

2019 HOUSE APPROPRIATIONS

HB 1016

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Education and Environment Division Roughrider Room, State Capitol

HB 1016
1/8/2019
30558

☐ Subcommittee
☐ Conference Committee

Committee Clerk: Parker Oswald

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of job service North Dakota.

Minutes:

Attachments 1-3

Chairman Representative David Monson: Calls meeting to order.

Chairman Representative David Monson: Announces that all representatives are present as attendance for the meeting.

Chairman Representative David Monson: Overview of the meeting with Job Service of North Dakota budget testimony.

Guest Speaker Michelle Kommer: Executive Director of Job Service, transitioning into leading the commerce department. Introduction of the Job Service leaders as well as interns and helpers.

(4:00) Ms. Kommer: Plays video describing the purpose and use of the Job Service of North Dakota, see **page 2 of attachment 1**.

(7:50) Ms. Kommer: Begins to explain presentation, starting on **page 3 of attachment 1**.

(8:50) Chairman Representative David Monson: Asks guest to repeat the information on **page 5 of attachment 1**.

Ms. Kommer: Returns to presentation of **attachment 1**. Established that Job Service has continued with mostly the same services since 1979.

(14:20) Chairman Representative David Monson: Were you able to decrease rates due to exceptional work?

(14:30) Ms. Kommer: Yes, due to better work experience the rates have been lower, meaning better pay. Around 64% of employers received the lowest rate of 0.15%.

(16:20) Ms. Kommer: Continued explaining the presentation on **page 14 of attachment 1.**

(19:00) Ms. Kommer: Returned to presenting **attachment 1.**

(21:00) Representative Mike Nathe: Are you getting a lot of pushbacks?

Ms. Kommer: Not to that point yet, the grant's purpose.

Chairman Representative Monson: You have used grant money to set up the board and review. Is there something we can do? Or what do you plan to do to get past the red tape of all of the board?

(22:50) Ms. Kommer: Grant received was separate from work force, money used for Knee Center that studies occupational licensing, studied 8 professions that require licensure and how things like our fees compare to other states, educational requirements compared to other states, complexity of certain employment.

(24:30) Chairman Representative David Monson: Are you in control of any of that, or is the problem outsourced to the employer (i.e. teachers, doctors, nurses, etc.).

(25:20) Ms. Kommer: We will come to a recommendation after study concludes because there is not a one size fits all answer and a more detailed model that may work for everyone will be ready by next session.

(26:15) Representative Mark Sanford: Senator Mueller's is designed around Utah for trailing military spouses?

Ms. Kommer: It is.

Representative Mark Sanford: Do we need both?

Ms. Kommer: I would have to get back to you

(27:00) Representative Mike Nathe: How much of a deterrent has it been for people searching for jobs?

Ms. Kommer: Every sliver matters, but I cannot give you a great perspective.

Representative Mike Nathe: Labor shortage has been a problem due to ongoing education being short in ND, but not in other states.

Chairman Representative David Monson: How does North Dakota compare?

(28:55) Ms. Kommer: We are bad, 6th highest regulated state.

(29:25) Vice Chairman Representative Jim Schmidt: Mentions that licensed workers do not want extra competition.

Ms. Kommer: Explains law school boards on paper then versus being electronic now and wishing the others had to do it that same way.

(31:30) Representative Mark Sanford: How active are our employment groups in assuming some of the responsibility to get the certification needed?

(32:45) Ms. Kommer: I have not seen the figures, but the training required for these jobs has me very enthusiastic.

(34:00) Ms. Kommer: Continues presenting on **page 17 of attachment 1**.

(39:45) Chairman Representative David Monson: Any questions?

(40:05) Ms. Kommer: Returns to presentation on **page 24 of attachment 1**.

(42:15) Chairman Representative David Monson: Is that federal?

Ms. Kommer: I will explain that on the next few slides. Returns to **attachment 1, page 26**.

(43:40) Chairman Representative David Monson: Did we approve these budgets?

Ms. Kommer: Yes, you approved them and we currently have not used them. Federal funds carried forward. Returns to **attachment 1, page 28**. Total general fund request is \$431,000.

(46:00) Ms. Kommer: A total of \$750K has been spent for training on businesses trying to grow (have not spent \$13M).

Chairman Representative David Monson: Are you expecting that you can spend it in the next biennium?

Ms. Kommer: It is my belief that it has been reviewed and it was deemed valuable to continue funding and that it is an important tool that has value and is widely used.

(47:50) Representative Mike Nathe: What money is talked about being transferred?

Ms. Kommer: My colleague Nicole Vorachek will discuss that when she comes up.

(49:00) Ms. Kommer: Continues the presentation on **page 30 of attachment 1**.

(50:45) Chairman Representative David Monson: You are already getting 40,000 hits in just a short time? Are we able to trim it a little with how well it is currently running?

(51:10) Ms. Kommer: We pay a fee to a software service to keep it running, so no.

(51:30) Representative Tracy Boe: Raised a concern about an older gentleman not being able to operate the system.

Ms. Kommer: Because it is a vendor, we do not have much influence on it, but it is pretty general and detailed or broad searches can be performed. I would love more information on this particular issue. Returned to **attachment 1 on page 32**.

(53:15) Chairman Representative David Monson: What kind of vacancies are these?

Ms. Kommer: There are 24 total vacancies including 7 unfilled temporaries and eliminating 9 unfilled Full-time employee (FTE) positions.

(54:25) Chairman Representative David Monson: Do you have plans to fill these positions?

(54:45) Ms. Kommer: We do need to continue to use temporary staff to accommodate temporary positions or seasonal positions for unemployment insurance.

(56:00) Chairman Representative David Monson: Are all of these positions funded by federal funds?

Ms. Kommer: Yes, they are.

(56:15) Vice Chairman Representative Jim Schmidt: How many of them are funded today and what are you doing with those federal funds? Of the 24 vacant positions, why are you only doing away with 9?

Darren Brostrom: Deputy Director of Job Service of North Dakota. Currently none, but they all would be funded by the federal government if they were utilized, but are not currently funded until we use these positions.

(57:30) Vice Chairman Representative Jim Schmidt: Will these be funded on Oct. 1st 2019?

Mr. Brostrom: We are able to receive funding before the deadline of the fiscal year due to temporary and seasonal programs.

(58:30) Ms. Kommer: Returns to **page 32 of attachment 1**.

(59:30) Chairman Representative David Monson: Describes the green sheet funds of the general funds and how they are currently declining.

Ms. Kommer: Returns to **attachment 1, starting on page 33**.

(1:02:35) Chairman Representative David Monson: Asks about \$10M for operating expenses that Governor recommended, is that related to the money that is being carried over or is it something else?

(1:03:26) Ms. Kommer: Increase in Information Technology (IT) for Unemployed Insurance modernization project. Related to decrease due to automated filing instead of paper.

(1:04:30) Chairman Representative David Monson: Gentleman having trouble operating site and turning in year-end report and could not get it figured out using the help center. Do you have a way to help someone like this guy?

(1:05:50) Ms. Kommer: We can definitely help this gentleman. Darren's team has been exceptional with helping people switch from paper filing to automated.

(1:06:50) Chairman Representative David Monson: Evidently it is not totally user friendly. Trouble using online services like links other than Job Service that are difficult to navigate.

Ms. Kommer: We have received pretty overwhelmingly positive feedback, but we would be happy to work with you. Returns to **attachment 1, page 35**.

(1:10:30) Ms. Kommer: Thank you for your time and help.

(1:11:00) Nicole Vorachek: To Representative Mike Nathe; If we needed to we can transfer between salaries and operating grants and we do not transfer special and general funds to federal.

(1:13:15) Mason Sisk: Represents Economic Development Association of North Dakota, testify in support of HB 1016, passed out and explained **attachments 2 and 3**.

(1:15:45) Chairman Representative David Monson: Any questions? There were none.

Chairman Representative David Monson: Adjourns meeting.

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Education and Environment Division Roughrider Room, State Capitol

HB 1016
1/14/2019
30708

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk: Parker Oswald

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of job service North Dakota.

Minutes:

No attachments

Chairman Representative David Monson: Opens meeting and clerk takes attendance. Representative Tracy Boe and Representative Mark Sanford were not present to begin meeting. There was a quorum.

Chairman Representative David Monson: Addresses committee about the upcoming schedule for this week.

(3:00) Chairman Representative David Monson: This morning (1/14/2019) we will be revisiting HB 1016. I have a bill to present around 10:30, so Vice Chairman Representative Jim Schmidt will have to take over.

(4:35) Chairman Representative David Monson: This afternoon (1/14/2019) we will be hearing testimony for HB 1009 for the North Dakota State Fair Association.

Chairman Representative David Monson: Outlines that the upcoming days will all be dedicated to HB 1020.

(6:15) Representative Mark Sanford: This is an overview or working straight with the money?

Chairman Representative David Monson: It will be them explaining their highest priorities since they do not have much time.

(8:00) Representative Mike Nathe: I have a hearing tomorrow around 10:00 in the morning.

Chairman Representative David Monson: Higher Education HB1020 is all of Tuesday, Wednesday and most of Thursday.

Chairman Representative David Monson: We had a guy in here this morning who mentioned that he would like to present testimony against the building of a new Memorial Union at The University of North Dakota (UND).

(10:15) Representative Mike Nathe: Can we see if Brady Larson will check if removing memorial buildings is against the law?

Representative Bob Martinson: The student body voted in favor of a new memorial union at the University of North Dakota.

(11:15) Chairman Representative David Monson: Maybe we could ask these questions tomorrow while UND is here.

(13:00) Chairman Representative David Monson: The Commerce and Career and Technical Education groups do plan to meet with us at some time next week to discuss HB 1018 and HB 1019.

(14:45) Chairman Representative David Monson: Any other questions or comments?

Vice Chairman Representative Jim Schmidt: What would you like us to achieve in your absence today at 10:30?

Chairman Representative David Monson: I do not think there is much to achieve, but to throw out topics that interest us or something we want to dig into a little deeper.

(16:00) Vice Chairman Representative Jim Schmidt: So work off the green sheets and discuss it with them?

Chairman Representative David Monson: There may not be many questions we can come up with from the green sheets. I know they are cutting full time employees (FTE) and Representative Tracy Boe wanted to ask about the building in Rolette.

(16:50) Mr. Larson: It is SB 2085 and it was passed by the Senate on 1/8/2019.

Chairman Representative David Monson: I believe the appraisal for the building came to around \$85K.

Mr. Larson: I cannot confirm that.

(17:35): Vice Chairman Representative Jim Schmidt: We will have to ask.

Chairman Representative David Monson: We do not want to have a separate hearing just for this building.

Vice Chairman Representative Jim Schmidt: We will discuss the green sheets and ask any questions we can come up with.

(19:25) Chairman Representative David Monson: We have been given two new bills, HB 1030 and HB 1031, and we will have to schedule those in for next week.

(20:20) Vice Chairman Representative Jim Schmidt: Refresh my memory on the 10%?

Chairman Representative David Monson: Some of these budgets have a Governor's recommendation that allows these budgets to be able to move funds around in their departments. If they are not in the bill originally, they will not make the final bill.

Chairman Representative David Monson: Governor Burgum recommended cuts of 10% in some areas, but only received 5% in a lot of areas and is also proposing increases in a few other areas.

