing levels have dipped to a level where providing services to our growing populations is problematic

Job Service staffing has declined by 59% in the last 20 years.

# 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

# 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

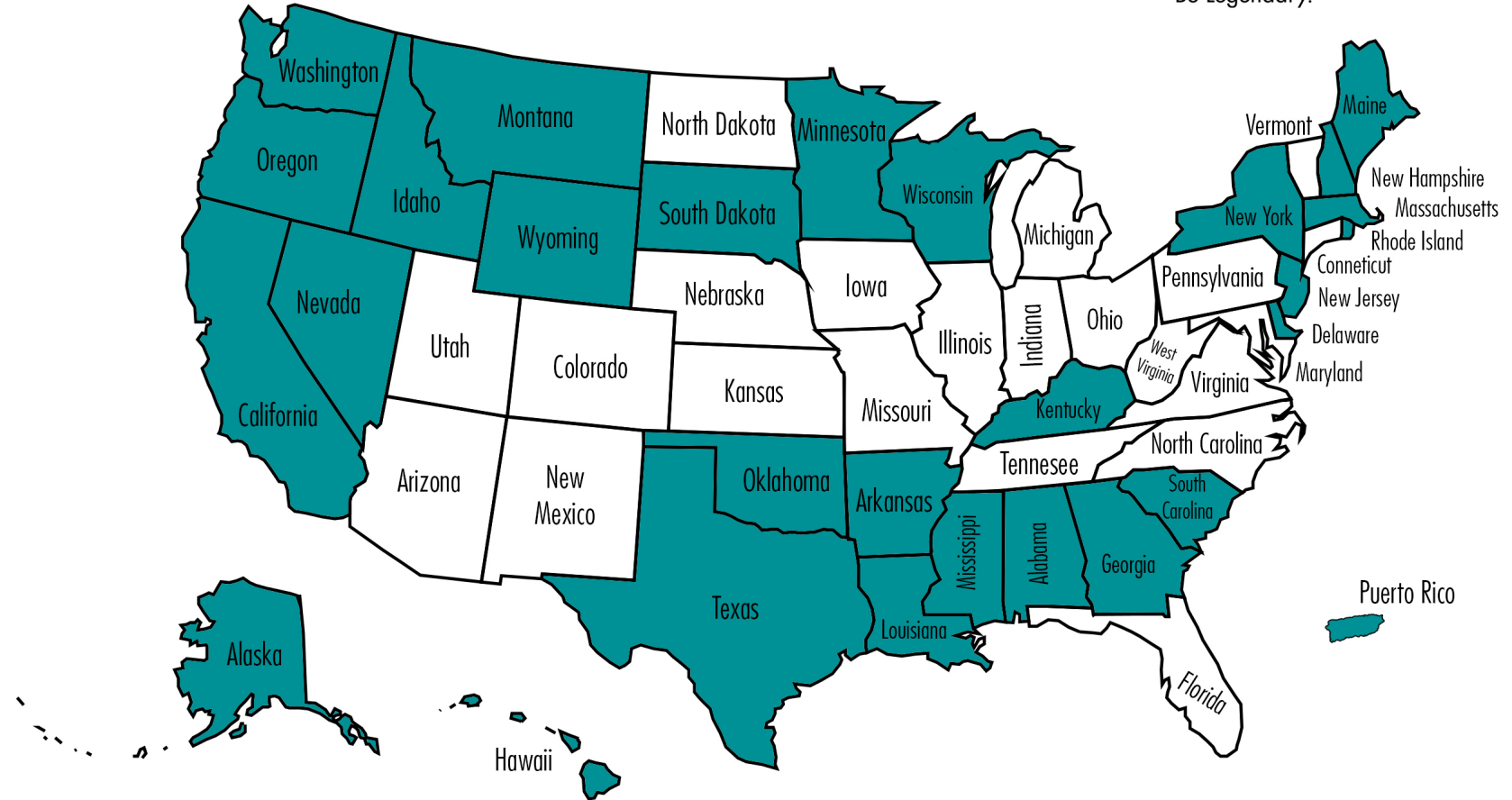
## **GENERAL FUND REQUEST**

\$2,500,000



# STATE COMPARISONS

# Unemployment Insurance Program



**STATES THAT SUPPORT UNEMPLOYMENT OPERATIONS VIA FEES OR GENERAL FUNDS**



# 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

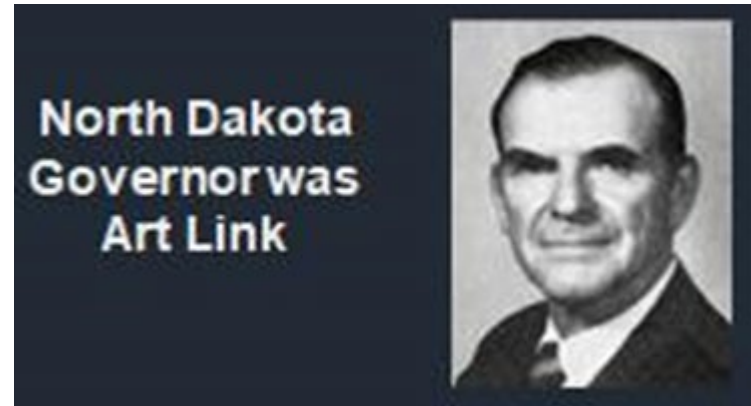
\$3,000,000



# SYSTEM MODERNIZATION

## 46-Year-Old Unemployment Insurance System!

- Not industry standard or widely used or trained on
  - Employees with knowledge of the system have retired or are preparing to retire
  - Technology requires primarily off-shore contracts causing problems with IRS requirements
- Outdated database technology
  - Limits interface capabilities with other agencies/entities
  - Prevents timely data analysis and business intelligence



# SYSTEM MODERNIZATION



20,000 UI Claimants/Year

26,000 Employers

**IMPACT**

\$80-\$100M Yearly  
Economic Impact

Stopped benefit payments  
could cause workforce  
outmigration

# SYSTEM MODERNIZATION

## PRIOR MODERNIZATION EFFORTS

Federal Government funded consortium efforts at minimal levels.

Underfunding and varying state needs and priorities led to most consortiums failing. Federal Government then pulled all modernization funds.

