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Title.
Fiscal No. 1

Prepared by the Legislative Council
staff for Senate Appropriations -
Education and Environment Division
Committee

February 3, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2016

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of job service North
2 Dakota; and to provide an exemption.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
5 as may be necessary, are appropriated out of any moneys in the general fund in the state
6 treasury, not otherwise appropriated, and from other funds derived from special funds and
7 federal funds, to job service North Dakota for the purpose of defraying the expenses of
8 job service North Dakota, for the biennium beginning July 1, 2025, and ending June 30, 2027,
9 as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
12 Salaries and wages	\$34,722,502	\$0	\$34,722,502
13 Operating expenses	22,290,155	0	22,290,155
14 Capital assets	20,000	0	20,000
15 Grants	8,054,512	0	8,054,512
16 Reed Act unemployment insurance	10,915,000	0	10,915,000
17 —computer modernization			
18 Total all funds	\$76,002,169	\$0	\$76,002,169
19 Less other funds	69,268,250	0	69,268,250

Sixty-ninth
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1	Total general fund	\$6,733,919	\$0	\$6,733,919
2	Full-time equivalent positions	158.61	0.00	158.61
3	Salaries and wages	\$34,722,502	\$2,765,451	\$37,487,953
4	New and vacant FTE pool	0	1,614,189	1,614,189
5	Operating expenses	22,290,155	(1,261,892)	21,028,263
6	Capital assets	20,000	0	20,000
7	Grants	8,054,512	0	8,054,512
8	Reed Act - unemployment insurance	10,915,000	0	10,915,000
9	computer modernization			
10	Total all funds	\$76,002,169	\$3,117,748	\$79,119,917
11	Less other funds	69,268,250	(798,726)	68,469,524
12	Total general fund	\$6,733,919	\$3,916,474	\$10,650,393
13	Full-time equivalent positions	158.61	1.00	159.61

14 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**
 15 **SEVENTIETH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding
 16 items included in the appropriation in section 1 of this Act which are not included in the entity's
 17 base budget for the 2027-29 biennium and which the entity shall report to the appropriations
 18 committees of the seventieth legislative assembly regarding the use of this funding:

19	One-Time Funding Description	General Fund	Other Funds	Total
20	Salaries funding source change	\$2,100,000	(\$2,100,000)	\$0
21	Total	\$2,100,000	(\$2,100,000)	\$0

22 **SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** Job
 23 service North Dakota may not spend funds appropriated in the new and vacant FTE pool line
 24 item in section 1 of this Act, but may request the office of management and budget to transfer
 25 funds from the new and vacant FTE pool line item to the salaries and wages line item in
 26 accordance with the guidelines and reporting provisions included in House Bill No. 1015, as
 27 approved by the sixty-ninth legislative assembly.

28 **SECTION 4. ADDITIONAL INCOME - APPROPRIATION.** All federal funds received by
 29 job service North Dakota in excess of those funds appropriated in section 1 of this Act are
 30 appropriated to job service North Dakota for the biennium beginning July 1, 2025, and ending
 31 June 30, 2027.

1 **SECTION 5. OTHER FUNDS - REED ACT FUNDS - UNEMPLOYMENT INSURANCE**

2 **COMPUTER MODERNIZATION.** The other funds appropriation in section 1 of this Act includes
3 the sum of \$10,915,000 from federal Reed Act funds made available to the state by the federal
4 Reed Act distributions made in federal fiscal years 1957, 1958, 1999, and 2002, pursuant to
5 section 903 of the federal Social Security Act. This sum, or so much of the sum as may be
6 necessary, is for the purpose of developing a modernization unemployment insurance computer
7 system.

8 **SECTION 6. EXEMPTION - UNEMPLOYMENT INSURANCE MODERNIZATION**

9 **PROJECT - FEDERAL STATE FISCAL RECOVERY FUND.** The amount of \$45,000,000 from
10 federal funds derived from the state fiscal recovery fund for the unemployment insurance
11 modernization project in section 1 of chapter 16 of the 2023 Session Laws is not subject to
12 section 54-44.1-11, and any unexpended funds from this appropriation may be continued and
13 used during the biennium beginning July 1, 2025, and ending June 30, 2027.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2016 - Job Service North Dakota - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$34,722,502	\$2,765,451	\$37,487,953
New and vacant FTE pool		1,614,189	1,614,189
Operating expenses	22,290,155	(1,261,892)	21,028,263
Capital assets	20,000		20,000
Grants	8,054,512		8,054,512
Reed Act - Computer modernization	10,915,000		10,915,000
Total all funds	\$76,002,169	\$3,117,748	\$79,119,917
Less estimated income	69,268,250	(798,726)	68,469,524
General fund	\$6,733,919	\$3,916,474	\$10,650,393
FTE	158.61	1.00	159.61