(22:15) Chairman Representative David Monson: Other funds can include federal funds and special funds. What does other funds include?

(22:20) Mr. Larson: Federal funds and any state special funds.

Chairman Representative David Monson: So this does not have a lot of Strategic Investment and Improvement Funds (SIIFT) funds and other funds. What is the source of those other funds?

(23:30) Chairman Representative David Monson: I don't know that these commodity trading groups liked to hear that we are uneasy about giving them money for one thing and they then have the ability to move those funds around for something else.

Chairman Representative David Monson: Take a break at your green sheets, maybe do some homework between now and 10:30 and raise some questions for Job Service and HB 1016.

(25:10) Vice Chairman Representative Jim Schmidt: As I look at this and the 10%, I do not see much discussion at all for 10:30 am.

Representative Bob Martinson: I have spent the last half hour hearing about things we cannot do.

Chairman Representative David Monson: Calls a recess for this meeting.

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Education and Environment Division Roughrider Room, State Capitol

HB 1016
1/14/2019
30716

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk: Parker Oswald

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of job service North Dakota.

Minutes:

No attachments

Vice Chairman Representative Jim Schmidt: Calls meeting to order on HB 1016. Acknowledges that Representative Mark Sanford and Representative Tracy Boe are now present.

(00:40) Vice Chairman Representative Jim Schmidt: How did you determine the appraisal for SB 2085 and the \$85K for the Rolette Job Service bill?

(1:00) Darren Brostrom: It is a part of SB 2085 and the \$85K is not an appraisal, it is the insurance value of the Job Service building in Rolette, which we do not have authority to sell yet.

Vice Chairman Representative Jim Schmidt: We cannot really address much yet other than a little bit on the green sheets. You have about \$431,000 worth of funds. Do you have any laundered general funds because you are 97% federal?

Mr. Brostrom: No.

Vice Chairman Representative Jim Schmidt: Do you get what you pay for with the Information Technology (IT)?

(3:00) Mr. Brostrom: Yes, we do.

Representative Mike Nathe: Who is running your IT department?

Mr. Brostrom: We have our own IT because we have our own mainframe that needs to be managed and updated by us.

(4:10) Representative Mike Nathe: So who are the 16 Full time employees the Governor has proposed to transfer?

Mr. Brostrom: It would be 4 or 5 programmers, an IT manager, an overnight operator and some technical support for customers.

Representative Mike Nathe: Moving them out of their current positions would not hamstring you or hamper you in any ways?

Mr. Brostrom: No, they will be staying in their positions for the most part, but taking on extra work.

(5:10) Vice Chairman Representative Jim Schmidt: Any reductions that you may foresee?

Mr. Brostrom: There was a potential 5% reduction from the Unemployment Insurance Administration funding from the Federal Government. The Department of Labor has been fully funded.

(6:00) Representative Tracy Boe: Will the changing of IT staff be budget neutral?

Mr. Brostrom: I do not know the answer to that, but OMB gave us an estimate for this of around \$4.1M. The removal of the 16 positions with added benefits is about \$3.4M and we may have a bit higher expense because of that.

(7:00) Vice Chairman Representative Jim Schmidt: Any gut feeling of what might happen with the 10% reduction?

Mr. Brostrom: I would guess that if we would have to make movements from staffing to operating or operating to staffing that those would still fall into the full time employee approvals we have.

(7:50) Representative Mike Nathe: Adjusting funding to posted service has an increase in the budget, can you walk me through that?

Mr. Brostrom: I'll have my finance manager, Nicole Vorachek, come up and explain that.

(8:35) Nicole Vorachek: Introduces self to committee as the Job Service Finance Manager. It highlights \$191,000 decrease in both federal funds and special funds. We have about 20 different accounting holds we use and the major ones that were decreased were postage, repairs and professional services. They offsetting increases with IT supply, data processing and contractual services.

Representative Mike Nathe: Decrease in postage, walk me through how that happens.

Ms. Vorachek: Electronic mailing compared to paper mailing.

Vice Chairman Representative Jim Schmidt: Closes the discussion on Job Service and HB 1016 and calls a recess.

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Education and Environment Division Roughrider Room, State Capitol

HB 1016
1/24/2019
31387

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature Parker Oswald

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of job service North Dakota.

Minutes:

No Attachments

Chairman Representative David Monson: Opens hearing on Job Service budget on HB 1016.

Mr. Kinnischtzke: There is 14 agencies involved in the unification. They will be moving positons to the Information Technology Department (ITD). So the operating expenses are supposed to be tied to the compensation packages for the transferred employees.

Mr. Kinnischtzke: There will be 16 positions transferred to ITD from Job Service and that will bring around \$3M that includes salary and other expenses.

(1:45) Mr. Kinnischtzke: The calculation in the executive budget needs to be changed to reflect this. The \$4.1M needs to be reduced down to \$3.4M because Job Service does not need that much for operating expenses.

Chairman Representative David Monson: We cannot really pass this out then.

Representative Mike Nathe: This removes 9 unfunded positons. This is separate?

Mr. Kinnischtzke: Yes, that is separate. They have several unfunded positions and they are proposing to remove 9 of them.

(3:20) Representative Mark Sanford: The contractual fees are paid to ITD for the services?

Mr. Kinnischtzke: These positions are part of ITD.

(3:55) Representative Mark Sanford: What is the goal of the ITD consolidation?

Mr. Kinnischtzke: This is a discussion that is held and there is debate on what the background is. ITD's thought is that it will produce long term savings. The thought is to bring together a unified IT group.

Representative Mark Sanford: When the transfers are made, will ITD have an exact increase in FTE's or what happens to its head count?

(5:15) Mr. Kinnischtzke: The total FTE affect will be 0. There will be a negative count in the 14 agencies and an increase in ITD.

Representative Mark Sanford: It is 1 for 1 then. Do we then get vastly improved services?

Chairman Representative David Monson: That is the implication.

Representative Mike Nathe: The transfer is roughly \$3M and the adjustment will be \$3.2M. This will be an increase for ITD's expense at the front of this.

(6:50) Mr. Kinnischtzke: That is true. Their budget is largely spending authority for special funds and it is almost a doubling up of appropriations, but it is not a dollar amount because they are largely special funds. The only increase is the operating cost, but that is tied into the compensation costs.

Mr. Kinnischtzke: We will have to adjust these when the compensation packages are approved.

Representative Mike Nathe: The compensation packages are based on what the agencies can charge then.

(08:25) Chairman Representative David Monson: Maybe Government Ops can find some efficiencies and maybe they can do the job with less employees. We are transferring them the positions and the money. We cannot pass this out because there are salaries involved in this.

Representative Mark Sanford: I want the elevator speech. We are making these transfers at mostly the same price and that is that.

(9:40) Chairman Representative David Monson: They should be doing better work by consolidating.

Mr. Kinnischtzke: They have talked about the idea of making the IT for state government in three phases as run operations, grow or transform. Roughly 90% of the resources are used to keep ongoing operations and they believe they can use some of the resources to growing and transforming technology.

(11:00) Representative Bob Martinson: It will be interesting over the years in consolidation so that they do not leave their jobs.

(11:30) Chairman Representative David Monson: Item 5 on HB 1016's green sheet would

Representative Mike Nathe: My notes say the bulk of that savings is they are not doing paper mailings and doing more emailing.

Chairman Representative David Monson: We are okay with that one right?

(12:55) Chairman Representative David Monson: That is all special funds from the federal side?

Chairman Representative David Monson: Unemployment Insurance Modernization is all federal.

Chairman Representative David Monson: Is this the Governor's Microsoft program?

(13:40) Mr. Kinnischtzke: You will see that in other agency budgets.

Chairman Representative David Monson: That is less than \$5,000.

Chairman Representative David Monson: Item 10 on the green sheet adds onetime special funding.

(14:20) Chairman Representative David Monson: We did talk about the redact, but it is federal funds so we decided it was okay. Appropriate all special funds, what does that mean?

Mr. Kinnischtzke: It says that they are unsure when they will receive federal funds throughout the year and that they would have the authority to gather and spend those funds.

(15:50) Chairman Representative David Monson: New jobs training; Job Service may not award more than \$2.5M for new agreements related to the new jobs training this biennium. That has been in there before, right?

Mr. Kinnischtzke: That was just added last session.

Chairman Representative David Monson: Which budget line item is that? Is that in the grants line item?

Mr. Kinnischtzke: There is money in the grants as well as operating expenses. The \$2.5M is not actually in their budget, it is saying that they cannot award that money for the job training.

(17:15) Chairman Representative David Monson: So it is not in their budget, they just approve it. That is the same wording that we had last session?

Mr. Kinnischtzke: Yes.

Chairman Representative David Monson: Authorize to transfer up to 10% of authority between line items. We were asked to be aware of this one and it is new to most budgets and in almost every budget.

(18:35) Mr. Kinnischtzke: You will only see that in certain agencies.

Chairman Representative David Monson: By having that in there, they could take any line item in their whole budget and move up to 10% to another one?

Mr. Kinnischtzke: Yes.

(19:30) Chairman Representative David Monson: Some of these grants are for specific targets. Even if we gave them permission, the Feds may not.

(19:45) Larry Martin: Correct, the grants they get dictate that. This was language we put in the cabinet bills so they are consistent.

Chairman Representative David Monson: I do not think we have big problem with it in this one. Have they had anything similar to this before?

Mr. Kinnischtzke: Not related to line items.

Representative Tracy Boe: Why do we not give them a bucket of money?

(20:50) Chairman Representative David Monson: We do not really have line items in this budget. They could take 10% of the base level operating expenses, which is \$1M, and move that to capital assets and remodel buildings.

Representative Mike Nathe: I do not agree with that at all. We should stay consistent across the board.

Chairman Representative David Monson: I do not know if it is in the bill or not.

Mr. Kinnischtzke: It is Governor's recommendation. You will see that in every bill's section 1, but is not included in the introduced portion of the bill.

(22:30) Chairman Representative David Monson: Estimated rent revenue is what is in the bill, but federal funds is section 4 in the green sheets. We would have to add a new section in the bill.

Representative Mike Nathe: In the bill, estimated income rent revenue, does that still pertain? The general fund money of \$445,000 is what?

Mr. Kinnischtzke: I believe there is 1 or 2 FTE that are paid by general funds.

(24:10) Chairman Representative David Monson: Operating expenses and salaries. So you will get an amendment ready to go once the salary package is ready. We can meet once more and kick it out?

Mr. Kinnischtzke: Yes. The only change outside of the Governor's recommendation is the reduction of the unification operating expenses.

(25:10) Chairman Representative David Monson: I am looking at the audit findings and I do not see any reason to dwell on that.

(25:50) Chairman Representative David Monson: Closes the hearing on HB 1016.

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Education and Environment Division Roughrider Room, State Capitol

HB 1016
2/4/2019
32117

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature Parker Oswald

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of job service North Dakota.

Minutes:

Attachment 1

Chairman Representative David Monson: Opens meeting on HB 1016.

Chairman Representative David Monson: The only thing on attachment 1 is whether they want to use this as a pilot program by moving all IT (Information Technology) into ITD (Information Technology Division). Transfer 16 FTE (full time employee) to ITD for IT unification. Any other questions?

(1:30) Chairman Representative David Monson: Who wants to carry this one?