ND requested ARPA funds from ND Legislature in 2021 Special Session. Request was not funded.

# REQUESTED APPROPRIATION

## UI MODERNIZATION



### **FEDERAL STATE FISCAL RECOVERY FUND**

\$45,000,000

### **TIMELINE**

Up to 4 years to complete  
implementation

### **COST CONSIDERATIONS**

Vendor Estimates  
Risk and Contingency Factors  
Licensing Fees  
State Staff Time  
Contractors as needed

# APPROPRIATION REQUESTS

OPTIONAL REQUEST	FUNDING	EMPLOYEES	HOUSE APPROVED
<b><u>GENERAL FUND</u></b>			
H2A Visa Program	\$484,310	2 Full Time	X
Job Placement Pilot Program	\$640,000	2 Temp	X
CTE Partnership	\$390,000	2 Temp	
Salaries and Wages	\$2,500,000	N/A	X
UI Admin Operating Expense	\$3,000,000	N/A	X
<b><u>FEDERAL STATE FISCAL RECOVERY FUND</u></b>			
UI Modernization	\$45,000,000	N/A	X

BASE REQUEST	FUNDING
General Fund	\$415,474
Special Fund	\$611,460
Federal Fund	\$69,570,308

# 2023-2025 APPROPRIATION

	<b>2023-25 Base</b>	<b>Governor's Recommendations &amp; Optional Requests</b>	<b>2023-25 Appropriation</b>
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-UI Computer Modernization	\$ 10,945,126	\$ (30,126)	\$ 10,915,000
Total All Funds	\$ 65,405,492	\$ 56,366,046	\$ 121,771,538
Less Estimated Income – Federal	\$ 64,389,161	\$ 49,737,228	\$ 114,737,849
Less Estimated Income – Special	\$ 606,102	\$ 5,358	\$ 611,460
Total General Fund	\$ 410,229	\$ 6,623,460	\$ 7,033,689
Full-Time Equivalent Positions	156.61	2.00	158.61