Department 380 - Job Service North Dakota - Detail of Senate Changes

	Adds Funding for Salary and Benefit Increases ¹	Adds Funding to Replace 2023-25 New and Vacant FTE Pool ²	Adds Funding for an FTE H2A Foreign Agricultural Position ³	Transfers Funding for 2025-27 New and Vacant FTE Pool ⁴	Adjusts Base Funding for Operating Expenses ⁵	Transfers Funding from Operating to Salaries ⁶
Salaries and wages	\$2,123,542	\$2,048,653	\$186,472	(\$2,252,705)		\$659,489
New and vacant FTE pool				1,614,189		
Operating expenses			47,200		(\$2,914,766)	(659,489)
Capital assets						
Grants						
Reed Act - Computer modernization						
Total all funds	\$2,123,542	\$2,048,653	\$233,672	(\$638,516)	(\$2,914,766)	\$0
Less estimated income	1,885,768	1,587,716	0	(550,697)	(2,914,766)	0
General fund	\$237,774	\$460,937	\$233,672	(\$87,819)	\$0	\$0
FTE	0.00	0.00	1.00	0.00	0.00	0.00

	Adds Funding for IT Costs ⁷	Adds Funding for Mainframe IT Costs ⁸	One-Time Salaries Funding Source Change ⁹	Total Senate Changes
Salaries and wages				\$2,765,451
New and vacant FTE pool				1,614,189
Operating expenses	\$1,791,163	\$474,000		(1,261,892)
Capital assets				
Grants				
Reed Act - Computer modernization				
Total all funds	\$1,791,163	\$474,000	\$0	\$3,117,748
Less estimated income	1,056,253	237,000	(2,100,000)	(798,726)
General fund	\$734,910	\$237,000	\$2,100,000	\$3,916,474
FTE	0.00	0.00	0.00	1.00

¹ The following funding is added for 2025-27 biennium salary adjustments of 3 percent on July 1, 2025, and 3 percent on July 1, 2026, and increases in health insurance premiums from \$1,643 to \$1,893 per month:

	General Fund	Other Funds	Total
Salary increase	\$132,055	\$1,054,663	\$1,186,718
Health insurance increase	105,719	831,105	936,824
Total	\$237,774	\$1,885,768	\$2,123,542

² Funding is added to replace the 2023-25 biennium new and vacant FTE funding pool as follows:

	General Fund	Other Funds	Total
2023-25 new FTE pool	\$439,818	\$0	\$439,818
2023-25 vacant FTE pool	<u>21,119</u>	<u>1,587,716</u>	<u>1,608,835</u>
Total	\$460,937	\$1,587,716	\$2,048,653

³ Adds funding for an FTE H2A foreign agricultural workers program position.

⁴ Funding of \$2,252,705 is removed for estimated savings from new and vacant 2025-27 FTE positions and \$1,614,189 is added for a new and vacant FTE pool line item as follows:

	General Fund	Other Funds	Total
New FTE positions	(\$186,472)	\$0	(\$186,472)
Vacant FTE positions	<u>(230,575)</u>	<u>(1,835,658)</u>	<u>(2,066,233)</u>
Total	(\$417,047)	(\$1,835,658)	(\$2,252,705)
New and vacant FTE pool line item	<u>329,228</u>	<u>1,284,961</u>	<u>1,614,189</u>
Net savings	(\$87,819)	(\$550,697)	(\$638,516)

⁵ Reduces funding from federal funds (\$2,917,152) and increases funding from special funds (\$2,386) for operating expenses, including operating fees, repairs, and IT services.

⁶ Funding is adjusted between the salaries and wages and operating expenses line items.

⁷ Adds funding for IT rate increases.

⁸ Adds funding for increased mainframe leasing (\$235,500) and hosting (\$238,500) costs.

⁹ Adds one-time funding from the general fund to replace salaries and wages funding from federal funds.

Senate Bill No. 2016 - Other Changes - Senate Action

A section is added:

- Regarding the use of funding in the new and vacant FTE pool line item.
- To provide an exemption to continue funding from the \$45,000,000 of federal funds appropriated during the 2023-25 biennium for the unemployment insurance modernization project into the 2025-27 biennium.