Vice Chairman Representative Jim Schmidt: Sure, I can. I also have HB 1009.

(2:00) Chairman Representative David Monson: Closes meeting on HB 1016.

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Education and Environment Division Roughrider Room, State Capitol

HB 1016
2/6/2019
32305

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature Parker Oswald

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of job service North Dakota.

Minutes:

Attachment 1

Chairman Representative David Monson: Opens meeting and attendance is taken.

Chairman Representative David Monson: We have a few amendments for HB 1016 and HB 1019 today and we should be able to wrap up a few of the others on Friday.

Mr. Kinnischtzke: The other amendments are being worked on.

(1:10) Chairman Representative David Monson: If we can get them out by Friday, that would be perfect.

Chairman Representative David Monson: We will start with HB 1016 on the Job Service amendments.

(3:00) Mr. Kinnischtzke: Would you like to go through the amendment (**attachment 1**) or the budget changes?

Chairman Representative David Monson: I say the amendments that way we can have questions answered.

(4:20) Mr. Kinnischtzke: Amendment 19.0204.01001 (**attachment 1**) for HB 1016 has an initial change of the Governor's recommendation, which has been restored to the base level and the appropriation level.

Mr. Kinnischtzke: The total general fund increase is \$10.1M and can be found on **page 1 of attachment 1**.

(5:20) Mr. Kinnischtzke: The removal of 9 unfunded FTE (full time employee) from Job Service.

Chairman Representative David Monson: Any questions?

(5:45) Mr. Kinnischtzke: There are a few changes in the one-time funding section for the unemployment insurance modernization project.

Mr. Kinnischtzke: The next section allows Job Service to use all of the federal funds they receive.

(7:00) Mr. Kinnischtzke: The new jobs training was recommended in the executive budget last biennium and adopted into the bill this time.

Chairman Representative David Monson: The \$2.5M is not an appropriation, correct?

Mr. Kinnischtzke: Correct, it is just how much they are allowed to award.

(8:00) Mr. Kinnischtzke: Page 3 of attachment 1 is the Statement Purpose of Amendment, which provides detail of the bill and amendment.

(8:40) Chairman Representative David Monson: Why did the operating expenses increase so much?

Mr. Kinnischtzke: It is due to an increase in unemployment insurance and it is all federal funds.

(9:30) Mr. Kinnischtzke: The detail of house changes has individual actions including base payroll changes, salary and benefit changes, removes unfunded positions, adjusts operating expenses, adds grant funding and adds funding for the unemployment insurance modernization.

Mr. Kinnischtzke: It continues to include funding for the registration system, adds funding for Microsoft Office 365 Licensing and one-time funding for unemployment system modernization. That money is redact money that has been in their budget for several biennia.

(12:05) Mr. Kinnischtzke: The total funding for the modernization project is around \$16M, where \$611,852 and the new funding of \$5.4M, which is all federal funding.

Chairman Representative David Monson: So no sections that we did not have before were added?

(13:30) Mr. Kinnischtzke: There was one section that was removed that allowed them to receive rent revenue from their building.

Chairman Representative David Monson: Everything else was in there from before?

Mr. Kinnischtzke: Correct.

(14:05) Chairman Representative David Monson: Motion to adopt amendment made by Representative Mark Sanford, seconded by Representative Tracy Boe. Voice vote, motion carried.

(14:40) Chairman Representative David Monson: Do Pass as amended made by Representative Tracy Boe: and seconded by Representative Mike Nathe. Roll Call Vote taken and motion carries with 6 yeas, 0 nays and 1 absent.

Chairman Representative David Monson: Closes meeting on HB 1016.

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

HB 1016
2/7/2019
32375

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk Risa Bergquist

Explanation or reason for introduction of bill/resolution:

**To provide an appropriation for defraying the expenses of job service
North Dakota.**

Minutes:

Chairman Delzer: We will call the meeting to order for HB 1016, who is the carrier?

1:15 Representative Schmidt: HB 1016 is the job service budget, 97% of this budget is federal dollars we have an amendment to go with this .01001. (goes through amendment)

Chairman Delzer: What kind of grants are they talking about on here? Who do they go to and who are they for?

Representative Schmidt: Those are federal grants.

Levi Kinnischtzke, Legislative Council: Those federal grants are being provided for the unemployment modernization project.

Chairman Delzer: Why is it listed in the grants rather than in capital, because they are receiving these grants, but the grants line is usually something that they are granting to someone else.

Mr. Kinnischtzke, LC: A little back ground, the funding is being provided from the federal government, along with Idaho and Vermont, there was a failed contortion project a few biennia back and part of the replacement project, they entered in with Idaho and Vermont in order to create a modernization system that will work for multiple states.

Chairman Delzer: Who actually receives the grant then? And why isn't it listed as estimated income, why is it in the grants line item?

Mr. Kinnischtzke, LC: It's federal funds being received, I'll have to get back to you on that.

6:10 Representative Schmidt continues going through amendment .01001

9:00 Representative Schmidt: I will Make a motion to adopt this amendment

Representative Monson: Second

Chairman Delzer: Where does the general fund money go? I thought this was all federal funds.

Representative Schmidt: Salaries and benefits is where that is going.

Mr. Kinnischtzke, LC: The total that is included in salaries and wages is 430 thousand, that is included partially in salaries and wages and they have 2-3 that are partially funded through the general fund and they have some operating expenses.

Chairman Delzer: Why do we have some of their people in general fund not in special fund?

Mr. Kinnischtzke, LC: They have been in the general fund for some time, in fact the amount in the past has been greater and has been deduced.

Chairman Delzer: What is the level of the reserve fund for job service?

Representative Monson: If you look at the green sheets in the general fund has never been very large but in 2013/15 it was 2.03 million. Most of the building s have been purchased and remodeled with special funds and federal funds. Thar's why this building in Rolla that we are trying to get sold they keep saying they have to get permission from the feds. Anyways there's a bill in the senate to sell the building in Rolla and that isn't in here.

Chairman Delzer: SB 2085 is the bill for the building in Rolla, does anything need to be done with 1060? I think that passed the house already.

Representative Boe: SB 2085 was heard in the senate and it came out with a Do Pass. Last session we had a plan for transfer of that to the local government for office space which was then vetoed by the governor and has been sitting empty ever since.

Representative J. Nelson: Section 4 of the bill, I thought we were removing that langue from the agency bills?

Chairman Delzer: We wanted to remove the transfer authority of 10%, this is for federal money for job service. I have no problem taking that out because they can just come to us to get that.

Chairman Delzer: We can adopt this and then there can be another motion.

Representative Schmidt: I see this as a totally different scenario, we aren't asking them to move money around.

Chairman Delzer: If we pass this with this in, we will never see this money if it comes in.

Representative Schmidt: If they get more then what we plan for what we are saying here is you can take the extra money and put it right back into the system of job services. We're not saying it gets transferred anywhere else.

Chairman Delzer: It's an issue of us not knowing that they got more money than we know about, and we should treat all agencies the same. We have a motion to amend. Further discussion?

Voice vote, All in favor, Motion carries

Representative J. Nelson: I make a motion to remove section 4 from the amendment.

Representative Meier: Second

Representative Monson: This has been in this budget form many years with no questions asks.

Representative J. Nelson: We've had that same language in some of our bills as well, if we are going to use discretion in that.

Chairman Delzer: This extends their appropriation authority. If we have this in there they don't have to ask to expend federal money, we see a number of agencies that do that during the interim.

Representative Boe: On senate bill 2085 the revenues from the sale of the building, would that have to be set aside?

Chairman Delzer: This is strictly federal funds.

Representative Boe: They are 100% federal funds.

Chairman Delzer: If it's all federal funds do they have to pay that all back to the federal government?

Representative Boe: They were instructed to put that back into their budget because it was from funds that were in their budget in the first place.

Chairman Delzer: Then it should go into their next budget not into this budget. If SB 2085 says it in there that would happen anyways.

Representative Schobinger: If something was part of last session it didn't need to be added to the amendment because it's part of the base. Then why are we removing this if it's been there a long time.

Chairman Delzer: The bill the way it was introduced didn't have it in there, but the bill we have before us has it in there. Should the amendment should take that out as well.

Mr. Kinnischtzke, LC: The amendment does take out section 4 from the introduced version of the bill.

Chairman Delzer: Page 2 line 5-14 it does take that out. Representative Schobinger, it's because this is not the part of the base and the introduced bill.

Mr. Kinnischtzke, LC: It's not in the base bill but it has been included in the bill in previous years.

Chairman Delzer: I think we should still support the motion; the original amendment takes out the rent part. Further discussion? Hearing none we will take a voice vote.

Voice vote All in favor? Motion carries

Representative Schmidt: Do Pass as Amended

Representative Monson: Second

Chairman Delzer: Further discussion? Brady Larson, LC they would have the authority with our current laws if they get more federal money to come before the emergency commission and then ask for approval from the budget section.

Representative J. Nelson: My guess is that senate will include this section back in.

Chairman Delzer: It might not be consistent by the time we leave here. Further discussion? Hearing none we will take a roll call vote.

A Roll Call vote was taken. Yea: 19 Nay: 0 Absent: 2

Chairman Delzer: motion carries Representative Schmidt will carry that.

Chairman Delzer: With that we will close this meeting.

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1016

Page 1, replace lines 10 through 21 with:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$27,155,566	\$3,196,656	\$30,352,222
Operating expenses	11,501,255	6,339,640	17,840,895
Capital assets	20,000	0	20,000
Grants	5,458,571	707,541	6,166,112
Reed Act - unemployment insurance computer modernization	<u>11,209,557</u>	<u>(122,591)</u>	<u>11,086,966</u>
Total all funds	\$55,344,949	\$10,121,246	\$65,466,195
Less estimated income	<u>54,899,156</u>	<u>10,136,618</u>	<u>65,035,774</u>
Total general fund	\$445,793	(\$15,372)	\$430,421
Full-time equivalent positions	181.61	(9.00)	172.61"

Page 1, line 22, after "**FUNDING**" insert "**- EFFECT ON BASE BUDGET - REPORT TO
SIXTY-SEVENTH LEGISLATIVE ASSEMBLY**"

Page 1, line 23, after "biennium" insert "and the 2019-21 biennium one-time funding items
included in the appropriation in section 1 of this Act"

Page 2, replace line 1 with:

"Renovation of Bismarck regional office	\$100,000	\$0
Unemployment insurance modernization project	<u>0</u>	<u>611,852</u>
Total all funds	\$100,000	\$611,852
Total special funds	<u>0</u>	<u>611,852"</u>

Page 2, after line 2, insert:

"The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. Job service North Dakota shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021."