# QUESTIONS



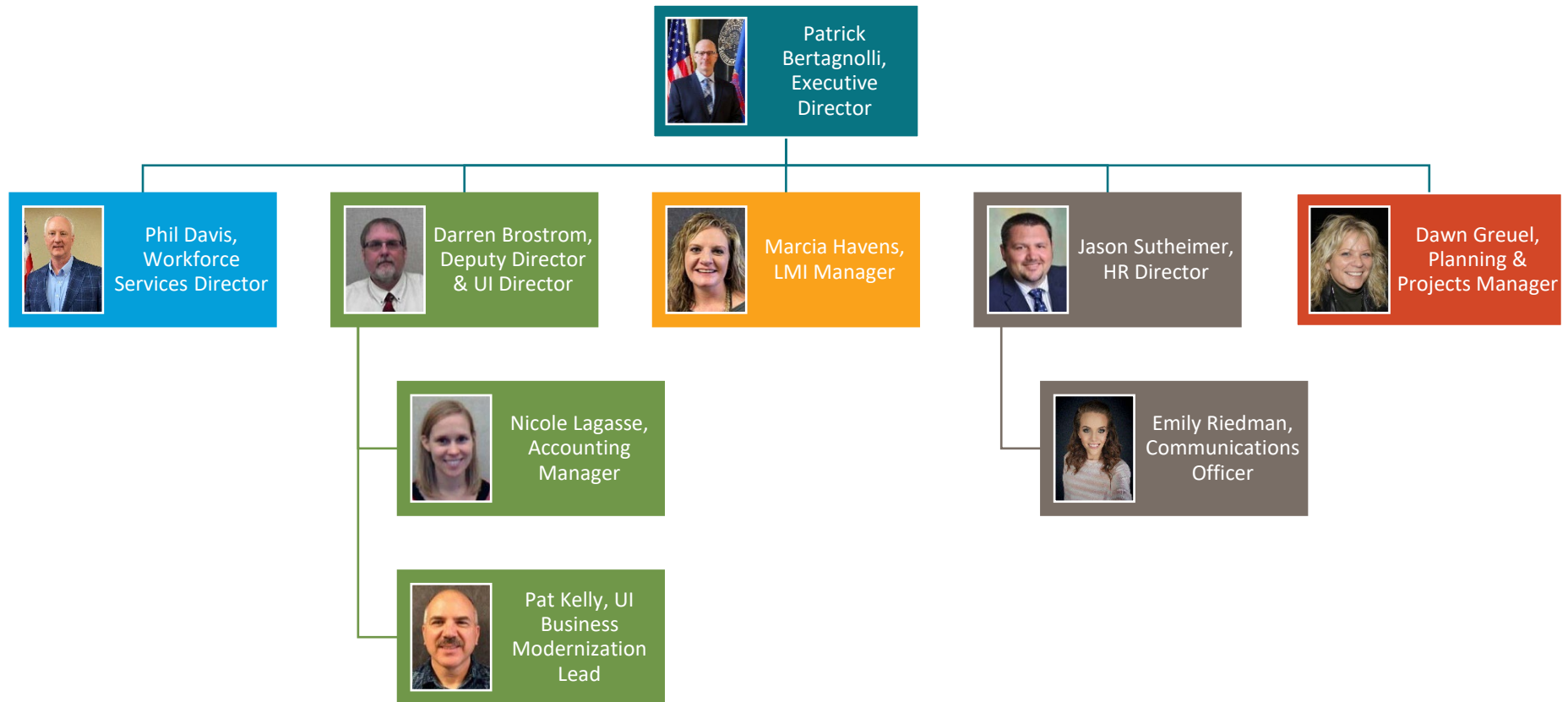


# APPENDIX

APPENDIX A  
Organizational Chart  
Leadership Team

# APPENDIX A

## ORGANIZATIONAL CHART JSND LEADERSHIP TEAM



# APPENDIX B

## Workforce Services

# WORKFORCE SERVICES



## IMPACTING NORTH DAKOTA'S WORKFORCE

### **Serving Our Communities**

Community Outreach | Statewide  
Workforce Events | Workforce  
Education | Career Expos |  
School Partnerships |  
Community Boards

