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ARPA PROPOSAL: $14,020,000

Job Placement Program for Ex-Offenders



A partnership with Employers, DOCR, DHS and the F5 Project to provide successful transition to employment utilizing intensive case management and wrap-around services for support. The program includes incentives for employers including matching salary for participants and up to $25K in fidelity bonds.

Program costs will consist of wrap-around services not otherwise covered under WIOA funding.

Temporary Staff	Staff Costs	Program Costs	Total Program Costs 2022-2024
2	$150K/year for 3 years	$20K/year for 3 years	$510K

Outreach Program for Populations With Barriers



A program to provide outreach to targeted populations to align individuals with needed services to remove barriers to employment. The program also supports and promotes businesses with job opportunities.

Temporary Staff	Staff Costs	Program Costs	Total Program Costs 2022-2024
2	$150K/year for 3 years	$20K/year for 3 years	$510K

Additional program costs include travel and related expenses.

Unemployment Insurance Modernization



An incremental approach to modernizing the UI system based on risk priorities providing for affordable maintenance and operations, and ensuring functionalities are not reduced.

Costs to modernize the UI system include vendor development and technology. The significant staff time and resources invested will be captured within the federal UI administration funding.

Total Program Costs 2022-2026
$13M

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ARPA Funding Request

Testimony of Phil Davis

Job Service North Dakota

Before the

Interim House Appropriations Committee

Representative Jeff Delzer, Chairman

October 19, 2021

Mr. Chairman, members of the committee, my name is Phil Davis, Workforce Services Director for Job Service North Dakota. I am here today to provide information relating to our request for ARPA dollars for two programs to assist individuals with removing barriers to employment, obtaining self-sufficiency, and be a meaningful part of our state's workforce.

As you are aware, we have well over 17,500 open positions on our website and when combined with an unemployment rate of 3.2%, there is a huge need for additional workforce in North Dakota. Job Service is requesting $1,020,000.00 of ARPA funding to assist with two workforce programs centered around assisting populations with barriers to employment. This request for ARPA dollars proposes two projects:

- Job Placement Program for Ex-Offenders
- Outreach Program to Populations with Barriers

Job Placement Program for Ex-Offenders:

I will begin with the Job Placement Program for Ex-Offenders. In 2018, the Workforce Development Council (WDC) identified Populations with Barriers as a key theme to solving the workforce challenges across North Dakota.

Ex-Offenders were identified as one such 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 averages 1,600 prisoner releases each year. Almost half of these individuals move back to Bismarck and Fargo once released.

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 ND's recidivism rate of 40.3% in 2020. However, with over 17,000 job openings, there are in-demand jobs in skilled trades, transportation, IT, manufacturing, and a wide variety of other industries, and Ex-offenders are a target group to fill some of these positions.

This Job Placement Program for recently or soon-to-be released ex-offenders would partner with DOCR, the F5 Project, other local agencies and most importantly employers. This strategic initiative will have a goal to place these ex-offenders into in-demand positions in North Dakota. This program is supplemental to the existing services provided by Job Service through the Federal Workforce Innovation and Opportunity Act by serving a minimum of **60 participants per year in both Fargo and Bismarck.**

JSND would hire temporary Employment Advisors, one in Fargo and one in Bismarck, to be housed within our workforce centers. These two temporary 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.

The program is also designed to incentivize employers to hire ex-offenders by offering a match of 50% of the participants salary for up to 6 months paid for with our Federal training funds. To provide fully wrap-around services for the ex-offender, Job Service will work in partnership with the Department of Human Services and other state and county agencies to identify supportive programs but will also provide support dollars for items such as housing, transportation, tools, work clothing, and equipment that are not otherwise paid for by federal funding.

Outreach Program to Populations with Barriers:

The second program is an Outreach Program to Populations with Barriers. Outlying segments of our population could have considerable roles in addressing the workforce challenges impacting North Dakota. An outreach program targeting these segments of the population is necessary to removing barriers for individuals who may be entering or returning to the workforce.

As you are aware, our tribal population accounts for 5% of North Dakota's population, presenting opportunities to increase work preparedness through education and skills training to fill critical roles throughout the state.

With two Air Force Bases, the military presence in North Dakota presents opportunities to employ soon-to-be civilian workers at even higher levels than currently seen and supports efforts to keep military personnel in our state upon leaving service.