Page 2, line 5, replace "\$11,209,557" with "\$11,086,966"

Page 2, replace lines 10 through 14 with:

"SECTION 4. ADDITIONAL INCOME - APPROPRIATION. All federal funds received by job service North Dakota in excess of those funds appropriated in section 1 of this Act are appropriated to the agency for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 5. NEW JOBS TRAINING. During the biennium beginning July 1, 2019, and ending June 30, 2021, job service North Dakota may not award more than \$2,500,000 for new agreements related to the new jobs training program under chapter 52-02.1."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1016 - Job Service North Dakota - House Action

	Base Budget	House Changes	House Version
Salaries and wages	\$27,155,566	\$3,196,656	\$30,352,222
Operating expenses	11,501,255	6,339,640	17,840,895
Capital assets	20,000		20,000
Grants	5,458,571	707,541	6,166,112
Reed Act - Computer modernization	11,209,557	(122,591)	11,086,966
Total all funds	\$55,344,949	\$10,121,246	\$65,466,195
Less estimated income	54,899,156	10,136,618	65,035,774
General fund	\$445,793	(\$15,372)	\$430,421
FTE	181.61	(9.00)	172.61

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

	Adjusts Funding for Base Payroll Changes ¹	Adds Funding for Salary and Benefit Increases ²	Removes Unfunded Positions ³	Adjusts Funding for Operating Expenses ⁴	Adds Grant Funding ⁵	Adds Funding for Unemployment System Modernization ⁶
Salaries and wages	\$1,763,190	\$1,433,466				
Operating expenses			(\$22,290)	(\$191,469)		\$5,405,800
Capital assets						
Grants					\$707,541	
Reed Act - Computer modernization	(734,443)					
Total all funds	\$1,028,747	\$1,433,466	(\$22,290)	(\$191,469)	\$707,541	\$5,405,800
Less estimated income	1,029,081	1,431,205	0	(191,803)	707,541	5,405,800
General fund	(\$334)	\$2,261	(\$22,290)	\$334	\$0	\$0
FTE	0.00	0.00	(9.00)	0.00	0.00	0.00

	Adds Funding for Registration System ⁷	Adds Funding for Microsoft Office 365 Licensing ⁸	Adds One-Time Funding for Unemployment System Modernization ⁹	Total House Changes
Salaries and wages				\$3,196,656
Operating expenses	\$1,069,980	\$77,619		6,339,640
Capital assets				
Grants				707,541
Reed Act - Computer modernization			\$611,852	(122,591)
Total all funds	\$1,069,980	\$77,619	\$611,852	\$10,121,246
Less estimated income	1,069,980	72,962	611,852	10,136,618
General fund	\$0	\$4,657	\$0	(\$15,372)
FTE	0.00	0.00	0.00	(9.00)

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2019-21 biennium salary adjustments of 2 percent per year and increases in health insurance premiums from \$1,241 to \$1,427 per month:

	General Fund	Other Funds	Total
Salary increase	\$1,145	\$672,024	\$673,169
Health insurance increase	1,116	759,181	760,297
Total	\$2,261	\$1,431,205	\$1,433,466

³ This amendment removes 9 FTE unfunded positions and related operating expenses of \$22,290.

⁴ Funding is adjusted for operating expenses, primarily related to decreases in postage, repairs, and professional services and increases in IT supplies, data processing, and contractual services.

⁵ Funding for grants is increased to provide total grant funding of \$6,166,112.

⁶ Funding is added for an unemployment insurance system modernization project.

⁷ Funding is added for an unemployment insurance registration project.

⁸ Funding is added for Microsoft Office 365 license expenses.

⁹ One-time funding of \$611,852 is provided for an unemployment insurance system modernization project to provide total funding of \$16,492,766, of which \$11,086,966 is in the Reed Act - Unemployment insurance computer modernization line item and \$5,405,800 is in the operating expenses line item.

This amendment also:

- Removes Section 4 of the bill which relates to funding received by the agency from rent revenue.
- Adds a section to appropriate any additional federal funds received by the agency during the 2019-21 biennium.
- Adds a section to provide that not more than \$2.5 million may be awarded during the 2019-21 biennium for new agreements related to the new jobs training program.

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1016

Page 1, replace lines 10 through 21 with:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	\$27,155,566	\$3,196,656	\$30,352,222
Operating expenses	11,501,255	6,339,640	17,840,895
Capital assets	20,000	0	20,000
Grants	5,458,571	707,541	6,166,112
Reed Act - unemployment insurance computer modernization	<u>11,209,557</u>	<u>(122,591)</u>	<u>11,086,966</u>
Total all funds	\$55,344,949	\$10,121,246	\$65,466,195
Less estimated income	<u>54,899,156</u>	<u>10,136,618</u>	<u>65,035,774</u>
Total general fund	\$445,793	(\$15,372)	\$430,421
Full-time equivalent positions	181.61	(9.00)	172.61"

Page 1, line 22, after "**FUNDING**" insert "- **EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY**"

Page 1, line 23, after "biennium" insert "and the 2019-21 biennium one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace line 1 with:

"Renovation of Bismarck regional office	\$100,000	\$0
Unemployment insurance modernization project	<u>0</u>	<u>611,852</u>
Total all funds	\$100,000	\$611,852
Total special funds	<u>0</u>	<u>611,852"</u>

Page 2, after line 2, insert:

"The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. Job service North Dakota shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021."

Page 2, line 5, replace "\$11,209,557" with "\$11,086,966"

Page 2, replace lines 10 through 14 with:

"SECTION 4. NEW JOBS TRAINING. During the biennium beginning July 1, 2019, and ending June 30, 2021, job service North Dakota may not award more than \$2,500,000 for new agreements related to the new jobs training program under chapter 52-02.1."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1016 - Job Service North Dakota - House Action

Base
Budget

House
Changes

House
Version

DF 2/11/19
2 of 3

Salaries and wages	\$27,155,566	\$3,196,656	\$30,352,222
Operating expenses	11,501,255	6,339,640	17,840,895
Capital assets	20,000		20,000
Grants	5,458,571	707,541	6,166,112
Reed Act - Computer modernization	11,209,557	(122,591)	11,086,966
Total all funds	\$55,344,949	\$10,121,246	\$65,466,195
Less estimated income	54,899,156	10,136,618	65,035,774
General fund	\$445,793	(\$15,372)	\$430,421
FTE	181.61	(9.00)	172.61

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

	Adjusts Funding for Base Payroll Changes ¹	Adds Funding for Salary and Benefit Increases ²	Removes Unfunded Positions ³	Adjusts Funding for Operating Expenses ⁴	Adds Grant Funding ⁵	Adds Funding for Unemployment System Modernization ⁶
Salaries and wages	\$1,763,190	\$1,433,466				
Operating expenses			(\$22,290)	(\$191,469)		\$5,405,800
Capital assets						
Grants					\$707,541	
Reed Act - Computer modernization	(734,443)					
Total all funds	\$1,028,747	\$1,433,466	(\$22,290)	(\$191,469)	\$707,541	\$5,405,800
Less estimated income	1,029,081	1,431,205	0	(191,803)	707,541	5,405,800
General fund	(\$334)	\$2,261	(\$22,290)	\$334	\$0	\$0
FTE	0.00	0.00	(9.00)	0.00	0.00	0.00

	Adds Funding for Registration System ⁷	Adds Funding for Microsoft Office 365 Licensing ⁸	Adds One-Time Funding for Unemployment System Modernization ⁹	Total House Changes
Salaries and wages				\$3,196,656
Operating expenses	\$1,069,980	\$77,619		6,339,640
Capital assets				
Grants				707,541
Reed Act - Computer modernization			\$611,852	(122,591)
Total all funds	\$1,069,980	\$77,619	\$611,852	\$10,121,246
Less estimated income	1,069,980	72,962	611,852	10,136,618
General fund	\$0	\$4,657	\$0	(\$15,372)
FTE	0.00	0.00	0.00	(9.00)

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2019-21 biennium salary adjustments of 2 percent per year and increases in health insurance premiums from \$1,241 to \$1,427 per month:

	General Fund	Other Funds	Total
Salary increase	\$1,145	\$672,024	\$673,169
Health insurance increase	1,116	759,181	760,297
Total	\$2,261	\$1,431,205	\$1,433,466

³ This amendment removes 9 FTE unfunded positions and related operating expenses of \$22,290.

⁴ Funding is adjusted for operating expenses, primarily related to decreases in postage, repairs, and professional services and increases in IT supplies, data processing, and contractual services.

⁵ Funding for grants is increased to provide total grant funding of \$6,166,112.

⁶ Funding is added for an unemployment insurance system modernization project.

DA 2/11/14
3 of 3

⁷ Funding is added for an unemployment insurance registration project.

⁸ Funding is added for Microsoft Office 365 license expenses.

⁹ One-time funding of \$611,852 is provided for an unemployment insurance system modernization project to provide total funding of \$16,492,766, of which \$11,086,966 is in the Reed Act - Unemployment insurance computer modernization line item and \$5,405,800 is in the operating expenses line item.

This amendment also:

- Removes Section 4 of the bill which relates to funding received by the agency from rent revenue.
- Adds a section to provide that not more than \$2.5 million may be awarded during the 2019-21 biennium for new agreements related to the new jobs training program.

**2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1016**

House Appropriations - Education and Environment Division Committee

☐ Subcommittee

Amendment LC# or Description: 19.0204.01001 Voice Vote - passed

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 Representative Mark Sanford Seconded By Representative Tracy Boe

Representatives	Yes	No	Representatives	Yes	No
Chair David Monson			Representative Tracy Boe		
Vice Chair Jim Schmidt					
Representative Bob Martinson					
Representative Mike Nathe					
Representative Mark Sanford					
Representative Mike Schatz					

Total (Yes) Voice Vote - passed No _____

Absent _____

Floor Assignment Vice Chairman Representative Jim Schmidt

If the vote is on an amendment, briefly indicate intent: Voice vote to adopt amendment 19.0204.01001.

**2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1016**

House Appropriations - Education and Environment Division 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 Representative Tracy Boe Seconded By Representative Mike Nathe

Representatives	Yes	No	Representatives	Yes	No
Chair David Monson	X		Representative Tracy Boe	X	
Vice Chair Jim Schmidt					
Representative Bob Martinson	X				
Representative Mike Nathe	X				
Representative Mark Sanford	X				
Representative Mike Schatz	X				

Total (Yes) 6 No 0

Absent 1

Floor Assignment Vice Chairman Representative Jim Schmidt

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

Date: 2/7/2019
Roll Call Vote #: 1

**2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1016**

House Appropriations Committee

☐ Subcommittee

Amendment LC# or Description: 19.0204.01001

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 Representative Schmidt Seconded By Representative Monson

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer					
Representative Kempenich					
Representative Anderson			Representative Schobinger		
Representative Beadle			Representative Vigesaa		
Representative Bellew					
Representative Brandenburg					
Representative Howe			Representative Boe		
Representative Kreidt			Representative Holman		
Representative Martinson			Representative Mock		
Representative Meier					
Representative Monson					
Representative Nathe					
Representative J. Nelson					
Representative Sanford					
Representative Schatz					
Representative Schmidt					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

Voice Vote/Motion Carries

Date: 2/7/2019
Roll Call Vote #: 2

**2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1016**

House Appropriations Committee

☐ Subcommittee

Amendment LC# or Description: **Remove section 4 of Amendment 19.0204.01001**

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 **Representative J. Nelson** Seconded By **Representative Meier**

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer					
Representative Kempenich					
Representative Anderson			Representative Schobinger		
Representative Beadle			Representative Vigesaa		
Representative Bellew					
Representative Brandenburg					
Representative Howe			Representative Boe		
Representative Kreidt			Representative Holman		
Representative Martinson			Representative Mock		
Representative Meier					
Representative Monson					
Representative Nathe					
Representative J. Nelson					
Representative Sanford					
Representative Schatz					
Representative Schmidt					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

Voice Vote/Motion Carries

Date: 2/7/2019
Roll Call Vote #: 3

**2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1016**

House Appropriations 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 Representative Schmidt Seconded By Representative Monson

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer	X				
Representative Kempenich	X				
Representative Anderson	X		Representative Schobinger	X	
Representative Beadle	X		Representative Vigesaa	X	
Representative Bellew	A				
Representative Brandenburg	A				
Representative Howe	X		Representative Boe	X	
Representative Kreidt	X		Representative Holman	X	
Representative Martinson	X		Representative Mock	X	
Representative Meier	X				
Representative Monson	X				
Representative Nathe	X				
Representative J. Nelson	X				
Representative Sanford	X				
Representative Schatz	X				
Representative Schmidt	X				

Total (Yes) 19 No 0

Absent 2

Floor Assignment Representative Schmidt

Motion Carries

REPORT OF STANDING COMMITTEE

HB 1016: Appropriations Committee (Rep. Delzer, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (19 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1016 was placed on the Sixth order on the calendar.