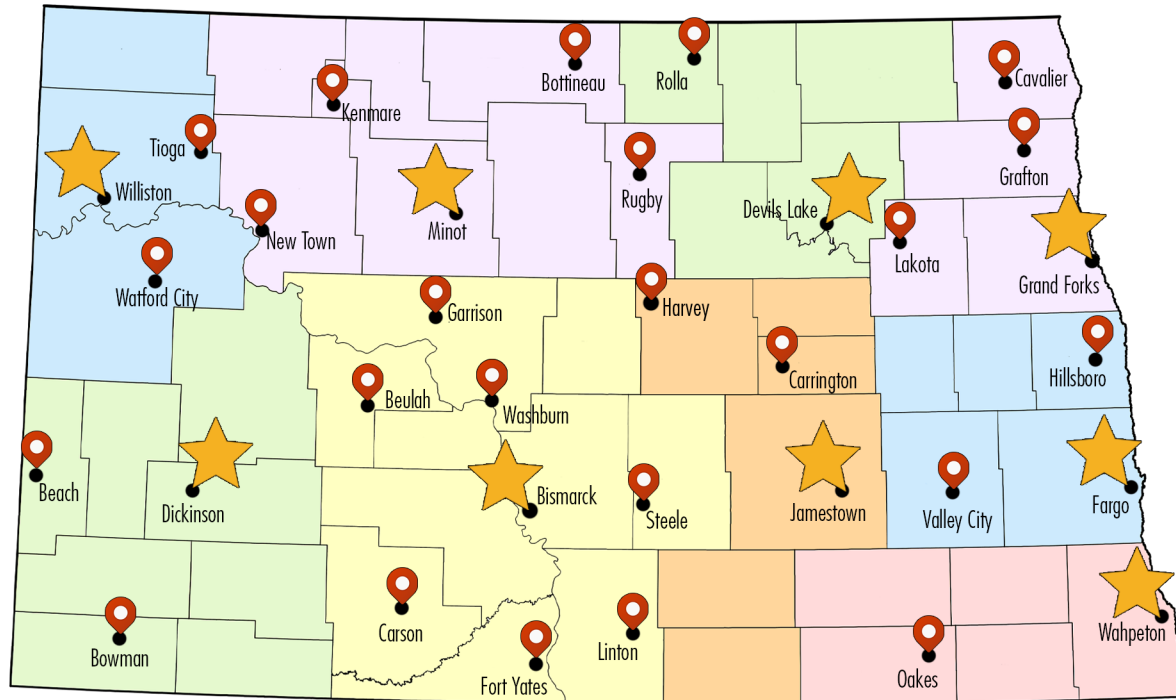
### **Removing Barriers to Employment**

Federal Grants | DHS  
Contracts

### **Connecting Employers & Job Seekers**

Career Services | Employer  
Services | Hiring Events

## ★ WORKFORCE CENTERS



Connected with over 31K individuals during outreach events

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

# REMOVING BARRIERS TO EMPLOYMENT

- WIOA 2021 Program Year
  - **Youth**
    - 161 Participants\*
    - 77.2% Employed or in Training 1 year after program exit
  - **Adult**
    - 393 Participants\*
    - 74.6% Employed 1 year after program exit
  - **Dislocated Worker**
    - 30 Participants\*
    - 80.0% employed 1 year after program exit

*\*Includes only WIOA participants who completed short-term training activities*

**WORKFORCE INNOVATION  
AND OPPORTUNITY ACT  
(WIOA)**

# REMOVING BARRIERS TO EMPLOYMENT

Program supports veterans who have barriers to employment

- 522 Participants in the last year
  - 52.5% employed 1 year after program exit
- 4 CPs and 1 DVOP
  - Serve veterans and employers across the state
  - Including Tribal outreach

*\*Veterans receive priority of service in all of our programs*

**JOBS FOR VETERANS  
STATE GRANT**



# REMOVING BARRIERS TO EMPLOYMENT

## **BASIC EMPLOYMENT SKILLS TRAINING**

- Participants on SNAP
- Cass & Burleigh counties only
- 21% in unsubsidized employment 6 months after program exit

## **PARENTAL RESPONSIBILITY INITIATIVE FOR THE DEVELOPMENT OF EMPLOYMENT**

- 147 new enrollments in calendar year 2021
- 67% increase in child support payments through June of 2021

## **JOBS OPPORTUNITY & BASIC SKILLS**

- Participants on TANF
- Southeast ND - Primarily Cass & Richland counties
- Average of 84 served/month w/87% in work & training opportunities

## **DEPARTMENT OF HEALTH AND HUMAN SERVICES CONTRACTS**

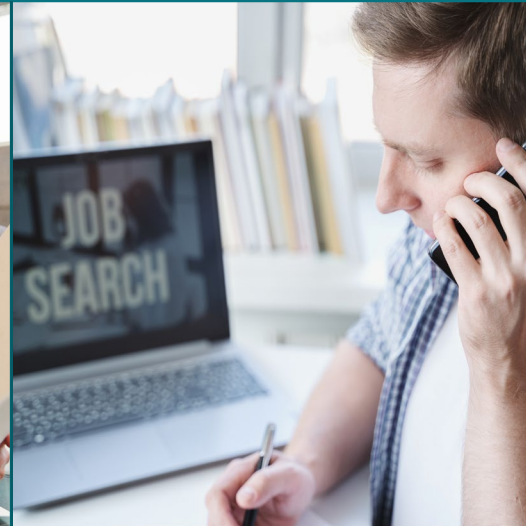
# SERVICES FOR JOB SEEKERS

## CONNECTING EMPLOYERS AND JOB SEEKERS



### In-Person Services

- Job search, labor market, transferable skills, resume building, job applications, interview preparation, barriers to employment, and other related discussion points specific to each individual



### Virtual One Stop

- Create resumes, search for work, apply for jobs
- 184,234 active users
- 48,519 In/out of state new users
- 5M Pageviews



### Job Seeker Education

- Job Searches, Resume Writing, Transferable Skills, Interviewing, Job scams, and other relevant subjects

# SERVICES FOR EMPLOYERS

## CONNECTING EMPLOYERS AND JOB SEEKERS



### Employer Services

- Assist employers with employment needs including job posting, job fairs, assessments, skill testing, virtual recruiter, and assist with other employer needs



### Virtual One Stop

- 32,013 job orders created by employers
- 80,411 job referrals made



### Rapid Response

- Support to employees affected by business closings
- UI education, employment support, workshops, and reverse job fairs
- Partner with EDC, chambers, and others as needed



### H2A

- 1,946 Housing Inspections
- 33,593 miles driven
- 2,796 Placements

## NEW JOBS TRAINING

-State Program-

- 10-year income tax reimbursement
- Available to primary sector employers
- Offsets costs of providing workers with education and training for newly created positions

