

1999 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1089

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1089

Industry, Business
and Labor. January 13, 1999

Tape Number	Side A	Side B	Meter #
1	x		24.5
Committee Clerk Signature <i>Lisa Horner</i>			

Minutes:

HB 1089 Administration of unemployment compensation programs; providing a continuing appropriation.

Chairman Berg opened the hearing on HB 1089.

Ms. Jennifer Gladden, Job Service ND, provided support testimony on the bill.

(see attached written testimony)

There was no opposition to the bill.

Chairman Berg closed the hearing on the bill.

Moved by Representative Froseth to approve amendment to the bill, second by Representative Severson.

By voice vote, all voted yes to adopt amendment, 0 opposed.

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Industry, Business and Labor

Bill/Resolution Number Hb 1089

Hearing Date Jan. 13, 1999

Moved by Representative Keiser for do pass, re-refer to Appropriations Committee, as amended,

Second by Representative Johnson.

By roll vote, 15 yes, 0 no, motion carried.

Representative Glassheim will carry the bill.

FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: _____ Amendment to: Reeng. HB 1089 - Conf. Co

Requested by Legislative Council _____ Date of Request: 4-13-99

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative: See Attached.

2. State fiscal effect in dollar amounts:

	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds
Revenues:	0	0	0	654,000	0	327,000
Expenditures:	0	0	0	654,000	0	327,000

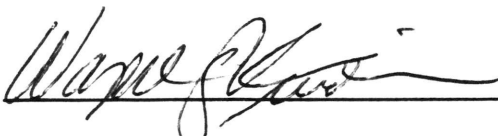
3. What, if any, is the effect of this measure on the appropriation for your agency or department:

- a. For rest of 1997-99 biennium: 0
- b. For the 1999-2001 biennium: 654,000
- c. For the 2001-03 biennium: 327,000

4. County, City, and School District fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
0	0	0	0	0	0	0	0	0

If additional space is needed, attach a supplemental sheet.

Signed 

Typed Name Wayne G. Kindem

Department Job Service North Dakota

Phone Number 328-3033

Date Prepared: 4-13-99

ATTACHMENT TO AMENDED HB 1089
FISCAL NOTE NARRATIVE

HB 1089 amends the NDCC as required by changes to Federal Law concerning distribution of Reed Act funds to North Dakota's Unemployment Trust Fund Account. The Federal Law change restricts usage of Reed Act distributions in Federal Fiscal years 2000, 2001, and 2002 to only expenses incurred for administration of the states Unemployment Compensation Law. It is unknown if any Reed Act distribution will occur during these years. However, for purposes of the Fiscal Note it is assumed that the maximum distribution will occur in each of the three years. The maximum distribution for North Dakota is estimated at \$327,000 per year for FFY 2000, 2001, and 2002.

HB 1089 establishes a fund which will hold any Reed Act distributions and appropriates \$327,000 for each year in which average duration of unemployment insurance benefits is at least one-half week less than the preceding year. For purposes of calculating the average duration HB 1089 excludes claimants on temporary layoff and returning to employment with former employer within four weeks and claimants with a demonstrated job attachment.

FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: _____ Amendment to: Reeng. HB 1089

Requested by Legislative Council _____ Date of Request: 3-16-99

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative: This legislation amends the NDCC as required by changes to Federal Law concerning distribution of Reed Act funds to North Dakota's Unemployment Trust Fund Account. The federal law change restricts usage of Reed Act distributions in Federal Fiscal Years 2000, 2001, and 2002 to only expenses incurred for administration of the states unemployment compensation law. It is unknown if any Reed Act distribution will occur during these years. However, for purposes of the Fiscal Note, it is assumed that the maximum distribution (\$327,000) will occur in each of these years.

2. State fiscal effect in dollar amounts:

	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds
Revenues:	0	0	0	654,000	0	327,000
Expenditures:	0	0	0	654,000	0	327,000

3. What, if any, is the effect of this measure on the appropriation for your agency or department:

- a. For rest of 1997-99 biennium: 0
- b. For the 1999-2001 biennium: 654,000
- c. For the 2001-03 biennium: 327,000

4. County, City, and School District fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
0	0	0	0	0	0	0	0	0

If additional space is needed, attach a supplemental sheet.

Signed 

Typed Name Wayne G. Kindem

Date Prepared: 3-18-99

Department Job Service North Dakota

Phone Number 328-3033

FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: _____ Amendment to: Eng. HB 1089

Requested by Legislative Council _____ Date of Request: 2-17-99

- Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative:

See Attached.

- State** fiscal effect in dollar amounts:

	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds
Revenues:	0	0	0	654,000	0	327,000
Expenditures:	0	0	0	600,000	0	Unknown

- What, if any, is the effect of this measure on the appropriation for your agency or department:

- For rest of 1997-99 biennium: 0
- For the 1999-2001 biennium: 600,000
- For the 2001-03 biennium: Unknown

- County, City, and School District** fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
0	0	0	0	0	0	0	0	0

If additional space is needed, attach a supplemental sheet.

Signed *Wayne G. Kindem*

Typed Name Wayne G. Kindem

Department Job Service North Dakota

Phone Number (701)328-3033

Date Prepared: 2/18/99

ATTACHMENT TO AMENDED HB 1089
FISCAL NOTE NARRATIVE

HB1089 amends the NDCC as required by changes to Federal Law concerning distribution of Reed Act funds to North Dakota's Unemployment Trust Fund Account. The Federal Law change restricts usage of Reed Act distributions in Federal Fiscal Years 2000, 2001, and 2002 to only expenses incurred for administration of the states Unemployment Compensation Law. It is unknown if any Reed Act distribution will occur during these years. However, for purposes of the Fiscal Note it is assumed that the maximum distribution will occur in each of the three years. The maximum distribution for North Dakota is estimated at \$327,000 per year for FFY 2000, 2001, and 2002.

Section 4, added by the House of Representatives, establishes a fund which will hold any Reed Act distributions and appropriates \$300,000 for each year in which average duration of unemployment insurance benefits is at least one week less than the preceding year. For purposes of the Fiscal Note it is assumed the duration reduction is achieved.

The House of Representatives also added Section 3 which prescribes the Job Service "99-01" biennium performance audit objectives. The extent of audit objectives is greater than the current biennium and it is anticipated that the performance audit will be more expensive due to this change. We are not able to estimate the amount of audit cost increase. The audit cost for the current biennium was \$94,850.

FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: _____ Amendment to: HB 1089

Requested by Legislative Council Date of Request: 1-18-99

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative: The amendment does not have a Fiscal effect. The amendment changes the Federal Fiscal years cited in the legislation. The legislation was drafted based upon guidance received from the U.S. Department of Labor, which contained an error on reference to fiscal years. This amendment makes the reference to fiscal years consistent with the applicable federal law.

2. **State** fiscal effect in dollar amounts:

	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds
Revenues:	0	0	0	654,000	0	327,000
Expenditures:	0	0	0	654,000	0	327,000

3. What, if any, is the effect of this measure on the appropriation for your agency or department:

a. For rest of 1997-99 biennium: 0

b. For the 1999-2001 biennium: 654,000

c. For the 2001-03 biennium: 327,000

4. **County, City, and School District** fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
0	0	0	0	0	0	0	0	0

If additional space is needed, attach a supplemental sheet.