Page 1, replace lines 10 through 21 with:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$27,155,566	\$3,196,656	\$30,352,222
Operating expenses	11,501,255	6,339,640	17,840,895
Capital assets	20,000	0	20,000
Grants	5,458,571	707,541	6,166,112
Reed Act - unemployment insurance	<u>11,209,557</u>	<u>(122,591)</u>	<u>11,086,966</u>
computer modernization			
Total all funds	\$55,344,949	\$10,121,246	\$65,466,195
Less estimated income	<u>54,899,156</u>	<u>10,136,618</u>	<u>65,035,774</u>
Total general fund	\$445,793	(\$15,372)	\$430,421
Full-time equivalent positions	181.61	(9.00)	172.61"

Page 1, line 22, after "FUNDING" insert "- EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY"

Page 1, line 23, after "biennium" insert "and the 2019-21 biennium one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace line 1 with:

"Renovation of Bismarck regional office	\$100,000	\$0
Unemployment insurance modernization project	<u>0</u>	<u>611,852</u>
Total all funds	\$100,000	\$611,852
Total special funds	<u>0</u>	<u>611,852"</u>

Page 2, after line 2, insert:

"The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. Job service North Dakota shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021."

Page 2, line 5, replace "\$11,209,557" with "\$11,086,966"

Page 2, replace lines 10 through 14 with:

"**SECTION 4. NEW JOBS TRAINING.** During the biennium beginning July 1, 2019, and ending June 30, 2021, job service North Dakota may not award more than \$2,500,000 for new agreements related to the new jobs training program under chapter 52-02.1."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1016 - Job Service North Dakota - House Action

	<u>Base Budget</u>	<u>House Changes</u>	<u>House Version</u>
Salaries and wages	\$27,155,566	\$3,196,656	\$30,352,222
Operating expenses	11,501,255	6,339,640	17,840,895
Capital assets	20,000		20,000
Grants	5,458,571	707,541	6,166,112

Reed Act - Computer modernization	11,209,557	(122,591)	11,086,966
Total all funds	\$55,344,949	\$10,121,246	\$65,466,195
Less estimated income	54,899,156	10,136,618	65,035,774
General fund	\$445,793	(\$15,372)	\$430,421
FTE	181.61	(9.00)	172.61

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

	Adjusts Funding for Base Payroll Changes ¹	Adds Funding for Salary and Benefit Increases ²	Removes Unfunded Positions ³	Adjusts Funding for Operating Expenses ⁴	Adds Grant Funding ⁵	Adds Funding for Unemployment System Modernization ⁶
Salaries and wages	\$1,763,190	\$1,433,466				
Operating expenses			(\$22,290)	(\$191,469)		\$5,405,800
Capital assets						
Grants					\$707,541	
Reed Act - Computer modernization	(734,443)					
Total all funds	\$1,028,747	\$1,433,466	(\$22,290)	(\$191,469)	\$707,541	\$5,405,800
Less estimated income	1,029,081	1,431,205	0	(191,803)	707,541	5,405,800
General fund	(\$334)	\$2,261	(\$22,290)	\$334	\$0	\$0
FTE	0.00	0.00	(9.00)	0.00	0.00	0.00

	Adds Funding for Registration System ⁷	Adds Funding for Microsoft Office 365 Licensing ⁸	Adds One-Time Funding for Unemployment System Modernization ⁹	Total House Changes
Salaries and wages				\$3,196,656
Operating expenses		\$77,619		6,339,640
Capital assets	\$1,069,980			
Grants				707,541
Reed Act - Computer modernization			\$611,852	(122,591)
Total all funds	\$1,069,980	\$77,619	\$611,852	\$10,121,246
Less estimated income	1,069,980	72,962	611,852	10,136,618
General fund	\$0	\$4,657	\$0	(\$15,372)
FTE	0.00	0.00	0.00	(9.00)

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2019-21 biennium salary adjustments of 2 percent per year and increases in health insurance premiums from \$1,241 to \$1,427 per month:

	General Fund	Other Funds	Total
Salary increase	\$1,145	\$672,024	\$673,169
Health insurance increase	1,116	759,181	760,297
Total	\$2,261	\$1,431,205	\$1,433,466

³ This amendment removes 9 FTE unfunded positions and related operating expenses of \$22,290.

⁴ Funding is adjusted for operating expenses, primarily related to decreases in postage, repairs, and professional services and increases in IT supplies, data processing, and contractual services.

⁵ Funding for grants is increased to provide total grant funding of \$6,166,112.

⁶ Funding is added for an unemployment insurance system modernization project.

⁷ Funding is added for an unemployment insurance registration project.

⁸ Funding is added for Microsoft Office 365 license expenses.

⁹ One-time funding of \$611,852 is provided for an unemployment insurance system modernization project to provide total funding of \$16,492,766, of which \$11,086,966 is in the Reed Act - Unemployment insurance computer modernization line item and \$5,405,800 is in the operating expenses line item.

This amendment also:

- Removes Section 4 of the bill which relates to funding received by the agency from rent revenue.
- Adds a section to provide that not more than \$2.5 million may be awarded during the 2019-21 biennium for new agreements related to the new jobs training program.

2019 SENATE APPROPRIATIONS

HB 1016

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

HB 1016
2/27/2019
Job # 32897

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk: Rose Laning

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of job service North Dakota.

Minutes:

Testimony Attached # 1 – 5.

Legislative Council: Levi Kinnischtzke
OMB: Larry Martin

Chairman Holmberg called the committee to order on HB 1016. Roll call was taken.

Bryan Klipfel, Interim Executive Director, Job Service North Dakota

North Dakota Job Service Testimony HB 1016 - Attached # 1.
Occupational Licensing Review 2018-19 – Attached # 2.
Base Level Funding – Attached # 3.
New Jobs Training Program – Attached # 4.

(13:21) **Senator Robinson:** Talk a bit about the rate increase. The fund is not where it should be and we had a rate decrease, actuarial folks would maybe question that. How do we expect to get back to where we need to be by decreasing rates? We're not as healthy as we should be.

Bryan Klipfel: The rates in 2015-16-17, when business was slowing down and we had more unemployment and the rates were a lot higher, so now that we've collected the dollars to keep the trust fund solvent, now we can lower the rates to keep it so it is a solvent fund and that it's going to be able to pay for the benefits when needed. The rates were higher and we did decrease them. In fact, from 2015-16 we had 180% increase in rates. The rates are set to make sure that our trust fund is solvent. With the rates as they are now, the fund will be solvent. Now if there's another huge decline in the economy of the state, then we could probably be in the same situation and we'd have to raise rates. We feel that the way the rates are now; we're going to be able to keep our trust fund solvent.

Senator Robinson: You just mentioned that we're not where we need to be. Should we not have, from a fiduciary responsibility or perspective, shouldn't we have waited a while to get there so we're protected should we have another downfall. Timing may not have been good.

Darren Brostrom, Deputy Director, Job Service North Dakota: We're actually at our target with the trust fund and we're actually a little over the target. That's the reason the taxes were reduced.

Senator Robinson: Who sets that target? Are there actuarial type people involved in the process?

Darren Brostrom: Yes. It's set in Century Code – as far as the formulas. So the target is based upon wages and a variety of things within North Dakota.

Senator Krebsbach: It seems to me that years ago we set in place a formula to keep that solvent and bring it up to speed if it fell below a certain target.

Darren Brostrom: Yes, that is correct. The legislature has worked very diligently along with Job Service to create a formula actuarial that looks at a lot of inputs from throughout the state, whether that be wages, claims filed, projected wages, etc. and comes up with a target. For this year, our target is \$173M for the trust fund. We're \$10M over that right now.

Senator Robinson: How long ago was that formula put in place? And after we've experienced this unusual turndown in oil activity, are we prepared for the next one?

Darren Brostrom: I wish I could say for sure that we'd be prepared for something like what happened in 2014-15-16. I don't think any of us could have projected what would happen there, but I do feel very confident in the model as it is. It was able to sustain us through the biggest payouts that we've ever had. We did drop down to about \$26M. But what happened was it triggered in those tax increases that were necessary to bring those rates up. Subsequently, in the last two years, we've built that up by about \$160M.

(18:20) - continuing with testimony.

(22:20) **Senator Robinson:** Given the significant reduction in your FTE counts in the last number of years, and then you mentioned the administrative workload has picked up. Are we in situation where we are able to keep up with folks that are looking for employment? If not, some would say we had too many originally in the first place. There is a demand for employees all over the state. Are we in a difficult situation just trying to respond to the needs of employers and perspective employees?

Bryan Klipfel: I agree with that. The cuts in our staff have hurt the services, but I still think we do a very good job. There are 33 states that use general fund dollars for Job Service. There have been a lot of federal cuts. If you wanted to have a top-notch program where you can tie in and it's more than just going on the Job Service website. There are so many other areas that you can find jobs; Indeed.com, LinkedIn, CareerBuilder. That's an area that we either need to tie in or at least help that worker looking for a job to figure that way out. We could do a lot better job with more dollars.

Senator Robinson: Our local operation was closed and we found that a lot of folks that were looking for employment aren't necessarily tech savvy so the local development corporation opened an office. The number of people coming in asking for help and direction on basics;

they're not familiar with webpage. Some of those people come back once a month/6 months. We don't want to take on additional general fund responsibility, but at the same time, we're saying we need to do something with workforce. So where does it connect – or does it?

Bryan Klipfel: Is there a way for our current system that people looking for state jobs, can you spider that in to some of the other sites? Or it could be as simple as having the unemployed worker come to an office or site and we can show them how to get on ND and apply for all the other job sites. With the cut-backs, we have to be more innovative and figure out how to make it easier for them to find work.

(26:03) Continuing.

(28:30) **Chairman Holmberg:** You co-located a voc-rehab in Grand Forks into the Grand Forks Job Service office which certainly had plenty of room. I understand they pay less rent than previous. What happens to that rent?

Bryan Klipfel: It's federal dollars

Darren Brostrom: Any rent that is received goes back into the program that funded the building. We are not doing it for profit, it's basically operating costs. It's ultimately lowering Job Services operating costs so we see a combined savings between the state entity that comes in and Job Service and because we're federally funded, those funds then just go back into the program that funded it.