## WORK OPPORTUNITY TAX CREDIT

-Federal Program-

- One-Time Federal tax credit calculated on first-year wages
- Must hire individuals with barriers, including: Veterans, Ex-Felons, SNAP, TANF, and SSI recipients, and those in designated empowerment and rural renewal areas
- 14,548 Applications Received in 2021
  - Approximately 50% are certified

# SERVING OUR COMMUNITIES

## In-House Hiring Events

- 186 during 2022
- 466 Job-seekers

## Multi-Industry Job Fairs

- 1,402 Employers
- 2,598 Participants
- Employers indicated they would hire 54%



*Barnes County*  
**CAREER & JOB EXPO**

Wednesday, October 20th  
10:00 am - 2:00 pm  
Hi-Liner Activity Center

701.490.3536 | recruit@hellovalley.com | valleycitynd.org/expo

**VCBC**  
VALLEY CITY-BARNES COUNTY  
DEVELOPMENT CORPORATION



**JOIN US!!** **MFG DAY** **JOIN US!!**

**OCTOBER 12, 2022**  
8:15 AM - 3:30 PM (MDT)  
BIESIOT ACTIVITIES CENTER  
DICKINSON, ND

**NCS** THE SCIENCE OF SUCCESS North Dakota State College of Science  
**BYC** BISMARCK STATE COLLEGE North Dakota's Polytechnic Institution  
**D** DICKINSON STATE UNIVERSITY  
**NDSU** NORTH DAKOTA STATE UNIVERSITY

**Fisher Industries** **Coca-Cola** **Butler** **CAT**  
**STEFFES**  
**Baker Boy** **TMI** **KMM**  
**LWT** Lymnes Welding Training Killdeer Mountain Mfg. Inc.  
**IMPACT DAKOTA** People • Purpose • Process • Performance Impact Dakota is the official representative of the MEP National Network in North Dakota.  
**GNDC** Greater North Dakota Chamber



**JOBS**  
Workforce Information & Strategies

**CHAMBER NETWORK LUNCHEON**

Wednesday, October 6 11:30 AM - 12:30 PM  
Rough Rider Center \$10/person (lunch provided)

Speakers: Workforce Leaders from State & Local Levels

Paula Hickel, Wilson Workforce Center Manager  
Phil Davis, Workforce Services Director  
Katie Ralston, Workforce Division Director  
James Leiman, Commissioner

NORTH Dakota | Job Service Be Legendary.™  
NORTH Dakota | Commerce Be Legendary.™



**#JobUpND** Job Fairs  
1:30 to 3:30 p.m. • 1350 32nd St. S. • Fargo

<b>JULY 15</b> RESTAURANTS	<b>JULY 22</b> HEALTH CARE
<b>JULY 29</b> MANUFACTURING	<b>AUGUST 5</b> GOVERNMENT
<b>AUGUST 12</b> HOSPITALITY	<b>AUGUST 19</b> RETAIL
<b>AUGUST 26</b> TECHNOLOGY	NORTH Dakota   Job Service Be Legendary.™

# SERVING OUR COMMUNITIES

## **Community & School Presentations**

- Employees provide presentations of available services along with workforce information throughout the communities

## **Career Expos**

- Partner with employers, schools, chambers and EDCs to expose middle- and high-school students to career options across the state

## **Community & Board Presence**

- Employees serve on boards and community advisory committees as subject matter experts on workforce issues

## **Community Outreach**

- Employees provide community outreach to tribal communities, New Americans, and those living in rural communities

