

2017 HOUSE INDUSTRY, BUSINESS, AND LABOR

HB 1296

2017 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee
Peace Garden Room, State Capitol

HB 1296
1/23/2017
27204

- Subcommittee
 Conference Committee

Ellen Letang

Explanation or reason for introduction of bill/resolution:

Electronic filing of employer unemployment contribution and wage reports.

Minutes:

Attachment 1

Vice Chairman Sukut: Opens the hearing of HB 1296.

Rep Keiser~ Representative from District 47: Introduces the bill. WSI has done an exemplary job. The Federal took some action which caused a short fall. It was tough but WSI streamlines their organization. There is a point in time when we will have to file electronically.

4:20

Rep Laning: Talks about his business experience.

Cheri Giesen~Executive Director of Job Service of ND: Attachment 1.

9:10

Rep Ruby: Isn't it conceivable, are we looking at a surcharge of Job Service?

Geisen: Yes, other state tack on an administrative fee.

Rep Kasper: If so, how much would it cost for each?

Geisen: About \$4.

Brent Bogar~Greater ND Chamber of Commerce: We support HB 1296 & believe this would be easier with Job Service if offering training.

Mike Rud~ND Retail Association: We stand in support of HB 1296. This is an old friend that has come back but I think it's time.

David Martins~State Director for Small Business Development Centers: We don't represent small businesses; we advise entrepreneurs of small business. If this bill becomes law, we work with our clients to help them understand the law.

Chairman Keiser: Anyone else here to testify in support, opposition, neutral, seeing none, what are the wishes of the committee?

Rep Lefor: Moves for a Do Pass on HB 1296.

Rep Laning: Second.

Roll call was taken for a Do Pass on HB 1296 with 13 yes, 0 no, 1 absent & Rep Bosch is the carrier.

Date: Jan 23, 2017

Roll Call Vote #: 1

2017 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1296

House _____ Industry, Business and Labor _____ Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation

- Adopt Amendment
- Do Pass Do Not Pass Without Committee Recommendation
- As Amended Rerefer to Appropriations
- Place on Consent Calendar

Other Actions Reconsider _____

Motion Made By Rep Lefor

Seconded By Rep Laning

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	X		Rep Laning	X	
Vice Chairman Sukut	X		Rep Lefor	X	
Rep Beadle	X		Rep Louser	X	
Rep R Becker	<u>Ab</u>		Rep O'Brien	X	
Rep Bosch	X		Rep Ruby	X	
Rep C Johnson	X		Rep Boschee	X	
Rep Kasper	X		Rep Dobervich	X	

Total (Yes) 13 No 0

Absent 1

Floor Assignment Rep Bosch

REPORT OF STANDING COMMITTEE

HB 1296: Industry, Business and Labor Committee (Rep. Keiser, Chairman)
recommends **DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING).
HB 1296 was placed on the Eleventh order on the calendar.

2017 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1296

2017 SENATE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee
Roosevelt Park Room, State Capitol

HB 1296
3/7/2017
Job Number 28817

- Subcommittee
 Conference Committee

Committee Clerk Signature

Eva Liebelt

Explanation or reason for introduction of bill/resolution:

Relating to electronic filing of employer unemployment contribution and wage report

Minutes:

1 Attachment

Chairman Klein: Opened the hearing.

Representative Keiser: Introduced the bill. This does deal with electronic filing of employee unemployment contribution and a wage report and to provide an effective date. I think your committee is aware that we had some significant issues in the interim arise within Job Service of North Dakota. There are two sources of funding for Job Service, one the federal government funds, provides a payment to the states for the operations and management of Job Service. In terms of benefits payed the employees of our state are accessed a premium and it goes into the fund in order to manage those. As you recall last summer the federal government made an adjustment in the distribution revenues and Job Service had a significant shortfall for whatever reason the federal government decided not to repay the state for that shortfall. They did come to the emergency commission and request interim financing until we could get into the session and deal with it. The interim committee said no, this is a federal obligation and we are not going to take it because if we take it on we will not get repaid. So Job Service of North Dakota took very constructive positions on several issues. They closed several Job Service offices, consolidated them in the state and attempted to find additional ways to deliver the same level of service while at the same time finding economies in either skill or operation. He goes over the bill. (2:20-7:32)

Chairman Klein: We have a dollar figure?

Representative Keiser: We do and the Job Service people are right behind me to share that information.

Cheri Giesen, Executive Director of Job Service of North Dakota: In support. Written testimony, see attachment #1. (8:15-11:30)

Chairman Klein: I am thinking of the small businesses that aren't as techy as others. Some of us have others that do all this work for us. Are we going to reach everybody? I just see

some folks who have two employees or one employee and are probably not into this. What are your thoughts of people who will not be able to file this way, are you going to be able to help them through this?

Cheri Giesen: First thing, we need to make sure we have until December so we can start putting out our quarterly letter and we will be sending out notifications that if they have trouble they can contact our staff and we can get somebody out. We will have a least two or three quarters to provide that. That is why we reached out to the small business administration and asked if they thought we would have a need and if they thought that some won't have electronic measures to do their filing and they said no.

Senator Casper: What is the number of how many were filed by paper, I wouldn't think there would be that many?

Cheri Giesen: Right now we have 60% filing electronically and 40% reporting via paper.

Chairman Klein: Do you not need someone to bring all of this together?

Cheri Giesen: Because of the online application, when an employer goes on to file their taxes any of the employees they have are going to show up and they will not have to reenter them again. They would just add the number of salary for that quarter and then they submit it. That actually gets submitted right into our mainframe.