(31:30) **Senator Robinson:** In this new structure with limited resources, do we have in place and outreach where we have an officer in Williston and once a week they go to Stanley. Do we do any of that? If we had once a week, even an afternoon.

Bryan Klipfel: We do have customer service reps that go out into the community with the businesses and others. I would think that there's someone to get to the smaller areas. I'm not sure what the time frame is. When a business closes down, we have a rapid response team that goes to those businesses along with Commerce. There are ways that we get out, but with fewer employees, it's probably harder to do that. We still try to do as much as we can.

Senator Robinson: Some areas are so high in unemployment; we need to have special focus on those areas.

(37:00) **Chairman Holmberg:** Was that section 6 of the governor's recommendation? (Answer – no, section 4). And that would be a change from current law or the same? Any discussion why it was removed? Did you abuse it or overuse it?

(37:39) **Levi Kinnischtzke:** I was in full House Appropriations when they decided. This section has been included in Job Service's bill for a number of bienniums. Originally, House E and E was going to include that in their amendment to HB 1016, however, during full appropriations it was decided that they would take it out because the House is taking out all the sections that the governor had proposed which was section 6 that you had just referenced. They were taking out all those related sections that would allow the transfer up

to 10% between line items so they decided to take out all authority for receiving additional funding from other sources, federal or special and those transfer sections. So despite Job Service having this particular section for a number of biennium, the decision was to be uniform across all agencies instead of allowing some agencies to have authority and some not. They decided to remove those types of language from all bills. There was some discussion on whether they should do it the way that they did or if they should allow some agencies to have this authority and so there was some discussion about allowing Job Service to keep this section because they've had it for several bienniums but they went back and forth on it and they ended up deciding to take it out.

Chairman Holmberg: We do have a subcommittee that would be looking at this bill. It will be: Senator Krebsbach, Senator Oehlke and Senator Mathern.

(40:26) - conclusion

(41:10) **Chairman Holmberg:** Those who are new to the committee might be interested to know that in the past, there have been requests for the legislature to inject some general fund monies, particularly when you've had some downturns except workforce issues has stayed away from injecting the money, at least in the past, but the thought was once we start down that road, where do we stop and at what point does it cost us a lot of money?

Senator Mathern: Going back to the section of Occupational Licensing Revue – You made the comment that following this study, you anticipate some suggestions for changes in the next legislative session. Why not this session? We have plenty of bills out there that deal with this, why not put them in these bills? They're dramatic impacts on our workforce. What's keeping you from making these changes this legislative session?

Michelle Kommer, Commerce Commissioner & Labor Commissioner: We received a grant from US Dept. of Labor in July and started the process of how that grant was used in late summer timeframe. We were able to do some work to identify some barriers to employment that exists because of our occupational licensing schema in North Dakota, but more than that, there was work done by the Workforce Development Council over the last 15 months in that same space so we identified a couple important priorities through that work. One was the removal of occupational licensing barriers for military dependents. There are a couple bills in play that we enthusiastically support. Going forward work is really about reforming the structure in North Dakota. Very briefly, North Dakota has a very decentralized occupational licensing structure. There are 66 boards, commissions and agencies that regulate more than 80 licensed professions and have no unifying structure which makes the study itself much more effort and work than it would be if we were structured more like other states that have at a minimum kind of a unifying structure. To answer your question directly, it's timing. We started working on this late summer. We had enough time to focus in on what we thought were some priorities that we could accomplish in this session which really relate to the occupational licensing barriers for military dependents. This not only helps us from a workforce perspective but helps elevate our status as a state in terms of being military friendly which is important to base retention activities. Over the course between now and the next legislative session, we're able to dig a lot deeper into occupational licensing structure overall and come to you with thoughts, ideas and recommendations and engage you in that process between now and the next legislative session.

Senator Mathern: A number of these professions that are in this very detailed 30 page report are being changed right now. I'm concerned that the changes that are being made right now aren't using this data. Most of those changes are going through behavioral health and human services. It almost seems like two ships passing in the night so by the time you get this out, those other folks think they're done and don't want to change anymore. I encourage you to look for more opportunities this legislative session. Less next time, people will have moved beyond this report and they won't be interested. I encourage you to make those connections.

Michelle Kommer: We met last night on all of the occupational licensing bills that are in play with the intention to not miss an opportunity and we will engage with those boards and the legislators who are sponsoring that legislation to at least help insure that we're not moving away from where we ultimately want to go.

Mason Sisk, Economic Development Association
Testimony in support of HB 1016 - Attached # 5.

(49:40) **Senator Oehlke:** Curious about the various occupations and people applying and wanting to come to North Dakota to work - Is there any tracking of how many people were interested in moving to ND or trying to get a job in ND but it was an occupational issue so they went elsewhere because of that.

Phil Davis, Area Manager (covers 9 workforce centers):
We do not cover or track that kind of information. We do help out when individuals call us from out of state, which happens every day especially we're still receiving those types of calls from Dickinson, Minot and Williston with interest in the oil patch, but we do not track them.

Chairman Holmberg: Closed the hearing on HB 1016 and instructed the sub-committee to delve more into the question of section 4 that was removed and see if that is the right way to go.

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

HB 1016
3/11/2019
JOB # 33532

☒ Subcommittee
☐ Conference Committee

Committee Clerk: Alice Delzer

Explanation or reason for introduction of bill/resolution:

A Subcommittee hearing on HB 1016 – Job Service of ND

No testimony submitted

Minutes:

Chairman Krebsbach: called the Subcommittee to order re: HB 1016 at 4:00 pm in the Harvest Room. Let the record show that all subcommittee members were present: Chairman Krebsbach, Senator Oehlke and Senator Mathern. Levi Kinnischtzke, Legislative Council and Larry Martin, OMB were also present. The one area we will not go into is the salary and wages because we have two different versions and the House and the Senate have to get together and decide where we are going to go with that. Are there are some areas that you would like us to consider that were omitted or you felt short on in your budget?

Bryan Klipfel: Interim Director of Job Service: When we gave our last testimony, the three things that I talked about were: #1. We wanted the governor's salary increase, you are going to figure that out, that would be good. #2. The House didn't approve the IT unification, and we support that. #3. There was a section 4 in the original appropriation which allows us to accept federal dollars, and I think that's pretty imperative that we as an organization receive that.

Chairman Krebsbach: You are pretty much 100% funded by federal dollars so it would be rather ridiculous for you not to receive them.

Bryan Klipfel: That's correct, and I guess that anything that is above your appropriation we sometimes do get some extra dollars. It's something we really need to have in our budget.

Chairman Krebsbach: Occasionally, there are extra dollars that come in for training and so on from the federal government too, is there not?

Bryan Klipfel: Yes, the way I understand this, and I could be wrong, if you had your appropriation and then any extra federal dollars that come in above your appropriations so the money we have in appropriations is for our budget but if we would get some extra federal

dollars we would want to keep those because they are for the different programs that we have.

(0.03.21) Senator Oehlke: Section 4, for the appropriation I have written myself a note, where do those dollars go, any federal funds that come back to you that are excess funds, is there a plan for them?

Darren Brostrom, Deputy Director of Job Service: We get a variety of federal funds. Some of the more critical ones would be our unemployment insurance above base dollars. It's not dollars that we apply for, it's dollars based upon our workload. For example, during the oil boom, our work load went sky high but our funding stayed the same. However, the federal government recognized that our workload went up and so the quarter after that workload goes up, they automatically send you some money. They send that based upon the workload increase that you are seeing and funds they have available. So we don't know what those dollars would be, but it's critical that we get those dollars so we can fund our operation because we probably used next month's money or the quarter's money to cover all the extra work we did in the first place. So that's an example of funding that we know where that would go, it's specific to the unemployment insurance program. Other places where we can get additional money, they call them supplemental budget requests, and those are additional pieces of federal government dollars where they are generally very much tied to a project.

Senator Oehlke: You can get money from the feds because of excess workload, do you ever have to give any back because you haven't been that busy?

(0.05.37) Darren Brostrom: We have not had to give back any dollars. I don't think it's ever happened in that sort of situation. There have been situations where amounts have been disallowed or defunded, but that is extremely rare, I have seen that one time within the last 15 years, but they did that for all the states.

Senator Oehlke: So if something like that happens do you have excess that you can give back ever? I know that happens with state agencies sometimes. I realize it hasn't happened to you in 15 years, but might it, could it, and if you had to is there anything available or would you have to come to the emergency commission?

Darren Brostrom: Depending on the dollar amount and where we were in the budget year would probably make that determination. If it was an extremely large amount and toward the end of the year and we've already made all of our expenditures and didn't have any monies left over, we probably would come to the emergency commission and ask for some funds. Otherwise, we would do our best to route money, still within the silos that the federal government gives us. But we would probably cut back on other items that we would want to continue with to refund those dollars to the feds.

Chairman Krebsbach: Refresh my memory on the reduction of 25 FTE's that is projected for this coming biennium. As I am looking at the green sheet.

Darren Brostrom: 16 of those positions are related to the ITD unification. 16 of our IT staff going to ITD, the 9 positions are vacant.

Senator Mathern: In light of your long experience there, and hearing what the House is doing, what is the rationale for not doing the IT unification? What was going on that it didn't come across to the Senate?

Darren Brostrom: I don't have an insight on. I am not sure. We are supportive of that change. Our staff have spent a lot of time working with ITD and we have a very good working relationship with ITD. We do projects with them all the time, so our comfort level is high there. I am not sure what the basis of the decline of that by the House.

Chairman Krebsbach: We will take a good look at that. We will look at other items, salaries, and acceptance of the federal dollars. Is that basically the issues you have at this time?

(0.09.47) Senator Mathern: I think we ought to put the IT unification back in, Section 4 back in and move this bill out, after we get the salaries in.

Chairman Krebsbach: We will have to sit on this for a while but the subcommittee will work on this. I agree. I don't have a problem with reinstating the unification project.

Senator Oehlke: I think that is a good idea. We want all the agencies to be team players.

Senator Oehlke: Do you have any problem of leaving out Section 6, the transfer of monies between funds?

Darren Brostrom: Section 4 is the most critical. Section 6 is ok.

Larry Martin, OMB Section 4 is current law in their bill.

Chairman Krebsbach: Am I understanding that if there is additional dollars?

Larry Martin: that was confirmed. That is new jobs.

Darren Brostrom: Section 4 has been in our appropriation bills as long as I can remember.

Senator Mathern: Section 4 that would be in the green sheets, in the original and they want this new Section 4, I presume that's in the engrossed bill.

Chairman Krebsbach: We know that the 16 FTE's transferred are fine. Was there anything with the other 9, are you ready to let them go? She was told those are vacant positions.

(0.13.21) Levi Kinnischtzke, Legislative Council: Just to add some clarification, a little bit of discussion on which Section 4, so in the governor's recommendation, there was Section 4 for the additional federal fund appropriation that Mr. Brostrom mentioned. And then Section 5 is the new jobs training section that Senator Krebsbach had just mentioned, so with the House not including that additional appropriation, then that Section goes away. That becomes Section 4.

Chairman Krebsbach: What we are looking at is the governor's recommendation Section 4. That wouldn't have been in the original bill either.

Levi Kinnischtzke: Correct. That was not included in the introduced version bill, however, that section has been included in Job Services' budget for a number of bienniums.