Finally, our rural communities are abundant with workers but often face barriers to technology, skill building, and training, as well as the ability to travel. The pandemic has placed a brighter spotlight on the ability to work remotely, an exciting evolution of the workforce that provides opportunities to our citizens choosing to remain in rural communities.

These segments of our population are rarely considered but are integral to filling gaps in the workforce.

A targeted outreach program would consist of hiring a temporary employee in the East and one in the West to partner with rural community leaders, tribal leaders, our two air bases, and employers to bring awareness to education and training opportunities, provide skill building resources, align individuals with needed services to remove barriers to employment, and to help employers promote businesses and job opportunities.

Mr. Chairman, this concludes my testimony, I would be happy to stand for any questions the committee may have.

SUMMARY

A summary of JSND's proposed use of ARPA funds is found in the table below:

JSND PROPOSAL			
PROGRAM	DESCRIPTION	FUNDING OBLIGATION	TOTAL COSTS
Job Placement Program for Ex-Offenders	A program in partnership with DOCR and the F5 project to provide ex-offenders with an avenue to seek gainful employment.	2022-2024	$ 510,000.00
Outreach Program to populations with barriers	A program to provide outreach to targeted populations to align individuals with needed services to remove barriers to employment. The program also supports and promotes businesses with job opportunities.	2022-2024	$ 510,000.00
		TOTAL	**$1,020,000.00**

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ARPA Funding Request
Job Service North Dakota
Before the
House Appropriations Committee
Representative Jeff Delzer, Chairman
October 19, 2021

Mr. Chairman, members of the committee, I am Darren Brostrom, Deputy Director of Job Service. I am here today to provide information relating to our request for ARPA dollars for system modernization.

Job Service is requesting $13 million of ARPA funding to assist with modernizing our mainframe-based Unemployment Insurance system. Technology modernization has been a priority of Job Service for many years. While attempts have been made to modernize in the past, barriers to success have held us back from completion. As time passes, and those trained to work on the platform retire, our options for remaining on this platform continue to shrink.

The 40+ year old mainframe-based system has served us well over the years, but we are now at a high risk of catastrophic failure. The age and platform of the system limit our ability to hire individuals & vendors to support and do development on the system. As a result, changes to the Unemployment Insurance program, whether due to state or federal law, are extremely difficult to implement and create substantial risk. As important, should a technology failure arise, extended down times could occur and result in the inability to serve the employers and workers of North Dakota.

The federal government has shifted away from funding individual state modernizations. They have chosen to begin building components that they hope states can utilize within their individual systems, putting most of the burden on the states. As a result of this, other federal funds are not available to fund this project. Many states have moved to a state-funded modernization format, either through general fund appropriations or additional taxes and surcharges upon employers. We have resisted requesting this type of funding up to this point, but without further federal funding, we will be required to look for other sources from the state or the state's employers.

Costs to migrate states to a new system nationally have run from $50 to $150 million. Although our overall modernization costs will be higher than our request, we calculated the amount of our request by identifying what we could realistically expend each year through the life of the dollars based upon our limited staff resources.

The primary reasons that Job Service has decided to take an incremental approach is the number of modernization failures nationwide, our limited staff resources, and our limited funding. Incremental development will be based upon prioritizing the order of the coding. The amount of funding that we are requesting will allow for a significant level of modernization but is not expected to allow for full modernization. Following is a breakdown of our modernization priorities:

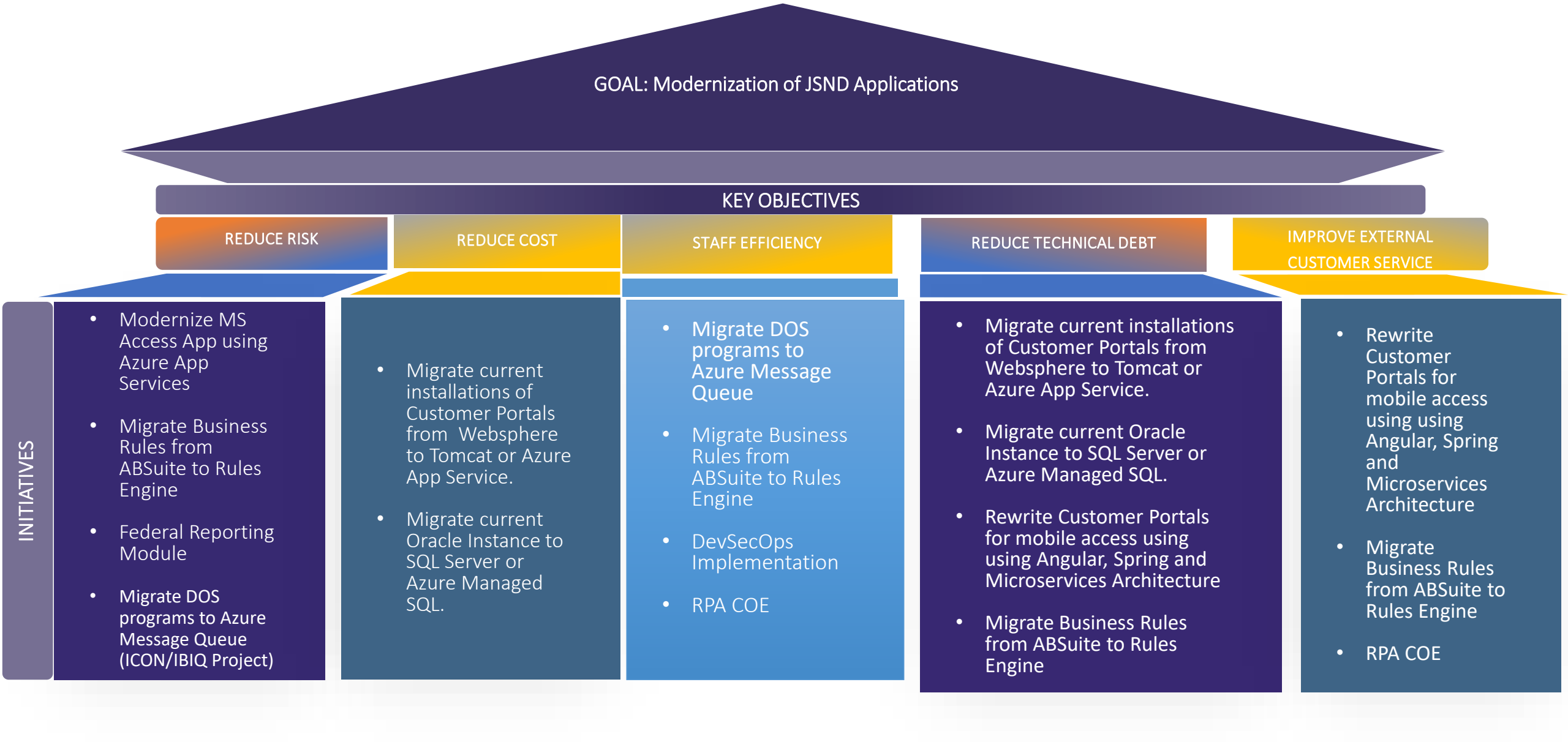
- Reduction of High-Risk Scenarios
- Utilization of Enterprise Technologies through Shared Services
- Time to Implement New Features
- Maintainability of New and Existing Applications
- Improving Security
- Enhancing Customer Service & Self-Service

Although I won't go deep into the technology and order of development, we have developed a roadmap of the work that we will complete within the life of the dollars we are requesting. This is outlined on the Roadmap document attached to this testimony. Additionally, attached to this testimony is our Modernization Approach. This approach has five key objectives:

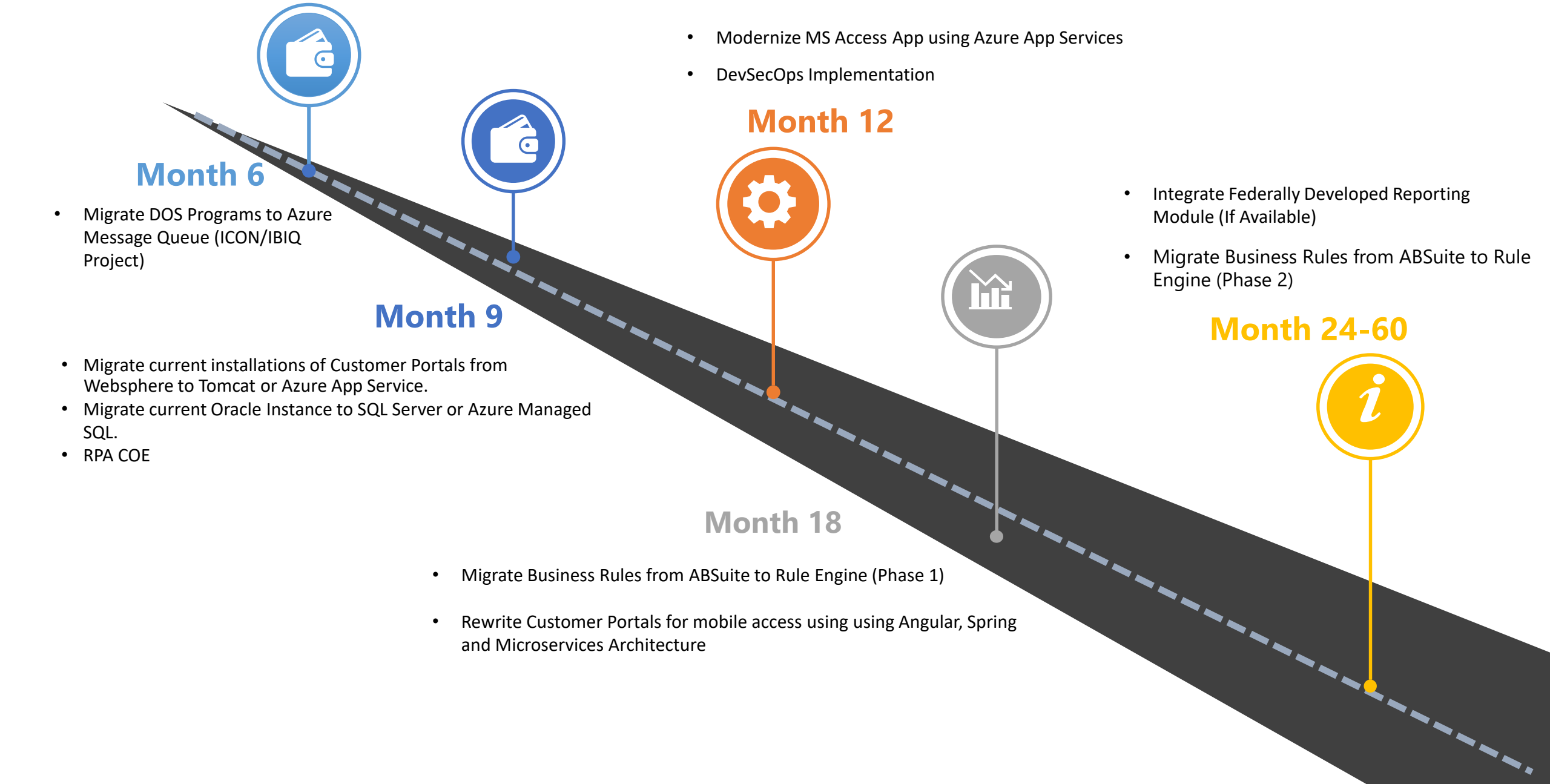
1. Reducing Risks
2. Reducing Costs
3. Creating and Maintaining Staff Efficiencies
4. Reducing Technical Debt
5. Improving External Customer Service

Mr. Chairman, this concludes my testimony, I would be happy to stand for any questions the committee may have.

Modernization Approach



JSND Modernization Roadmap



Month 6

- Migrate DOS Programs to Azure Message Queue (ICON/IBIQ Project)

Month 9

- Migrate current installations of Customer Portals from Websphere to Tomcat or Azure App Service.
- Migrate current Oracle Instance to SQL Server or Azure Managed SQL.
- RPA COE

Month 12

- Modernize MS Access App using Azure App Services
- DevSecOps Implementation

Month 18

- Migrate Business Rules from ABSuite to Rule Engine (Phase 1)
- Rewrite Customer Portals for mobile access using using Angular, Spring and Microservices Architecture

Month 24-60

- Integrate Federally Developed Reporting Module (If Available)
- Migrate Business Rules from ABSuite to Rule Engine (Phase 2)