Signed 

Typed Name Wayne G. Kindem

Department Job Service North Dakota

Date Prepared: 01-18-99

Phone Number 328-3033

FISCAL NOTE

(Return original and 10 copies)

Resolution No.: _____ HB 1089 Amendment to: _____

Requested by Legislative Council Date of Request: 12-29-98

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative:

This legislation amends the NDCC to as required by changes to Federal Law concerning distribution of Reed Act funds to North Dakota's Unemployment Trust Fund Account. The federal law change restricts usage of Reed Act distributions in Federal Fiscal Years 2000, 2001, and 2002 to only expenses incurred for administration of the states unemployment compensation law. It is unknown if any Reed Act distribution will occur during these years. However, for purposes of the Fiscal Note, it is assumed that the maximum distribution will occur in each of these years.

2. State fiscal effect in dollar amounts:

(Continued)
(See Back)

	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds
Revenues:	0	0	0	654,000	0	327,000
Expenditures:	0	0	0	654,000	0	327,000

3. What, if any, is the effect of this measure on the appropriation for your agency or department:

- a. For rest of 1997-99 biennium: 0
- b. For the 1999-2001 biennium: 654,000
- c. For the 2001-03 biennium: 327,000

4. County, City, and School District fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
0	0	0	0	0	0	0	0	0

If additional space is needed, attach a supplemental sheet.

Signed Wayne G. Kindem

Typed Name Wayne G. Kindem

Department Job Service North Dakota

Phone Number 328-3033

Prepared: 1-5-99

0

The maximum distribution for North Dakota is estimated at \$327,000 per year for FFY 2000, 2001, and 2002.

Prepared by Job Service
North Dakota for House
Industry, Business and
Labor Committee
January 13, 1999

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1089

Page 1, line 12, remove "1999," and remove "and"

Page 1, line 12, after "2001," insert "and 2002,"

Renumber accordingly

Date: 1-13-99
Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1089

House Industry, Business and Labor Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken do pass as amended

Motion Made By Froseth Seconded By Severson

Representatives	Yes	No	Representatives	Yes	No
Chair - Berg	/		Rep. Thorpe		
Vice Chair - Kempenich	/				
Rep. Brekke	/				
Rep. Eckstrom	/				
Rep. Froseth	/				
Rep. Glassheim	/				
Rep. Johnson	/				
Rep. Keiser	/				
Rep. Klein	/				
Rep. Koppang	/				
Rep. Lemieux	/				
Rep. Martinson	/				
Rep. Severson	/				
Rep. Stefonowicz	/				

Total (Yes) 14 No _____

Absent 1

Floor Assignment Glassheim

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
January 15, 1999 9:48 a.m.

Module No: HR-09-0670
Carrier: Glassheim
Insert LC: 98105.0101 Title: .0200

REPORT OF STANDING COMMITTEE

HB 1089: Industry, Business and Labor Committee (Rep. Berg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1089 was rereferred to the **Appropriations Committee**.

Page 1, line 12, remove "1999", remove "and", and after "2001" insert ", and 2002"

Renumber accordingly

1999 HOUSE APPROPRIATIONS

HB 1089

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1089

House Appropriations Committee
Human Resources Division

Conference Committee

Hearing Date January 20, 1999

Tape Number	Side A	Side B	Meter #
1	x		0-21.7
Committee Clerk Signature <i>Paula Gussmaas</i>			

Minutes:

HB 1089-- A Bill for an Act to amend and reenact subsection 3 of section 52-03-07 of the North Dakota Century Code, relating to administration of unemployment compensation programs; and to provide a continuing appropriation.

(Tape A, .8) Wayne Kindem (Administrative Support Area Manager Job Service ND) represented the budget for Bill 1089. See attached testimony.

(6.6) Rep. Kerzman asked why Bill 1089 wasn't represented in Bill 1017. OMB-Arvy Smith replied that this wasn't part of the governors budget.

(12.5) Rep. Delzer asked what they could do with freed up administrative money. Mr. Kindem replied that the money must be used for the furtherance of the programs for which they are designated. The money cannot be used for other state or federal programs.

(12.9) Rep. Delzer asked if the money could be used to administrate WorkForce 2000. Mr. Kindem said no, because it is not a program that exists for the administration of the unemployment compensation law.

Vice Chairman Bernstein adjourned the hearing on HB 1089.

General Discussion

- Committee on Committees
- Rules Committee
- Confirmation Hearings
- Delayed Bills Committee
- House Appropriations
- Senate Appropriations
- Other

Date February 5, 1999			
Tape Number	Side A	B Side	Meter #
1		x	30.0-37.2
Committee Clerk Signature <i>Paulette Gussias</i>			

Minutes:

A Bill for an Act to amend and reenact subsection 3 of section 52-03-07 of the North Dakota Century Code, relating to administration of unemployment compensation programs; and to provide a continuing appropriation.

(Tape 1, B, 30.0) **Chairman Svedjan** opened committee work on HB 1089.

(31.1) **Committee** went over amendment 98105.0201.

(36.0) **Rep. Delzer** moved to pass amendment, 2nd by Vice Chairman Bernstein. The vote was 5 yes, 0 no, 1 absent.

(36.3) **Rep. Kerzman** moved to pass HB 1089, 2nd by Rep. Delzer. The vote was 5 yes, 0 no, 1 absent.

Rep. Kerzman will carry to full committee.

General Discussion

- Committee on Committees
- Rules Committee
- Confirmation Hearings
- Delayed Bills Committee
- House Appropriations
- Senate Appropriations
- Other

Date February 11, 1999			
Tape Number	Side A	B Side	Meter #
3	x		19.6-24.4
Committee Clerk Signature <i>Paulette Cassias</i>			

Minutes:

A Bill for an Act to amend and reenact subsection 3 of section 52-03-07 of the North Dakota Century Code, relating to administration of unemployment compensation programs; and to provide a continuing appropriation.

Tape 3, A, 19.6 Chairman Dalrymple opened committee work on HB 1089.

19.8 Rep. Kerzman explains the changes on the bill.

21.3 Rep. Kerzman moves to pass the amendment, 2nd by Rep. Svedjan. The motion passes.

23.5 Rep. Kerzman moves a do pass on the bill, 2nd by Rep. Svedjan. The vote was 19 yes, 1 no, 0 absent.

General Discussion

- Committee on Committees
- Rules Committee
- Confirmation Hearings
- Delayed Bills Committee
- House Appropriations
- Senate Appropriations
- Other

Date February 11, 1999			
Tape Number	Side A	B Side	Meter #
1	x		0.0-8.0
Committee Clerk Signature <i>Paullette Gussias</i>			

Minutes:

A Bill for an Act to provide an appropriation for additional per student payments; and to declare an emergency.

0.0 Chairman Dalrymple opened committee hearing on HB 1089.

0.8 Rep Svedjan moves to reconsider their action which they amended, 2nd by Rep. Boehm.

1.1 Rep. Svedjan explained that a Chairman at IBL has been working on the unemployment trust fund, the Chairman had amendments that he wanted to give me early, but not in time. The amendment coming around has two provisions in it.

1. Independent audit requirement
2. Appropriation in section 4 to create an incentive for Job Service ND

3.0 Chairman Dalrymple takes a voice vote on the reconsideration of the amendment. The motion carries.

3.5 Rep. Svedjan moves to remove lines 15, 16, 17, the motion carries.

General Discussion

Page 2

APPROPRIATIONS

FEBRUARY 11, 1999

3.6 Rep. Svedjan moves to pass amendments just described, 2nd by Rep. Byerly. The motion carried.

4.9 Rep. Svedjan moves for a do pass on HB 1089 as amended, 2nd by Rep. Poolman. The vote was 14 yes, 6 no, 0 absent. Rep. Delzer will carry to the house floor.