Chairman Krebsbach: So it's not anything new. Both Sections 4 and 5 have been there in the past. That was confirmed. I have no problem adding Section 4. the subcommittee members all agreed. we have that area covered.

Senator Oehlke: The IT funding, that's the one \$4,100,418? That was taken out? I was looking at the green sheet. the House did not add funding for the IT. They took out the money for the people but they also took out the money for the funding of the unification.

Levi Kinnischtzke: Correct. the House did not include funding for the IT unification, so that \$4.1M dollar amount, they did not add money for that and they did not transfer the 16 FTE from Job Service to IT.

Chairman Krebsbach: Are we talking Section 3 of the governor's recommendations?

Levi Kinnischtzke: There is no separate Section in the governor's recommendation or in the introduced version of the bill or the engrossed bill that specifically talks about the IT unification. The IT unification is addressed in Section 1 in the appropriation of each appropriate agency.

(0.16.38) Chairman Krebsbach: If we go back to the green sheet, this is the one that came from the House, at the top of the second page. That's talking about the FTE's. The next subsection adds funding for the IT unification initiative. They did not add that \$4,100,000 and I thought that was part of the governor's recommendation. That was confirmed.

Senator Oehlke: I don't see how we can push this unification without being unified in our effort. Unless they are so different, and I don't think they are that different than everybody else that you can't be unified.

Levi Kinnischtzke: Just to provide additional information off of Senator Mathern's question earlier, I can provide a little insight into what the discussions were in the House regarding IT unification. There was a lot of discussion back and forth and each subdivision of House Appropriations, and I believe the over-arching thought behind it was that they were unsure of the operational savings that unification would provide, not necessarily that they were totally against it, the rational was more so to go ahead with the wait and see approach and address the unification after cross over. So they decided to not to go forward with the unification effort on any of the bills that were in their possession before cross over and continue the discussion until after cross over, and as you are aware, all the bills that are in the Senate's possession before cross over decided to go forward with the unification, so there will have to be similar to, as with the compensation package, there will have to be continued discussion on how the House and Senate decide to reconcile to do IT unification or not.

Chairman Krebsbach: But the Senate has been including it so in our case we will want to back into this bill to be consistent.

(0.19.35) Senator Oehlke: Job service in particular, they have a lot of personal information on individuals. If their system got hacked for some reason and was outside of the parameters of the unification without all the protections that we are talking about doing for all the different agencies, I think that would be a sad scenario because there is an awful a lot of people in that system with private information and that would cost the state a lot to correct that after the horse was out of the barn. I really feel we need to get that back in there.

Chairman Krebsbach: That makes sense. IT can't take over your programs because they're specialized for the unemployment and things of that nature. You need that individuality for your programs but yet for the system itself to be covered as we were talking about, the unification, it is an important criteria.

Bryan Klipfel: The IT unification, basically all they did is took the dollars for the IT people out of salaries and put it in operating and then just reduce our salaries by that amount. So if we would go with unification, it wouldn't be changing the budget that much. the comment that Senator Oehlke made on security, I think that is an important deal. Now Job Service is on the main frame, they are getting updated, I know for WSI, with all our personal information we have too, all our information is stored in servers at ITD. They've got a big task in making sure that's protected. I think that's where this cyber security initiatives come into play. Now obviously, in each one of our agencies, we have to train our people to make sure that they do not leave their passwords out and stuff like that so that people can get into the systems. That's how they can hack it in our end. so we have to be very careful. There is a lot of attempts out there that people try to get you to give your passwords and stuff like that so that's where our training comes in our agencies. But, overall, cyber security for safety, that would be IT's initiative.

Chairman Krebsbach: Are you still using the old main frame? I thought we changed that two years ago.

Bryan Klipfel: They are still working on that, but I think soon. That was confirmed by Mr. Brostrom.

Chairman Krebsbach: That's been on-going for how many years. I don't want to prolong any more than we have to. We know what direction we are going and we will be in touch with you when we get a final decision on a few other things. We are now adjourned from the subcommittee meeting on HB 1016.

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

HB 1016
4/3/2019
JOB 34484

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk: Alice Delzer

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of job service of ND.
(Do Pass as Amended).

Minutes:

1. Proposed Amendment # 19.0204.02001

Chairman Holmberg: Opened the hearing on HB 1016. All committee members were present. Adam Mathiak, Legislative Council and Larry Martin, OMB were also present.

V. Chairman Krebsbach: Submitted Attachment # 1. Proposed Amendment # 19.0204.02001 and explained the Amendment. She stated they had put the unification in and that has been removed.

V. Chairman Krebsbach: Moved the Amendment. 2nd by V. Chairman Wanzek.

Senator Mathern: Could somebody explain why we are moving all the unification technology?

Chairman Holmberg: Unification would not have been in this bill. I thought the House told us they were not doing any unification. He was told the House took it out on their side.

Senator Mathern: We are the Senate, not the House. What is our rationale for not doing the unification?

(0.01.49) Chairman Holmberg: The House and the Senate leadership had met. the House refused to go full unification. And we met and the five agencies were selected that both leaders would agree to. It was a very good discussion this morning in the IT committee meeting. The IT folks made some points regarding we are essentially leaving some, we spent money on unification because these various agencies have been working together and now some of them will be sitting on the sidelines waiting. I had a representative in the governor's office the other day saying they would like Job Service and workforce Safety to be included in that; they are not at the list right now. And I told the representative that I was at the meeting and we signed off on what we were recommending be done and I would bring it up again when we have a meeting, but I was not willing to do anything until after we

have had an opportunity to meet with the House and see if they have any change of heart because there is further information regarding the people who have been at the table who have been part of the whole process of unification and now they are kind of going to be left out. That is where we are at. Is it right, I don't know, but that's where we are at. It will go to conference.

(0.03.57) V. Chairman Wanzek: Would I be right in saying even if we pass it without it in here, it will go to conference and I think it's going to depend a lot on what we ultimately do in the IT budget. If we do add additional ones through the IT budget we'll ultimately deal with that in conference committee. So if we pass it out, it's not like we can't address that eventually.

Chairman Holmberg: If there is a change of heart, the fall-back always would be the OMB budget because in the OMB budget we could declare these agencies are also going to be a part and make the right thing. You're not absolutely cutting off your foot on this particular one. There is still discussion but the meetings I've been at the House has been adamant.

Chairman Holmberg: All in favor of the amendment say aye. It carried.

V. Chairman Krebsbach: Moved a Do Pass as Amended on HB 1016. 2nd by V. Chairman Wanzek.

Chairman Holmberg: Call the roll on a Do Pass as Amended on HB 1016.

A Roll Call vote was taken. Yea: 14; Aye:0; Absent:0. V. Chairman Krebsbach will carry the bill.

The hearing was closed on HB 1016.

SK
122
41?

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1016

Page 1, replace lines 12 through 21 with:

"Salaries and wages	\$27,155,566	\$3,416,655	\$30,572,221
Operating expenses	11,501,255	6,339,640	17,840,895
Capital assets	20,000	0	20,000
Grants	5,458,571	707,541	6,166,112
Reed Act - unemployment insurance	<u>11,209,557</u>	<u>(122,591)</u>	<u>11,086,966</u>
computer modernization			
Total all funds	\$55,344,949	\$10,341,245	\$65,686,194
Less estimated income	<u>54,899,156</u>	<u>10,356,414</u>	<u>65,255,570</u>
Total general fund	\$445,793	(\$15,169)	\$430,624
Full-time equivalent positions	181.61	(9.00)	172.61"

Page 2, after line 19, insert:

"SECTION 4. APPROPRIATION. All federal funds received by job service North Dakota in excess of those funds appropriated in section 1 of this Act are appropriated to job service North Dakota for the biennium beginning July 1, 2019, and ending June 30, 2021."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1016 - Job Service North Dakota - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$27,155,566	\$30,352,222	\$219,999	\$30,572,221
Operating expenses	11,501,255	17,840,895		17,840,895
Capital assets	20,000	20,000		20,000
Grants	5,458,571	6,166,112		6,166,112
Reed Act - Computer modernization	11,209,557	11,086,966		11,086,966
Total all funds	\$55,344,949	\$65,466,195	\$219,999	\$65,686,194
Less estimated income	<u>54,899,156</u>	<u>65,035,774</u>	<u>219,796</u>	<u>65,255,570</u>
General fund	\$445,793	\$430,421	\$203	\$430,624
FTE	181.61	172.61	0.00	172.61

287

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

	Adds Funding for Salary and Benefit Increases ¹	Total Senate Changes
Salaries and wages	\$219,999	\$219,999
Operating expenses		
Capital assets		
Grants		
Reed Act - Computer modernization		
Total all funds	\$219,999	\$219,999
Less estimated income	219,796	219,796
General fund	\$203	\$203
FTE	0.00	0.00

¹ Funding of \$219,999, of which \$203 is from the general fund and \$219,796 is from federal funds, is added for 2019-21 biennium salary increases of 2 percent with a minimum monthly increase of \$120 and a maximum monthly increase of \$200 on July 1, 2019, and 2.5 percent on July 1, 2020 to provide a total of \$893,168 for state employee salary increases. The House approved 2019-21 biennium salary increases of 2 percent per year to provide a total of \$673,169 for state employee salary increases.

This amendment also adds a section appropriating all federal funds received by Job Service North Dakota in excess of those funds appropriated in section 1 for the 2019-21 biennium.

Date: 4-3-19Roll Call Vote #: 1

**2019 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1016**

Senate Appropriations

Committee

☐ SubcommitteeAmendment LC# or Description: 19.0204.02001

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 Krebsbach Seconded By Wanzek

Senators	Yes	No	Senators	Yes	No
Senator Holmberg			Senator Mathern		
Senator Krebsbach			Senator Grabinger		
Senator Wanzek			Senator Robinson		
Senator Erbele					
Senator Poolman					
Senator Bekkedahl					
Senator G. Lee					
Senator Dever					
Senator Sorvaag					
Senator Oehlke					
Senator Hogue					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

*Voice Vote
Carried*

Date: 4-3-19Roll Call Vote #: 2

**2019 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1016**

Senate Appropriations

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 Krebsbach Seconded By Wanzek

Senators	Yes	No	Senators	Yes	No
Senator Holmberg	✓		Senator Mathern	✓	
Senator Krebsbach	✓		Senator Grabinger	✓	
Senator Wanzek	✓		Senator Robinson	✓	
Senator Erbele	✓				
Senator Poolman	✓				
Senator Bekkedahl	✓				
Senator G. Lee	✓				
Senator Dever	✓				
Senator Sorvaag	✓				
Senator Oehlke	✓				
Senator Hogue	✓				

Total (Yes) 14 No 0Absent 0Floor Assignment Krebsbach

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

REPORT OF STANDING COMMITTEE

HB 1016, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1016 was placed on the Sixth order on the calendar.