Connected  
with over  
31,000  
individuals  
within our ND  
Communities

# VIRTUAL JOB FAIR

NORTH  
**Dakota** | Job Service  
Be Legendary.™



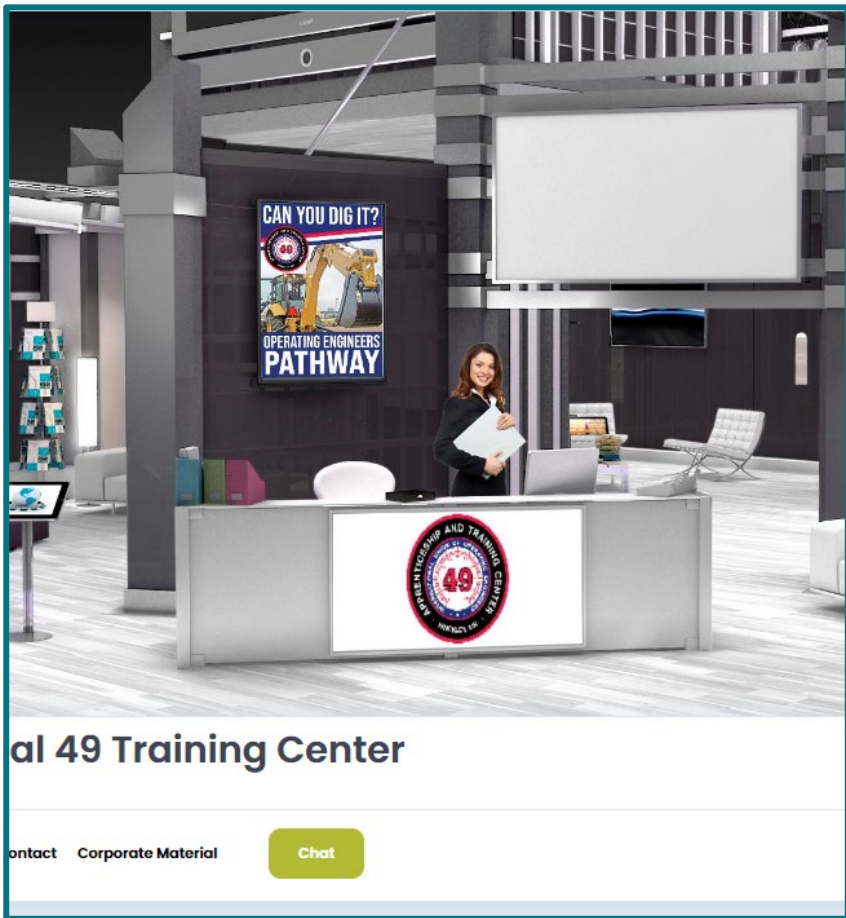
LAUNCHED FIRST  
NATIONWIDE JOB FAIR  
IN MAY 2022  
160 Employers  
with  
Job Seekers from 20  
States and 6 Countries



SECOND NATIONWIDE  
VIRTUAL JOB FAIR IN  
FEBRUARY 2023  
100 Employers  
with  
Job Seekers from 29  
States and 14 Countries



# APPRENTICESHIP EXPO



LAUNCHED FIRST  
STATEWIDE APPRENTICESHIP  
EXPO IN NOVEMBER 2022

25 Exhibitors  
800 Registered Students





# APPENDIX C

## H2A Program History

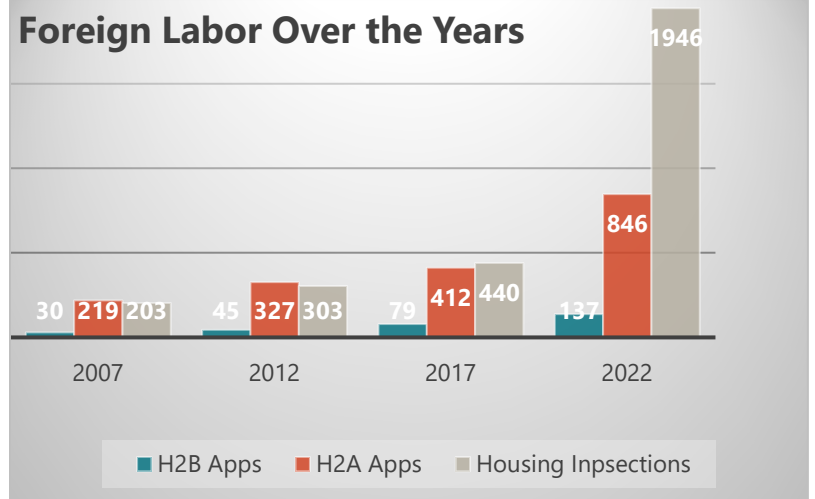
# APPENDIX C

## H2A Agricultural Program

Since 2007, Job Service North Dakota (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.

The program has grown exponentially from processing 219 H2A applications in 2007 to 846 in 2022 and conducting 203 housing inspections in 2007 to 1,946 in 2022 [See Graph 1].

Graph 1: Historical Foreign Labor



Over the last 3 years, JSND has facilitated the housing inspections and subsequent placement of thousands of seasonal workers to help agricultural employers during the busy seasons. In the 2022 program year alone, JSND has facilitated the placement of 2,796 workers. [See Table 1]

Table 1: 3-Year Look Back Period of Worker Placement

(Oct 1 – Sept 30)	# of H2A workers
FY20	2,258
FY21	2,390
FY22	*2,796

To conduct these housing inspections, JSND employees must travel from a Workforce Center Location resulting in over 33,500 miles driven in the last year to conduct the 1,946 inspections. [See Table 2]

Table 1 Inspections and Miles Driven by Location as of 8/15/22

LOCATION	# HOUSING INSPECTIONS	# MILES DRIVEN
Bismarck	255	5,125
Devils Lake	315	8,130
Dickinson	111	466
Fargo	108	110
Grand Forks	138	311
Jamestown	397	7,240
Minot	399	7,955
Wahpeton	142	896
Williston	81	3,360
<b>TOTALS</b>	<b>1,946</b>	<b>33,593</b>

# APPENDIX D

## New Jobs Training Annual Report

# New Jobs Training Program

ANNUAL REPORT

## About the program

This North Dakota program offers incentives to primary sector businesses that are creating new full time employment opportunities through business expansion, creation and/or relocation to the state. Funding is provided to help offset the cost of training new employees.