98105.0201
Title.

Prepared by the Legislative Council staff for
House Appropriations - Human Resources
Division

January 20, 1999

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1089

Page 1, line 2, remove "; and to"

Page 1, line 3, remove "provide a continuing appropriation"

Page 1, line 15, remove "Moneys are hereby appropriated for the"

Page 1, remove lines 16 and 17

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 380 - JOB SERVICE NORTH DAKOTA

HOUSE - This amendment removes the continuing appropriation language.

Date: 2-5-99
 Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1689

House **APPROPRIATION** Committee _____

Subcommittee on Human Services
 or
 Conference Committee

Legislative Council Amendment Number 98105.0201

Action Taken Do pass

Motion Made By Delzer Seconded By Bernstein

Representatives	Yes	No	Representatives	Yes	No
Chairman Ken Svedjan	✓				
Vice Chairman LeRoy Bernstein	✓				
Rep. Jeff Delzer	✓				
Rep. Serenus Hoffner	✓				
Rep. James Kerzman	✓				
Rep. Mike Timm	AB				

Total (Yes) 5 No 0
 Absent 1

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 2599
Roll Call Vote #: 2

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1089

House **APPROPRIATION** Committee

Subcommittee on Human Service
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do pass

Motion Made By Kerzman Seconded By Delzer

Representatives	Yes	No	Representatives	Yes	No
Chairman Ken Svedjan	✓				
Vice Chairman LeRoy Bernstein	✓				
Rep. Jeff Delzer	✓				
Rep. Serenus Hoffner	✓				
Rep. James Kerzman	✓				
Rep. Mike Timm	Ab				

Total (Yes) 5 No 0

Absent 0

Floor Assignment Kerzman

If the vote is on an amendment, briefly indicate intent:

Date: 2/11/99
 Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. 1089

House Appropriations Committee

Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass As Amended

Motion Made By Kerzman Seconded By Svedjan

Representatives	Yes	No	Representatives	Yes	No
Chairman Dalrymple	X		Nichols	X	
Vice-Chairman Byerly	X		Poolman		X
Aarsvold	X		Svedjan	X	
Bernstein	X		Timm	X	
Boehm	X		Tollefson	X	
Carlson	X		Wentz	X	
Carlisle	X				
Delzer	X				
Gulleson	X				
Hoffner	X				
Huether	X				
Kerzman	X				
Lloyd	X				
Monson	X				

Total (Yes) 19 No 1

Absent 0

Floor Assignment Kerzman

If the vote is on an amendment, briefly indicate intent:

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1089

Page 1, line 1, after "reenact" insert "section 52-02-18 and"

Page 1, line 2, after the first "to" insert "an audit of job service North Dakota and the" and replace "and" with "to provide for an audit of job service North Dakota;"

Page 1, line 3, replace "a continuing" with "an" and after "appropriation" insert "; and to provide an expiration date"

Page 1, after line 4, insert:

"SECTION 1. AMENDMENT. Section 52-02-18 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

52-02-18. Independent audit. The state auditor shall cause a performance audit of job service North Dakota to be conducted. The state auditor ~~shall~~ may appoint on a biennial basis an independent audit firm, with extensive expertise in job service practices and standards, to complete a performance audit ~~of the divisions of job service North Dakota or the state auditor may conduct the performance audit.~~ If the state auditor completes the audit, the state auditor may contract with a consulting firm to aid in the state audit or to complete the audit and shall charge job service North Dakota for the audit, including the services of the consulting firm. The audit must evaluate divisions of job service North Dakota, as determined necessary by the state auditor, to determine whether the divisions are providing quality service in an efficient and cost-effective manner. The audit report must contain recommendations for divisional improvement or an explanation of why no recommendations are being made. The executive director of job service North Dakota and the auditor shall present the audit report and any action taken as a result of the audit to the legislative council's legislative audit and fiscal review committee and to the house and senate industry, business and labor standing committees during the next regular session of the legislative assembly following the audit. The executive director shall also provide a copy of the audit report to the state auditor."

Page 1, line 12, replace the first underscored comma with "and" and remove ", and 2002."

Page 1, line 15, replace "Moneys are hereby appropriated for the" with:

"SECTION 3. INDEPENDENT AUDIT DURING 1999-2001 BIENNIUM. The 1999-2001 biennium independent audit of job service North Dakota required under section 52-02-18 must include:

1. An audit of the unemployment insurance trust fund;
2. A review of the strategic business plan for job service North Dakota;
3. A review of the information technology plan of job service North Dakota which includes:
 - a. Evaluating the telephone registration system, including claimant profiling and claimant consultation;
 - b. Evaluating financial reporting; and

- c. Evaluating the effect technology may have on future staffing needs;
4. An audit of the average duration of benefits which includes:
 - a. Considering the effect of job service North Dakota policies, procedures, and services on duration of benefits; and
 - b. Evaluating claimant profiling, repeat claimants, job attachment status, and the job bank;
5. An audit of the work force 2000 program; and
6. An audit of the staffing needs of job service North Dakota.

SECTION 4. APPROPRIATION. The unemployment compensation incentive fund is established from all moneys credited to this state under section 2 of this Act for federal fiscal years 2000 and 2001. The amount of \$300,000 from this unemployment compensation incentive fund, to the extent funds are available in this fund, is hereby appropriated to job service North Dakota every year in which job service North Dakota achieves an average duration of benefits that is at least one week less than the average duration of benefits for the preceding year, for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 5. EXPIRATION DATE. Section 3 of this Act is effective through April 30, 2001, and after that date is ineffective."

Page 1, remove lines 16 and 17

Renumber accordingly

Date: 2/12/99
 Roll Call Vote #:

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1089

House Appropriations Committee

Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass As Amended

Motion Made By Svedjan Seconded By Poolman

Representatives	Yes	No	Representatives	Yes	No
Chairman Dalrymple	X		Nichols		X
Vice-Chairman Byerly	X		Poolman	X	
Aarsvold		X	Svedjan	X	
Bernstein	X		Timm	X	
Boehm	X		Tollefson	X	
Carlson	X		Wentz	X	
Carlisle	X				
Delzer	X				
Gulleson		X			
Hoffner		X			
Huether		X			
Kerzman		X			
Lloyd	X				
Monson	X				

Total (Yes) 14 No 6

Absent 0

Floor Assignment Delzer

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1089, as engrossed: Appropriations Committee (Rep. Dalrymple, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 6 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1089 was placed on the Sixth order on the calendar.