Brent Bogar, President of the Greater North Dakota Chamber: In support. We did have some questions of how Job Service was going to communicate this to the business community and in discussing it with them and with the SBA, we felt that with the training material and with reaching out and utilizing people like the North Dakota Chamber and our local chambers, we will be putting it in our new letter as well. (15:50-16:40)

Chairman Klein: Closed the hearing.

2017 SENATE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee
Roosevelt Park Room, State Capitol

HB 1296
3/8/2017
Job Number 28861

- Subcommittee
 Conference Committee

Committee Clerk Signature

Eva Liebelt

Explanation or reason for introduction of bill/resolution:

Relating to electronic filing of employer unemployment contribution and wage report

Minutes:

No Attachments

Chairman Klein: He explained the bill to the absent member. This deals with electronic filing. Job Service has asked for us to allow them to have everyone file electronically which will save them a lot of money. This would begin at the end of this year, the first quarter of 2018 all employers will have to file electronically.

Senator Casper moved a do pass.

Senator Poolman seconded the motion.

Roll Call Vote: Yes-7 No-0 Absent-0

Senator Casper will carry the bill.

**2017 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO.1296**

Senate Industry, Business and Labor Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
Other Actions: Reconsider _____

Motion Made By Senator Casper Seconded By Senator Poolman

Senators	Yes	No	Senators	Yes	No
Chairman Klein	x		Senator Marcellais	x	
Vice Chairman Campbell	x				
Senator Roers	x				
Senator Burckhard	x				
Senator Casper	x				
Senator Poolman	x				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Senator Casper

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

REPORT OF STANDING COMMITTEE

HB 1296: Industry, Business and Labor Committee (Sen. Klein, Chairman) recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1296 was placed on the Fourteenth order on the calendar.

2017 TESTIMONY

HB 1296



PO Box 5507 • Bismarck, ND 58506-5507
701-328-2825 (Phone) • 800-366-6888 (TTY) • 701-328-4000 (Fax)

House Bill 1296
Testimony of Cheri Giesen
Job Service North Dakota
Before the
House Committee On
Industry, Business and Labor
Representative George Keiser, Chair
January 23, 2017

Mr. Chairman, members of the committee, I am Cheri Giesen, Executive Director of Job Service North Dakota. I am here today in support of House Bill 1296.

House Bill 1296 continues the evolution of information processing that began for Job Service in the 2005 legislative session. Since that time, both Job Service and thousands of employers have been able to take advantage of the efficiencies that electronic reporting brings. This bill will bring the remainder of our employers into this environment.

As background, required electronic reporting of contribution and wage reports began in 2005. At that time, some groups representing smaller employers were concerned that some of their members were not prepared to move to an electronic environment. As a result, it was determined that employers with more than 99 employees would be required to utilize electronic reporting, and smaller employers could continue to report on paper. Although only large employers were required to utilize electronic reporting, Job Service actively marketed the availability of electronic reporting and saw many smaller employers begin to utilize the system.

Since 2005, many changes have occurred, technology has become more prevalent and Job Service has been constantly enhancing our systems to provide more and better services to employers online. Subsequently, in the 2009 session a bill was passed that lowered the employee threshold for required electronic reporting to employers with more than 24 employees. Job Service was aware that the groups voicing concern with required electronic reporting in 2005 were now advocating for lowering the threshold during the 2009 session. Comments made in testimony by employer groups noted how easy it was for employers to file electronically and that it actually saved time.

Currently, approximately 60 percent of North Dakota employers report electronically, leaving 40 percent of employers reporting via paper. Paper filing processing is a time and staff intensive process for Job Service. Federal funding shortfalls have impacted Job Service staffing levels, which resulted in the need to find efficiencies that will provide acceptable service to the employers of North Dakota. The elimination of paper reporting is an area that provides an opportunity for cost and time savings, all while improving customer service and providing an opportunity for employers to save time as well.

It is important to note that almost half of all employers with less than 25 employees already file electronically, even though they are not required by law to do so. While this is greatly encouraging because the majority of employers in North Dakota have less than 25 employees, there are still many efficiencies to be gained by requiring all employers to report electronically. In fact, Job Service would gain \$80,000 to \$100,000 in savings each year by moving to electronic reporting. The benefit realized by employers is harder to calculate, but

Job Service has received positive feedback from employers who save a significant amount of time each quarter by filing electronically.

Job Service recognizes that some employers will be reluctant to move to electronic reporting, and we stand ready to assist employers and the groups representing employers in the transition to electronic reporting. This can be done via communication, training, and potentially even with the use of video tutorials. Job Service has been in contact with a variety of entities such as the North Dakota Chamber of Commerce and the Small Business Administration to discuss the transition to electronic reporting and to identify ways in which Job Service can make the process as smooth as possible for the employers of North Dakota.

Mr. Chairman, this concludes my testimony. At this time I would be happy to answer questions from the committee.

Respectfully submitted,

Cheri Giesen

Cheri Giesen
Executive Director, Job Service North Dakota

Job Service North Dakota is an equal opportunity employer/program provider.
Auxiliary aids and services are available upon request to individuals with disabilities.



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701-328-2825 (Phone) • 800-366-6888 (TTY) • 701-328-4000 (Fax)

House Bill 1296

Testimony of Cheri Giesen
Job Service North Dakota
Before the
Senate Committee on
Industry, Business and Labor
Senator, Jerry Klein
March 7, 2017

Mr. Chairman, members of the committee, I am Cheri Giesen, Executive Director of Job Service North Dakota. I am here today in support of House Bill 1296.

House Bill 1296 continues the evolution of information processing that began for Job Service in the 2005 legislative session. Since that time, both Job Service and thousands of employers have been able to take advantage of the efficiencies that electronic reporting brings. This bill will bring the remainder of our employers into this environment.

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Mr. Chairman, this concludes my testimony. At this time I would be happy to answer questions from the committee.

Respectfully submitted,

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