Under the North Dakota New Jobs Training Program, a business may be able to obtain funds in the form of a loan, a reimbursement grant, or under a self-financing option. State income tax withholding from the new positions created are matched for up to ten years, until the maximum reimbursement is reached, or until the loan is repaid, whichever comes first.

A North Dakota New Jobs Training Preliminary Agreement establishes the effective date for a project and must be signed and in place prior to the start date of any new employee. To qualify, the business must agree that all the new jobs created will be paying a minimum of \$10 per hour plus benefits within the first 12 months of employment.

For complete information, visit [jobsnd.com/employer-resources/north-dakota-new-jobs-training-program](http://jobsnd.com/employer-resources/north-dakota-new-jobs-training-program) or call 701-328-1976.



# New Jobs Training Program

## ANNUAL REPORT

Over the last two Bienniums (2017-2019 and 2019-2021), Job Service North Dakota has entered into 29 New Job Training Program contracts, creating 852 full-time positions while generating \$2,920,675 in available training dollars that will be returned to the employers during the 10 years of the contract.

Additionally, there are 77 current contracts in place that date back to 2012.

## 2019-2021 Biennium

Business	Amount	Positions
Dakota Fence Company	\$193,773.73	67
The Vidar Group, LLC	\$174,600.00	37
Mobile Recon Systems, LLC	\$124,575.00	15
Tailorie	\$156,100.00	20
PRx Performance	\$238,680.19	105
Paragon Pro Manufacturing Solutions	\$9,037.61	10
Northrop Grumman Corp.	\$56,512.59	31
QED Embedded	\$33,930.00	5
Air Seeder Parts, LLC	\$18,796.76	5
701x	\$89,408.60	8
Aldevron, LLC	\$373,161.30	100
Agathos Biologics	\$169,020.00	20
WCCO Belting, Inc.	\$20,383.50	25
	<b>\$1,657,979.28</b>	<b>448</b>

## 2017-2019 Biennium

Business	Amount	Positions
Elinor Coatings	\$60,546.69	23
Mainsaver	\$75,110.00	20
Red River Biorefinery	\$318,197.23	41
Aldevron, LLC	\$185,455.53	100
Aldevron, LLC	\$109,551.57	30
BNG Holdings, Inc.	\$213,944.00	40
Clean Republic	\$4,892.04	6
Degelman Industries USA, Ltd.	\$14,956.99	10
Golden Valley Ingredients (Anchor)	\$11,918.33	10
Korber Medipak Systems NA, Inc.	\$122,582.65	40
Project Phoenix, LLC	\$28,539.57	10
Sheyenne Forming	\$16,763.19	7
Solid Comfort Inc.	\$6,641.58	10
SunGold Foods Inc.	\$44,567.72	43
The Koble Group	\$25,586.76	6
Thyssenkrupp Materials NA	\$23,442.09	8
	<b>\$1,262,695.94</b>	<b>404</b>

# APPENDIX E

## Workforce Summary

# Job Service North Dakota

Job Service was founded as part of the 1935 Social Security Act. We impact North Dakota's workforce by offering a variety of services to connect employers and job seekers including employment and training services. We extend our reach beyond our nine Workforce Centers through outreach and education, career and apprenticeship expos, hiring events, school partnerships, and other career-related services. With the largest ad-free jobs database in North Dakota, we help individuals search for and find meaningful employment. The Unemployment Insurance Department provides temporary income replacement for those who become unemployed through no fault of their own. Job Service also has many labor market informational reports and dashboards to help individuals, businesses, and policy makers make informed decisions related to the workforce in North Dakota.

## WHAT HAPPENS IF WE CAN'T DO OUR JOB...



### Unstable economy

Unemployment Insurance benefits provide temporary income replacement allowing citizens to stay and spend in North Dakota providing an economic stabilizer.



### Increase in Government Subsidies

Removing barriers to find meaningful employment is a core service to help individuals get and maintain sustainable employment. Without this type of help, individuals would be more reliant on Government subsidies.



### Decrease in Population

The services offered through unemployment insurance and workforce services allows individuals to receive income-replacement benefits and to connect to North Dakota employers. Without these services, individuals may look out of state for meaningful work opportunities.



### Workforce Services

Many services and programs are offered to help individuals connect to employers for meaningful employment. Creating these opportunities puts more people into the workforce.



### Labor Market Information

Public policy makers and community leaders would not have accurate workforce data to make effective decisions and/or policies.