Page 1, line 1, after "reenact" insert "section 52-02-18 and"

Page 1, line 2, after the first "to" insert "an audit of job service North Dakota and the" and replace "and" with "to provide for an audit of job service North Dakota;"

Page 1, line 3, replace "a continuing" with "an" and after "appropriation" insert "; and to provide an expiration date"

Page 1, after line 4, insert:

"SECTION 1. AMENDMENT. Section 52-02-18 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

52-02-18. Independent audit. The state auditor shall cause a performance audit of job service North Dakota to be conducted. The state auditor ~~shall~~ may appoint on a biennial basis an independent audit firm, with extensive expertise in job service practices and standards, to complete a performance audit ~~of the divisions of job service North Dakota~~ or the state auditor may conduct the performance audit. If the state auditor completes the audit, the state auditor may contract with a consulting firm to aid in the state audit or to complete the audit and shall charge job service North Dakota for the audit, including the services of the consulting firm. The audit must evaluate divisions of job service North Dakota, as determined necessary by the state auditor, to determine whether the divisions are providing quality service in an efficient and cost-effective manner. The audit report must contain recommendations for divisional improvement or an explanation of why no recommendations are being made. The executive director of job service North Dakota and the auditor shall present the audit report and any action taken as a result of the audit to the legislative council's legislative audit and fiscal review committee and to the house and senate industry, business and labor standing committees during the next regular session of the legislative assembly following the audit. The executive director shall also provide a copy of the audit report to the state auditor."

Page 1, line 12, replace the first underscored comma with "and" and remove ", and 2002,"

Page 1, line 15, replace "Moneys are hereby appropriated for the" with:

"SECTION 3. INDEPENDENT AUDIT DURING 1999-2001 BIENNIUM. The 1999-2001 biennium independent audit of job service North Dakota required under section 52-02-18 must include:

1. An audit of the unemployment insurance trust fund;
2. A review of the strategic business plan for job service North Dakota;
3. A review of the information technology plan of job service North Dakota which includes:
 - a. Evaluating the telephone registration system, including claimant profiling and claimant consultation;
 - b. Evaluating financial reporting; and

- c. Evaluating the effect technology may have on future staffing needs;
4. An audit of the average duration of benefits which includes:
 - a. Considering the effect of job service North Dakota policies, procedures, and services on duration of benefits; and
 - b. Evaluating claimant profiling, repeat claimants, job attachment status, and the job bank;
5. An audit of the work force 2000 program; and
6. An audit of the staffing needs of job service North Dakota.

SECTION 4. APPROPRIATION. The unemployment compensation incentive fund is established from all moneys credited to this state under section 2 of this Act for federal fiscal years 2000 and 2001. The amount of \$300,000 from this unemployment compensation incentive fund, to the extent funds are available in this fund, is hereby appropriated to job service North Dakota every year in which job service North Dakota achieves an average duration of benefits that is at least one week less than the average duration of benefits for the preceding year, for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 5. EXPIRATION DATE. Section 3 of this Act is effective through April 30, 2001, and after that date is ineffective."

Page 1, remove lines 16 and 17

Renumber accordingly

1999 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1089

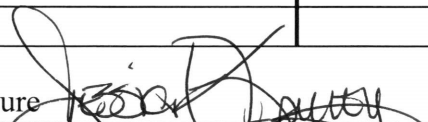
1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1089

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date February 8, 1999

Tape Number	Side A	Side B	Meter #
No Tape			
Committee Clerk Signature 			

Minutes:

Senator Mutch opened the hearing on HB1089. All senators were present.

Wayne Kindem testified in support of HB1089. His testimony is included. Senator Thompson asked Mr. Kindem if the money would only be used for technology and not for employee salaries. Mr. Kindem said yes. Senator Heitkamp asked him why they didn't included 1999 in the amendment. Mr. Kindem said that it was like that in order to comply with the federal regulations. Senator Thompson asked what the total of expenses to upgrade the technology would be. Mr. Kindem said that they were unsure of the exact costs at that time.

Senator Mutch closed the hearing on HB1089.

Senator Sand motioned for a do pass committee recommendation on HB1089. Senator Krebsbach seconded his motion. The motion carried with a 7-0-0 vote.

Senator Krebsbach will carry the bill.

Prepared by Job Service
North Dakota for Senate
Industry, Business and
Labor Committee
March 8, 1999

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1089

Page 3, line 5, after "year" insert "excluding those claimants who are on temporary layoff and returning to their former employer within four weeks and those claimants with a demonstrated job attachment with a reasonable expectation of returning to a previous employer in their base period when work is available"

Renumber accordingly

Date: 3/08
Roll Call Vote #: 1

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
~~HOUSE~~ BILL/RESOLUTION NO. 1089

Senate INDUSTRY, BUSINESS AND LABOR COMMITTEE Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken AMEUD.

Motion Made By KREBSBACH Seconded By THOMPSON

Senators	Yes	No	Senators	Yes	No
Senator Mutch	X				
Senator Sand	X				
Senator Krebsbach	X				
Senator Klein	X				
Senator Mathern	X				
Senator Heitkamp	X				
Senator Thompson	X				

Total (Yes) 7 No 0

Absent 0

Floor Assignment _____

Date: 3/05
Roll Call Vote #: 2

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
HOUSE BILL/RESOLUTION NO. 1089

Senate INDUSTRY, BUSINESS AND LABOR COMMITTEE Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS AS AMENDED

Motion Made By KREBSBACH Seconded By THOMPSON

Senators	Yes	No	Senators	Yes	No
Senator Mutch	X				
Senator Sand	X				
Senator Krebsbach	X				
Senator Klein	X				
Senator Mathern	X				
Senator Heitkamp	X				
Senator Thompson	X				

Total (Yes) 7 No 0

Absent 0

Floor Assignment KREBSBACH

REPORT OF STANDING COMMITTEE (410)
March 15, 1999 1:24 p.m.

Module No: SR-46-4786
Carrier: Krebsbach
Insert LC: 98105.0301 Title: .0400

REPORT OF STANDING COMMITTEE

HB 1089, as engrossed: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS and BE REREFERRED to the Appropriations Committee (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1089 was placed on the Sixth order on the calendar.

Page 2, line 8, replace "and" with an underscored comma and after "2001" insert ", and 2002"

Page 2, line 11, after the underscored period insert "Moneys are hereby appropriated for the federal fiscal years identified in this subsection for purposes of administration of the unemployment compensation program."

Page 2, remove lines 30 and 31

Page 3, remove lines 1 through 5

Renumber accordingly

1999 SENATE APPROPRIATIONS

HB 1089

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1089

Senate Appropriations Committee

Conference Committee

Hearing Date March 23, 1999

Tape Number	Side A	Side B	Meter #
1	X		2700-3258
3/30/99 1	X		4036-4255
Committee Clerk Signature <i>Kathryn C. Kottendrock</i>			

Minutes:

SENATOR NETHING: Opened the hearing on HB1089; A BILL FOR AN ACT TO AMEND AND REENACT SECTION 52-02-18 AND SUBSECTION 3 OF SECTION 52-03-07 OF THE NORTH DAKOTA CENTURY CODE, RELATING TO AN AUDIT OF JOB SERVICE NORTH DAKOTA AND THE ADMINISTRATION OF UNEMPLOYMENT COMPENSATION PROGRAMS; TO PROVIDE FOR AN AUDIT OF JOB SERVICE NORTH DAKOTA; TO PROVIDE AN APPROPRIATION; AND TO PROVIDE AN EXPIRATION DATE.

WAYNE KINDEM: Administrative Support Area Manager, Job Service North Dakota (testimony attached (tape 1, side A, meter 2700-3042).

SENATOR HOLMBERG: What would be the fall out if this bill wasn't passed?

WAYNE KINDEM: If this bill were not passed, the distributions, if they did occur, would go into our trust fund account. It would remain their and could not be used.

SENATOR NETHING: By not using them, what would be the impact?

WAYNE KINDEM: They would simply remain in our unemployment account.

SENATOR NETHING: I understand they would remain in your account but, what would be the impact as far as programs we would be missing out on?

WAYNE KINDEM: Intended use, if the distributions were to take place, are to assist us with automation of unemployment insurance claim filing processes or the collection of unemployment taxes. If this Legislation were not passed, those funds, if they were distributed to our account,

would simply remain in our trust fund account and could not be used for anything else. We would also probably have a slower implementation of some of our automation information technology activities as it pertains to the unemployment insurance program.

SENATOR ANDRIST: Could these funds be used for benefits?

WAYNE KINDEM: No, they could not be used for benefits. The Federal law restricts the usage of these funds only for the administration of the program. They cannot be used for benefits or for public employment activities.

SENATOR NETHING: Closed the hearing on HB1089.

SENATOR NETHING: We'll assign this bill to the subcommittee; Senator Holmberg, Chair, Senator Grindberg, Senator Lindaas.

=====
3/30/99 Tape 1, Side A, Meter 4036-4255

SENATOR NETHING: Reopened the hearing on HB1089.

SENATOR HOLMBERG: Explained HB1089.

SENATOR HOLMBERG: Moved a Do Pass on HB1089.

SENATOR GRINDBERG: Seconded the motion.

ROLL CALL: 13 YEAS; 0 NAYS; 1 ABSENT & NOT VOTING.

Absent & Not Voting: Senator Tallackson.

The motion of Do Pass carried on HB1089.

CARRIER: SENATOR KREBSBACH.

SENATOR NETHING: Closed the hearing on HB1089.

Date: 3/30/99
Roll Call Vote #: _____

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. Reengrossed HB 1089

Senate APPROPRIATIONS Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do PASS

Motion Made By Senator Holmberg Seconded By Senator Grindberg

Senators	Yes	No	Senators	Yes	No
Senator Nething, Chairman	✓				
Senator Naaden, Vice Chairman	✓				
Senator Solberg	✓				
Senator Lindaas	✓				
Senator Tallackson					
Senator Tomac	✓				
Senator Robinson	✓				
Senator Krauter	✓				
Senator St. Aubyn	✓				
Senator Grindberg	✓				
Senator Holmberg	✓				
Senator Kringstad	✓				
Senator Bowman	✓				
Senator Andrist	✓				

Total (Yes) 13 No 0

Absent 1

Floor Assignment Senator KREIBACH

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
March 30, 1999 10:34 a.m.

Module No: SR-57-5960
Carrier: Krebsbach
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1089, as reengrossed and amended: Appropriations Committee (Sen. Nething, Chairman) recommends **DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Reengrossed HB 1089, as amended, was placed on the Fourteenth order on the calendar.

1999 HOUSE APPROPRIATIONS

HB 1089

CONFERENCE COMMITTEE

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1089-conf-1

House Appropriations Government Operations Committee

Conference Committee

Hearing Date 4-7-99

Tape Number	Side A	Side B	Meter #
1	x		0.3--28.4
Committee Clerk Signature <i>Pam Dever</i>			

Minutes: Rep. Berg chaired this conference committee with other members present: Rep.

Poolman, Rep. Huether, Sen. Mutch, Sen. Krebsbach, and Sen. Thompson.

Rep. Berg : Why don't we start by having the senate explain why you amended this bill.

Rep. Krebsbach : 0.3 We agreed with what the house did, as far as the performance audit. The other area in section 4, you put in language tying it to the funds from the Reed Act. Tying it into a benefit reduction. We thought that was unnecessary and limiting if the bureau is to utilize the funds in achieving Job Service goal of instituting the automated tax collection and benefits claims filing process, which will be a benefit to state employers and employee alike. We put back in the 2002 year as well as removing that section 4.

Rep. Berg : So you want to appropriate the potential Reed Act money the following biennium.

Can you please explain your concern in the reduction of benefits.

Rep. Krebsbach : How can we predict what employers will be confronted with and how they are going to have to utilize these benefits that are paid to employees from Job Service. It's a bit

unknown what's going to happen in the economy for Job Service as well as for the employer community in the state. So tying it to one week less in benefits doesn't make sense to me.

Rep. Poolman : 2.7 House appropriations looked at that as an incentive and averaged to try and get the length of the unemployed person down. Limit the time of the claim before going back to work. That's the purpose of the amendment is to try and encourage Job Service to work to get people back to work. If that was the case, then administration money would be there.

Rep. Berg : 3.2 I think, also, there was another problem because we don't know how much Reed Act money we are going to get or if we'll get any. Maybe \$300,000 in the next 2 years.

Appropriations said we want to put that windfall, if it comes, into the trust fund. You can't spend it for benefits but you can use the interest as part of the trust fund. Appropriations wanted to know where it's going to be spent if we do receive it. This change here was to provide Job Service the ability to spend the money how they felt it was most beneficial within their administration. The number one goal of Job Service is to get people back to work. It's as important as preventing people from getting injured in the work place. If we can keep the agency focused on whatever they could do to get people back to work sooner, is good, In the bigger picture, also working hard to build up that trust fund. So that one week could mean \$3M of additional revenue into the trust fund. It was more of a compromise here, then just a statement.

Rep. Krebsbach : 4.8 I understand the purpose for the incentive. Did you look at the time of the average length of a claim in the past few years and compare it to what it is today?

Rep. Berg : We did. It's about 12.1 weeks is the average period. Over the years it's been between 10 and 12 weeks.

Rep. Krebsbach : Your basis is for each year, they would have to reduce it by so much?

Reo. Berg : 5.4 Yes. I'm not so concerned about what that bar is. It should be achievable. I don't want it so high that it's out of reach. I think it's important to focus in on getting the people back to work. Give them the training and the skills. If Job Service can't accomplish that, then tell us what tools you need from the legislature to help you accomplish it. The money won't go away if it isn't spent.

Rep. Krebsbach : But none of us can predict what is going to happen with the economy in the next 24 to 36 months. Hopefully it will keep going so it can be easily obtained to have this reduction. Right now we are at a very low unemployment rate. That can change drastically. I'm concerned that we are limiting the use of their funds that they can put into operation to improve the system for the claims and for the employers. I want them to be able to do this.

Rep. Berg : What would they use the funds for?

Rep. Kresbach : According to information we received, they want to institute the automated tax collection and benefits claims filing electronically. That's administration not benefits, which this is limiting them to, what the house wants.

Rep. Berg : 7.4 I guess mine is a big picture overview. We spend an awful lot of money on Job Service and have a number of areas we are working in. One of these areas we need to all focus on is how do we help people who are chronically unemployed develop the skills so they can get a job and stop receiving benefits. I don't know that we've seen that direction as much as we should have. If you want to take that money and set it aside in the trust fund and take the interest off and do whatever with it, that's O.K. by me too.

Rep. Thompson : Is that for the two year period?

Rep. Berg : Yes. Then the next two years we'll have a better idea of what Reed Act money will be coming the next biennium and take another look at it next session.

Rep. Krebsbach : I wonder if we can get an idea of when Job Service was going to use this money to implement the process that we were told about in committee. That will have a lot of bearing on my decision.

Rep. Berg : My concern is that we should look at their overall budget, if we are making a decision on whether or not there is a need for this money on a particular program. We really need to look at the whole budget and see how this fit into that.

Rep. Poolman : That's what appropriations was trying to be when they looked at this bill.

Rep. Kresbach : I guess we can discuss that too. I feel that is a bit micro managing. We would not have this money if it were not for the federal reimbursement under the Reed Act. They intend to put it to good use.