## CURRENT AGENCY TEAM MEMBER STATS

148 regular team members

9 regular pos. vacancies

38 temporary team members

36% looked for other work in past year

49 average age

12 average years of service

24 retirement-eligible

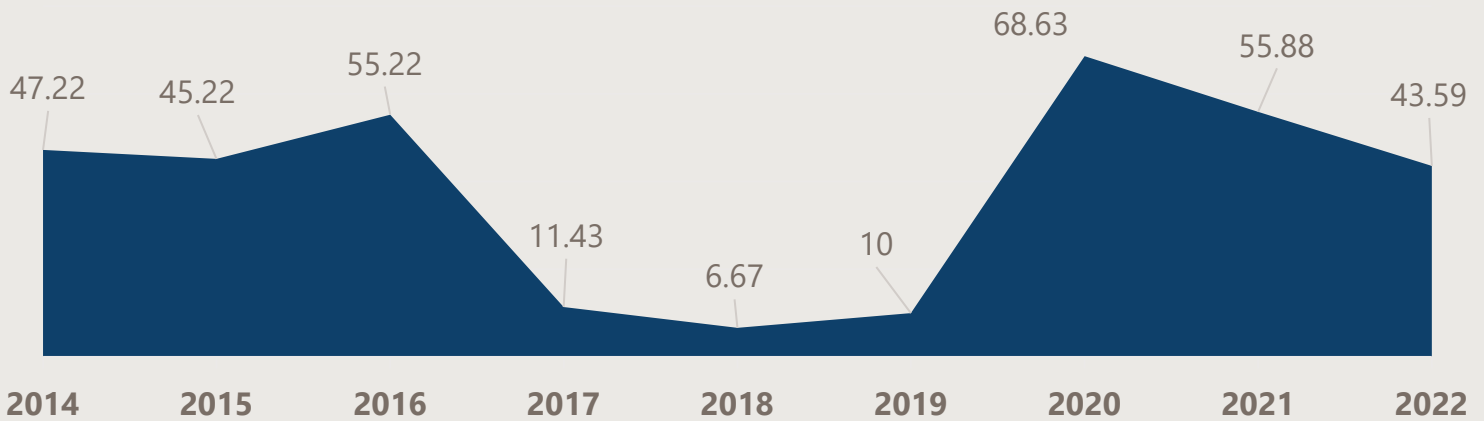
50.7% retirement-eligible in 10 yrs

## HOW WE COMPARE – LAST 10 YEARS

	2011	2021	% Change
Population	685,526	774,948	13.04%
Staffing	261.74	156.61	(40.17%)
Budget	\$71,996,698	\$65,405,492	(9.15%)
Jobs Posted	195,567	213,339	9.09%
Clients (WIOA)	74,892	84,138	12.35%
UI Claims (Initial)	19,383	25,452	31.31%
UI Appeals	2,713	8,542	214.85%
ND Employers	24,850	35,065	41.10%

# JOB SERVICE NORTH DAKOTA

## PERCENT OF POSTING WITH LESS THAN 3 APPLICANTS



In addition to the low number of candidates per vacancy announcement, we have experienced lower quality candidates and many times have applicants who lack qualifications and/or skills to perform the position's duties. The lack of applicants has often led to extended periods without proper staffing. In 2022, Job Service averaged 4.94 applicants per job posting, which is down from 18.89 in 2017.

## COST OF TURNOVER

**\$92K**  
per team member

JSND's cost of turnover is great because it takes well over a year to fully train our employees on the complexity of our workforce, unemployment, and labor market information programs and grants.

In specific cases we have extended our probation periods to 9 months so that employees can be evaluated on all aspects of their duties.

## STAFF RETENTION CHALLENGES



### Government Agencies

Job Service is the lowest paid agency with over 100 staff members. On average, we lose one employee per month to another government agency (approx. 1/2 of our turnover) due to pay.



### Federal Funding

Job Service is over 98% Federally Funded. Federal funds have not been increased or adjusted for inflation over the past 10 years. This results in an inability to use available methods to reward & retain employees.



### Business Clients

Our employees are often offered excessive wages and recruitment bonuses to work for the businesses we serve due to our employee's extensive knowledge of our programs.

**INDUSTRY OUTLOOK:** Job Service North Dakota is 98.4% federally funded. Over the past 10 years, this funding has remained stagnant without being adjusted for inflationary and/or salary cost increases thereby resulting in an actual decrease in the funds needed to sustain adequate programming. This places Job Service in a difficult decision to cut services and programming or both. In most cases, there is staff turnover which has direct and indirect impact to operating costs. Turnover also results in the loss of critical organizational knowledge. With many individuals leaving Job Service for other state agencies, we have become a training ground for other government agencies and private organizations. Without alternative funding, Job Service could potentially lose its ability to properly staff our agency and provide meaningful and effective services to the citizens of North Dakota.