Rep. Berg : You need to remember where this money is coming from. From employers who have paid in. Jim, do you have a time line?

Jim Hirsch, Job Service : A number of the areas we want to use the Reed Act funds were identified in our performance audit. We are looking at a business plan that would tell us if we are going to proceed with the call center and what that call center option will look like. We'll have a presentation April 20, to our senior management team. If the decision is to move ahead, then we will start looking at developing that system, and going after some additional federal funds that might be available to assist with part of that. The time frame for implementing the areas we had identified, would depend on when the dollars become available.

Rep. Kresbach : 10.7 Do you have any idea what the total dollar amount that you would be looking at inclusive of any federal dollars you would be getting.

Jim : The call center has a limit of \$1M maximum of state funds. There are a number of states that are moving to the call center concept. We expect there will be more applications than dollars to award in the federal spectrum. We will put a strong application to feds for call center. There is not guarantee. The Reed money will be in addition to the federal money. If we don't get the federal money, then the Reed money will be the only we will have.

Rep. Berg : 12.3 Will any of the things you want to spend the money on reduce the time of unemployment or put someone back to work sooner.

Jim : 12.0 The call center has the possibility of doing that. Call center speeds up their exposure and initial contact. I don't have a total dollar figure.

Rep. Kresbach : 13.3 We have cut out certain services in some locations in N.D. Won't this call center enhance some of the locations that have lost services.

Jim : That's correct.

Sen. Mutch : The whole problem here is how we can spend the money, isn't it. If we don't dig it out of one pocket, then we'll find some other place. Aren't you going to develop this plan anyway no matter what?

Jim : We'll go as far as we can with it.

Rep. Poolman : 14.8 Was this all included in your technology plan in the original budget?

Jim : The call center was not. There was some switching around of technology line items in appropriations on the budget, but no reductions. Mr. Kindem is here and may be able to address that issue.

Mr. Kindem : 15.1 Our appropriations bill in the house, was reduced by 3 ITFTE and we're not sure why. The house also amended our bill to transfer the dollars that were associated with that to hire a consultant to do, essentially, the same thing our original consultant did. The senate approp. committee restored the IT positions and put the money back. That issue is currently before the conference committees.

Sen. Thompson : 16.9 When this came about, was there any thought from the agency that you'd be able to utilize those federal dollars to do some of the things. We're talking different pots of money to do the job your trying to get done.

Mr. Kindem : 17.2 At the time that we put our appropriations request together, we did not know what amount of funds were possible. It wasn't included in our current business plan, either, because we don't know the time frame. There is no guarantee we will get it.

Sen. Thompson : Now I remember why the senate and myself did what we did. We wanted to enhance their ability, through technology, to be able to get the people in the system faster and get them jobs faster.

Rep. Poolman : My point in this is that in appropriations process, we look for priorities of where you are going to spend dollars. I was hoping this stuff would have been in the IT plan to begin with. We have been pouring over this technology stuff for a long time and trying to get our arms around where the department's priorities are when it come to technology. If it was such a priority, I feel it would have been in the original budget, so I stand by the house amendments.

Rep. Berg : 20.8 Overall, Job Service is limited in it's budget by what is coming in by federal dollars. The performance review you have all gone through. That did identify that technology

Page 7

House Appropriations Government Operations Committee

Bill/Resolution Number HB 1089-conf-1

Hearing Date 4-7-99

was a priority. I did not study these amendments like I should, that were brought today. If we get the federal money, it is a windfall we weren't expecting.

The committee decided to do some more research and come back again to discuss this bill and amendments.

Rep. Berg : Meeting is adjourned.

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1089-conf-2

House Appropriations Government Operations & IBL Committee

Conference Committee

Hearing Date 4-9-99

Tape Number	Side A	Side B	Meter #
1	x		0.3--27.0
Committee Clerk Signature <i>Pam Deven</i>			

Minutes: Rep. Berg called the conference committee to order with other members present: Rep. Poolman, Rep. Huether, Sen. Mutch, Sen. Krebsbach, and Sen. Thompson.

Rep. Berg : 0.3 You have the Job Service Handbook before you. Please turn to page 55 and we'll look at the issue of duration. This chart has a breakdown starting in 1980. This is the average number of weeks people are unemployed. In 1988 we see it was 12.8 and today it's 12.1 weeks. Our unemployment rate has dropped significantly since 1988 yet we may not seen a parallel drop in the duration rate. I think this could be a real focus for the legislature and Job Service to encourage people to get back to work, when they are receiving benefits, as quickly as possible. LC and Job Service are preparing these amendments in their form. I am waiting for these.

Sen. Mutch: 2.3 Is the \$327,000 the total amount that is accumulated or anticipated from the Reed Act?

Rep. Berg : That's right, anticipated we'd receive per year.

Sen. Mutch : Has it been accumulating over the years?

Sen. Krebsbach: 3.1 There are three accounts in the federal unemployment trust fund. If they should exceed their statutory limits, that's when the Reed Act occurs. (1) the employment security administration account, (2) the extended unemployment compensation account, and (3) the federal unemployment account. When those three funds exceed their statutory limit, that's when the dollars are dispersed back. That's my understanding. The only times as have received it in the past was 1956, '57, and '58. Since that time they have been raising the bars on their statutory limit. We did receive some in 1999 and this could occur in the next three years, also. From here on this money can only be used for administration, by a federal act.

Sen. Thompson : 4.3 Regarding these proposed amendments. If see the one week less than average duration is in there. Is this one week less each year? By 2002 it might be three weeks less?

Rep. Berg : That's the way it's worded. The intent is if it doesn't trigger the next biennium then these would be carry over dollars that would go into their budget to be appropriated through that committee.

Sen. Thompson : 5.2 Is it that carry over money that could be left, could it be used for other operations?

Rep. Berg : 5.4 The way I'd see this is, would be in the year 2000 they received \$300,000 and the duration had not lowered. We would go into next biennium and they would use that as part of their appropriations dollars. They would go into the appropriations committee with \$300,000 more than they had. If their duration lowered, the money would just flow to them and they could use it however they wanted within the federal guidelines. If the duration was not lowered, then

the money is carry over money and they would have to get appropriations approval to spend those dollars.

Sen. Thompson : 6.0 Technically that can be done after federal dollars, that come from employers, that are suppose to be used for specific things with the Reed Act, after it's in the pot for a duration. If it isn't utilized, then it can be used for anything?

Rep. Berg : No, they'd need legislative authority to spend the money. Jennifer, would you address this.

Jennifer Gladden, Job Service : The limitation would still exist, that it be used only for UI administrative purposes. Whether it comes to us now or three years from now, that pot of money is designated as unemployment insurance administrative dollars only.

Sen. Mutch : 7.2 What happens to this money if we don't have this duration requirement?

Rep. Berg : If the bill was defeated, then the money would come. They would not have the legislative approval to spend it.

Sen. Krebsbach : 7.8 I do want to compromise to get this out of committee. But tying it to one week less of benefits is not a good incentive. There are so many unpredictables. If we should have a very high rate of unemployment, it's harder to find the jobs for these people. That's when you need the services that they want to provide this money for and we would be hindering this from being implemented. What's needed to be done.

Rep. Poolman : 8.6 The incentive is there, and if the incentive isn't meet, they will still get the money in the next session.

Sen. Krebsbach : I'm looking at this as a windfall for them to do some of the things that need to be done. To slow this down waiting for appropriations to redirect this, is a two year delay.

Sen. Mutch : You in appropriations must have some reason.

Rep. Poolman : I go back to my comments last meeting. When we go through the appropriations process, we look at priorities. When Job Service came in with this windfall money was not included in those original priorities. If the incentive was not meet, they can come in and show us what they want to do with the money.

Sen. Krebsbach : 10.0 Right now, the administration funding for Job Service is not moneys coming from the state fund at all, but from federal dollars.

Rep. Berg : All the employers in N.D. pay .8% to the federal. So, it's money from N.D. coming back.

Sen. Kresbach : Can we tie into the call center some way?

Rep. Berg : What we are saying here is, let them do what they want with the windfall. There is no strings attached to the money.

Sen. Thompson : It seems, here, we are micro managing the Job Service.

Rep. Berg : We approve their spending. The money will flow in one way or the other.

Rep. Poolman : I see this as, if you have a goal and you meet the goal, boom, you get the dollars to make your office more efficient or make your employees get back to work faster. Come up with creative ideas in how to meet the goal to be able to use the dollars. That's how I see this.

Rep. Berg 19.8 My objective is to make Job Service work harder to lower the duration, but not to make it unreachable. Maybe 1/2 week instead of one week would work. How does the committee feel about that?

Sen. Mutch : I'm beginning to see the light.

Page 5

House Appropriations Government Operations & IBL Committee

Bill/Resolution Number hb 1089-conf-2-appopr.

Hearing Date 4-9-99

ACTION: Rep. Poolman made a motion of the Senate to recede from its amendments and we further amend with the change of "1/2 week" instead of "one week". Sen. Mutch seconded the motion.

ROLL CALL VOTE: 6 YES and 0 NO. PASSED. Rep. Berg carrier.

(Bill Number) HB 1089 (, as (re)engrossed):

Your Conference Committee

For the Senate:

	Attend	Vote
SEN. MATCH	✓	
SEN. KREBSBACH	✓	
SEN. THOMPSON	✓	

For the House:

	Attend	Vote
REP. BERG	✓	
REP. POOLMAN	✓	
REP. HUEBNER	✓	

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)
723/724 725/726 S724/H726 S723/H725
the (Senate/House) amendments on (SJ/HJ) page(s) _____ - _____

and place _____ on the Seventh order.
727

, adopt (further) amendments as follows, and place
_____ on the Seventh order:

having been unable to agree, recommends that the committee be discharged
and a new committee be appointed. 690/515

((Re)Engrossed) _____ was placed on the Seventh order of business on the
calendar.

DATE: ____/____/____

CARRIER: _____

LC NO. _____ . _____ of amendment

LC NO. _____ . _____ of engrossment

Emergency clause added or deleted _____

Statement of purpose of amendment _____

*no
action
4-7-99*

(1) LC (2) LC (3) DESK (4) COMM.

Approp.

(Bill Number) 1089 (, as (re)engrossed):

Your Conference Committee

For the Senate:			For the House:				
	4-9	4-7	Vote		4-9	4-7	Vote
Sen. <u>Mutch</u>	✓	✓	<u>yes</u>	Rep. <u>Berg</u>	✓	✓	<u>yes</u>
Sen. <u>Krebsbach</u>	✓	✓	<u>yes</u>	Rep. <u>Poolman</u>	✓	✓	<u>yes</u>
Sen. <u>Thompson</u>	✓	✓	<u>yes</u>	Rep. <u>Huether</u>	✓	✓	<u>yes</u>

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from) the (Senate/House) amendments on (SJ/HJ) page(s) _____

and place _____ on the Seventh order.

, adopt (further) amendments as follows, and place _____ on the Seventh order:

having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) _____ was placed on the Seventh order of business on the calendar.

DATE: ____/____/____

CARRIER: _____

LC NO. _____ of amendment

LC NO. _____ of engrossment

Emergency clause added or deleted _____

Statement of purpose of amendment _____

(1) LC (2) LC (3) DESK (4) COMM.

VR
4/9/99

CONFERENCE COMMITTEE AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1089 4-12-99 APP. IBL

That the Senate recede from its amendments as printed on page 1121 of the House Journal and pages 711 and 712 of the Senate Journal and that Reengrossed House Bill No. 1089 be amended as follows:

Page 1, line 4, after the second semicolon insert "to provide a continuing appropriation;"

Page 1, line 8, after "audit" insert "- Continuing appropriation"

CONFERENCE COMMITTEE AMENDMENTS TO RE ENGR. HB 1089 4-12-99 APPROP. IBL

Page 2, line 8, replace "money" with "moneys", replace "and" with an underscored comma, and after "2001" insert ", and 2002"

Page 2, line 10, replace "money is" with "moneys are"

Page 2, line 11, after the underscored period insert "Moneys are hereby appropriated for the federal fiscal years identified in this subsection for purposes of administration of the unemployment compensation program."

CONFERENCE COMMITTEE AMENDMENTS TO REENGR. HB 1089 4-12-99 APPROP. IBL

Page 3, line 1, replace "and" with a comma, after "2001" insert ", and 2002", and replace "\$300,000" with "\$327,000"

Page 3, line 4, replace "one" with "one-half"

Page 3, line 5, after "preceding" insert "program" and after the first comma insert "excluding every claimant who is on temporary layoff and returning to employment with the former employer within four weeks and excluding every claimant with demonstrated job attachment and a reasonable expectation of returning to a former base period employer once work becomes available"

Renumber accordingly

on hold

(Bill Number) HB 1089 (, as (re)engrossed):

Your Conference Committee

For the Senate:

	Attend	Vote
SEN. Mutch	✓	yes
SEN. Krebsbach	✓	yes
SEN. Thompson	✓	yes

For the House:

	Attend	Vote
Rep. Berg	✓	yes
Rep. Poolman	✓	yes
Rep. Huether	✓	yes

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from) the (Senate/House) amendments on (SJ/HJ) page(s) 1121 - _____

and place _____ on the Seventh order.

, adopt (further) amendments as follows, and place 1089 on the Seventh order:

having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) 1089 was placed on the Seventh order of business on the calendar.

DATE: 4, 9, 99
 CARRIER: Rep. Berg
 LC NO. 98105 . 0304 of amendment
 LC NO. _____ . _____ of engrossment
 Emergency clause added or deleted _____
 Statement of purpose of amendment _____

(1) LC (2) LC (3) DESK (4) COMM.

REPORT OF CONFERENCE COMMITTEE

HB 1089, as reengrossed: Your conference committee (Sens. Mutch, Krebsbach, Thompson and Reps. Berg, Poolman, Huether) recommends that the **SENATE RECEDE** from the Senate amendments on HJ page 1121, adopt further amendments as follows, and place HB 1089 on the Seventh order:

That the Senate recede from its amendments as printed on page 1121 of the House Journal and pages 711 and 712 of the Senate Journal and that Reengrossed House Bill No. 1089 be amended as follows:

Page 1, line 4, after the second semicolon insert "to provide a continuing appropriation;"

Page 1, line 8, after "audit" insert "- Continuing appropriation"

Page 2, line 8, replace "money" with "moneys", replace "and" with an underscored comma, and after "2001" insert ", and 2002"

Page 2, line 10, replace "money is" with "moneys are"

Page 2, line 11, after the underscored period insert "Moneys are hereby appropriated for the federal fiscal years identified in this subsection for purposes of administration of the unemployment compensation program."

Page 3, line 1, replace "and" with a comma, after "2001" insert ", and 2002", and replace "\$300,000" with "\$327,000"

Page 3, line 4, replace "one" with "one-half"

Page 3, line 5, after "preceding" insert "program" and after the first comma insert "excluding every claimant who is on temporary layoff and returning to employment with the former employer within four weeks and excluding every claimant with demonstrated job attachment and a reasonable expectation of returning to a former base period employer once work becomes available"

Re-number accordingly

Reengrossed HB 1089 was placed on the Seventh order of business on the calendar.

1999 TESTIMONY

HB 1089

HOUSE BILL 1089
HOUSE OF REPRESENTATIVES
INDUSTRY, BUSINESS & LABOR COMMITTEE
REPRESENTATIVE RICK BERG, CHAIRMAN
JANUARY 13, 1999

Mr. Chairman and members of the committee, I am Jennifer Gladden, Executive Director, of Job Service North Dakota.

Before I begin my testimony, I will hand out an amendment to HB 1089. The amendment changes the federal fiscal years cited in the legislation. The legislation was drafted based upon guidance received from the US Department of Labor, which contained an error on the references to fiscal years. This amendment makes the reference to fiscal years consistent with the applicable federal law.

HB 1089 amends the North Dakota Century Code as required by changes to federal law concerning distribution of Reed Act funds to North Dakota's Unemployment Trust Fund Account. Reed Act distribution occurs when the three accounts in the Federal Unemployment Trust Fund exceed their statutory limit. The three accounts are the Employment Security Administration Account, which pays for the federal and state administration of the Unemployment Compensation (UC) and employment service programs; the Extended Unemployment Compensation Account, which pays for the federal share of extended benefits; and the Federal Unemployment Account, which provides for advances to the states for the payment of UC.

Prior to this year, only 3 Reed Act distributions have occurred—1956, 1957, and 1958. This year, Federal Fiscal Year (FFY) 1999, North Dakota received a Reed Act distribution of \$31,870. Federal law and NDCC section 52-03-07 allow use of this distribution for payment of Unemployment Compensation benefits or for administration of the state UC Law and public employment offices, if appropriated by the state legislature. However, the Federal Balanced Budget Act of 1997 capped the amount of Reed Act distributions projected to be made with respect to FFY 2000, 2001, and 2002 and limits the state use of these projected distributions to only expenses incurred for administration of its UC Law. These distributions cannot be used for payment of UC benefits or for administration of public employment

activities. It is unknown if any Reed Act distribution will occur in FFY 2000, 2001, or 2002. If the maximum distribution were to occur, North Dakota's share would be approximately \$327,000 in each of the three years.

HB 1089 conforms North Dakota Law to the federal requirement on use of the Reed Act distributions for FFY 2000, 2001 and 2002. It, also, provides an appropriation of these distributions for administration of the UC Law. The appropriation would be used to fund automation of the unemployment tax collection and benefit claims filing processes.

Mr. Chairman, this concludes my testimony. I would try to answer any questions from the committee. Thank you.

HB 1089
TESTIMONY
SENATE
INDUSTRY, BUSINESS AND LABOR COMMITTEE
FEBRUARY 8, 1999

BY WAYNE KINDEM
ADMINISTRATIVE SUPPORT AREA MANAGER
JOB SERVICE NORTH DAKOTA

HB 1089 amends the North Dakota Century Code as required by changes to federal law concerning distribution of Reed Act funds to North Dakota's Unemployment Trust Fund Account. Reed Act distribution occurs when the three accounts in the Federal Unemployment Trust Fund exceed their statutory limit. The three accounts are the Employment Security Administration Account, which pays for the federal and state administration of the Unemployment Compensation (UC) and employment service programs; the Extended Unemployment Compensation Account, which pays for the federal share of extended benefits; and the Federal Unemployment Account, which provides for advances to the states for the payment of UC.

Prior to this year, only 3 Reed Act distributions have occurred—1956, 1957, and 1958. This year, Federal Fiscal Year (FFY) 1999, North Dakota received a Reed Act distribution of \$31,870. Federal law and NDCC section 52-03-07 allow use of this distribution for payment of Unemployment Compensation benefits or for administration of the state UC Law and public employment offices, if appropriated by the state legislature. However, the Federal Balanced Budget Act of 1997 capped the amount of Reed Act distributions projected to be made with respect to FFY 2000, 2001, and 2002 and limits the state use of these projected distributions to only expenses incurred for administration of its UC Law. These distributions cannot be used for payment of UC benefits or for administration of public employment activities. It is unknown if any Reed Act distribution will occur in FFY 2000, 2001, or 2002. If the maximum distribution were to occur, North Dakota's share would be approximately \$327,000 in each of the three years.

HB 1089 conforms North Dakota Law to the federal requirement on use of the Reed Act distributions for FFY 2000, 2001 and 2002. It, also, provides

an appropriation of these distributions for administration of the UC Law. The appropriation would be used to fund automation of the unemployment tax collection and benefit claims filing processes.

Mr. Chairman, this concludes my testimony. I would try to answer any questions from the committee. Thank you.

HB 1089
TESTIMONY
SENATE APPROPRIATIONS COMMITTEE
MARCH 23, 1999

BY WAYNE KINDEM
ADMINISTRATIVE SUPPORT AREA MANAGER
JOB SERVICE NORTH DAKOTA

Sections 1 and 3 of HB 1089 pertain to the biennial performance audit of Job Service North Dakota. These two sections were added to the bill in the House of Representatives and have nothing to do with the original intent of the bill. Section 1 allows the state auditor the option of performing the audit or contracting with an independent audit firm. Section 3 specifies what the 1999-2001 biennium audit should include.

HB 1089 was introduced to amend the North Dakota Century Code as required by changes to Federal Law concerning distribution of Reed Act funds to North Dakota's Unemployment Trust Fund Account. Section 2 of the bill accomplishes that purpose. Reed Act distribution occurs when the three accounts in the Federal Unemployment Trust Fund exceed their statutory limit. The three accounts are the Employment Security Administration Account, which pays for the federal and state administration of the Unemployment Compensation (UC) and employment service programs; the Extended Unemployment Compensation Account, which pays for the federal share of extended benefits; and the Federal Unemployment Account, which provides for advances to the states for the payment of UC. Prior to this year, only 3 Reed Act distributions have occurred – 1956, 1957, and 1958. This year, Federal Fiscal Year (FFY) 1999, North Dakota received a Reed Act distribution of \$31,870. Federal law and NDCC section 52-03-07 allow use of this distribution for payment of Unemployment Compensation benefits or for administration of the state UC Law and public employment offices, if appropriated by the state legislature. However, the Federal Balanced Budget Act of 1997 capped the amount of Reed Act distributions projected to be made with respect to FFY 2000, 2001, and 2002 and limits the state use of these projected distributions to only expenses

incurred for administration of its UC Law. These distributions cannot be used for payment of UC benefits or for administration of public employment activities. It is unknown if any Reed Act distribution will occur in FFY 2000, 2001, or 2002. If the maximum distribution were to occur, North Dakota's share would be approximately \$327,000 in each of the three years. Section 2 of HB 1089 conforms North Dakota Law to the federal requirement on use of the Reed Act distributions for FFY 2000, 2001, and 2002. It also provides appropriation authority for any Reed Act distributions for administration of the Unemployment Compensation program.