Page 1, replace lines 12 through 21 with:

"Salaries and wages	\$27,155,566	\$3,416,655	\$30,572,221
Operating expenses	11,501,255	6,339,640	17,840,895
Capital assets	20,000	0	20,000
Grants	5,458,571	707,541	6,166,112
Reed Act - unemployment insurance	11,209,557	(122,591)	11,086,966
computer modernization			
Total all funds	\$55,344,949	\$10,341,245	\$65,686,194
Less estimated income	54,899,156	10,356,414	65,255,570
Total general fund	\$445,793	(\$15,169)	\$430,624
Full-time equivalent positions	181.61	(9.00)	172.61"

Page 2, after line 19, insert:

"SECTION 4. APPROPRIATION. All federal funds received by job service North Dakota in excess of those funds appropriated in section 1 of this Act are appropriated to job service North Dakota for the biennium beginning July 1, 2019, and ending June 30, 2021."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1016 - Job Service North Dakota - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$27,155,566	\$30,352,222	\$219,999	\$30,572,221
Operating expenses	11,501,255	17,840,895		17,840,895
Capital assets	20,000	20,000		20,000
Grants	5,458,571	6,166,112		6,166,112
Reed Act - Computer modernization	11,209,557	11,086,966		11,086,966
Total all funds	\$55,344,949	\$65,466,195	\$219,999	\$65,686,194
Less estimated income	54,899,156	65,035,774	219,796	65,255,570
General fund	\$445,793	\$430,421	\$203	\$430,624
FTE	181.61	172.61	0.00	172.61

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

	Adds Funding for Salary and Benefit Increases ¹	Total Senate Changes
Salaries and wages	\$219,999	\$219,999
Operating expenses		
Capital assets		
Grants		
Reed Act - Computer modernization		
Total all funds	\$219,999	\$219,999
Less estimated income	219,796	219,796
General fund	\$203	\$203
FTE	0.00	0.00

¹ Funding of \$219,999, of which \$203 is from the general fund and \$219,796 is from federal funds, is added for 2019-21 biennium salary increases of 2 percent with a minimum monthly increase of \$120 and a maximum monthly increase of \$200 on July 1, 2019, and 2.5 percent on July 1, 2020 to provide a total of \$893,168 for state employee salary increases. The House approved 2019-21 biennium salary increases of 2 percent per year to provide a total

of \$673,169 for state employee salary increases.

This amendment also adds a section appropriating all federal funds received by Job Service North Dakota in excess of those funds appropriated in section 1 for the 2019-21 biennium.

2019 TESTIMONY

HB 1016

Department 380 - Job Service North Dakota
House Bill No. 1016

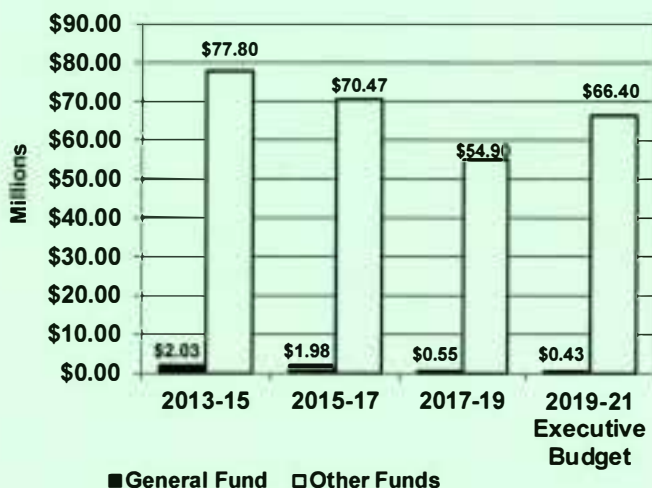
Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2019-21 Executive Budget	156.61	\$431,263	\$66,396,856	\$66,828,119
2017-19 Legislative Appropriations	181.61	545,793	54,899,156	55,444,949
Increase (Decrease)	(25.00)	(\$114,530)	\$11,497,700	\$11,383,170

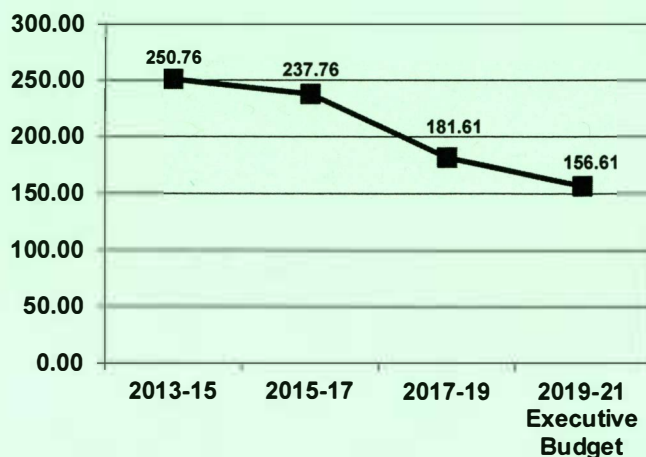
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2019-21 Executive Budget	\$431,263	\$0	\$431,263
2017-19 Legislative Appropriations	445,793	100,000	545,793
Increase (Decrease)	(\$14,530)	(\$100,000)	(\$114,530)

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2019-21 Executive Budget	\$431,263	\$66,396,856	\$66,828,119
2019-21 Base Level	445,793	54,899,156	55,344,949
Increase (Decrease)	(\$14,530)	\$11,497,700	\$11,483,170

Attached as an appendix is a detailed comparison of the executive budget to the agency's base level appropriations.

Executive Budget Highlights

	General Fund	Other Funds	Total
1. Provides funding for state employee salary and benefit increases, of which \$992,842 is for salary increases, \$583,439 is for health insurance increases, and \$124,380 is for retirement contribution increases	\$3,103	\$1,697,558	\$1,700,661
2. Removes 9 FTE unfunded positions and related operating expenses of \$22,290	(\$22,290)	\$0	(\$22,290)
3. Transfers 16 FTE positions to the Information Technology Department for the information technology unification initiative	\$0	(\$3,005,689)	(\$3,005,689)
4. Adds funding for information technology expenses related to the information technology unification initiative	\$0	\$4,100,418	\$4,100,418
5. Adjusts funding for operating expenses, primarily related to decreases in postage, repairs, and professional services and increases in IT supplies, data processing, and contractual services	\$334	(\$191,803)	(\$191,469)

6. Increases funding for grants to provide total funding of \$6,166,112	\$0	\$707,541	\$707,541
7. Adds funding for an unemployment insurance system modernization project	\$0	\$5,405,800	\$5,405,800
8. Adds funding for unemployment insurance registration systems	\$0	\$1,069,980	\$1,069,980
9. Adds funding for Microsoft Office 365 license expenses	\$4,657	\$72,962	\$77,619
10. Adds one-time funding for an unemployment insurance system modernization project	\$0	\$611,852	\$611,852

Other Sections Recommended to be Added in the Executive Budget (As Detailed in the Attached Appendix)

Reed Act funds - Section 3 would provide \$11,086,966 of funding appropriated in Section 1 is from federal Reed Act funds made available to the state by the federal Reed Act distributions made in federal fiscal years 1957, 1958, 1999, and 2002, pursuant to section 903 of the federal Social Security Act for the purpose of developing a modernized unemployment insurance computer system.

Federal funds - Section 4 would appropriate all federal funds received by Job Service North Dakota in excess of those funds appropriated in Section 1.

New jobs training - Section 5 provides Job Service North Dakota may not award more than \$2.5 million for new agreements related to the new jobs training program during the 2019-21 biennium.

Line item transfers - Section 6 would authorize Job Service North Dakota to transfer up to 10 percent of the agency's appropriation authority between line items in Section 1.

Continuing Appropriations

Federal advance interest repayment fund - North Dakota Century Code Section 52-04-22 - Collection of penalty and interest on delinquent unemployment insurance contribution reports and payment of any interest due on federal and nonfederal obligations of the unemployment insurance trust fund.

Unemployment insurance tax fund - Section 52-03-04 - Collection of unemployment taxes and the payments of unemployment benefits.

Job task analysis - Section 52-08-13 - Collection of fees for providing job task analysis services to employers that request these services and the payment of the expenses related to the activity.

Significant Audit Findings

The financial statement audit for Job Service North Dakota conducted by Brady, Martz and Associates, PC for the period ending June 30, 2018, recommends Job Service North Dakota implement additional review controls to verify mathematical accuracy prior to reports being submitted. The report also includes a recommendation for Job Service North Dakota to consider implementing additional logical controls in the investigation claim tracking process to reduce the likelihood of manual errors.

Major Related Legislation

House Bill No. 1060 - Requires Job Service North Dakota to assess a surcharge to each employer equal to 10 percent of cumulative benefits paid to employees in excess of 150 percent of the cumulative contributions paid by the employer in the preceding year. The employer is required to pay the assessment by October 31st each year and the amounts must be deposited in the unemployment insurance trust fund.

Senate Bill No. 2085 - Authorizes Job Service North Dakota to sell the agency's regional office located in Rolla.

House Concurrent Resolution No. 3003 - Provides for a Legislative Management study of the state's unemployment compensation system, including methods to improve the system and the feasibility and desirability of placing greater emphasis on job training for unemployed and seasonal workers.

Job Service North Dakota - Budget No. 380
House Bill No. 1016
Base Level Funding Changes

	Executive Budget Recommendation			
	FTE Position	General Fund	Other Funds	Total
2019-21 Biennium Base Level	181.61	\$445,793	\$54,899,156	\$55,344,949
2019-21 Ongoing Funding Changes				
Base payroll changes		(\$334)	\$1,029,081	\$1,028,747
Salary increase		3,103	989,739	992,842
Health insurance increase			583,439	583,439
Retirement contribution increase			124,380	124,380
Removes 9 FTE unfunded positions	(9.00)	(22,290)		(22,290)
Transfers 16 FTE positions to ITD for IT unification	(16.00)		(3,005,689)	(3,005,689)
Adds funding for information technology expenses			4,100,418	4,100,418
Adjusts funding for operating expenses		334	(191,803)	(191,469)
Adds funding for grants			707,541	707,541
Adds funding for unemployment insurance system modernization			5,405,800	5,405,800
Adds funding for unemployment insurance registration			1,069,980	1,069,980
Adds funding for Microsoft Office 365 license expenses		4,657	72,962	77,619
Total ongoing funding changes	(25.00)	(\$14,530)	\$10,885,848	\$10,871,318
One-time funding items				
Adds one-time funding for unemployment insurance modernization			\$611,852	\$611,852
Total one-time funding changes	0.00	\$0	\$611,852	\$611,852
Total Changes to Base Level Funding	(25.00)	(\$14,530)	\$11,497,700	\$11,483,170
2019-21 Total Funding	156.61	\$431,263	\$66,396,856	\$66,828,119

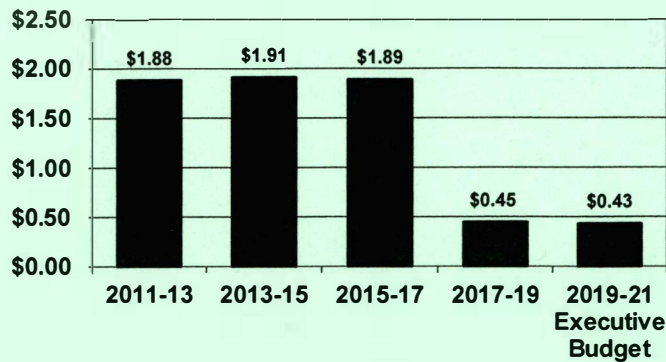
Other Sections for Job Service North Dakota - Budget No. 380

Executive Budget Recommendation	
Reed Act funds	Section 3 would provide \$11,086,966 of funding appropriated in Section 1 from federal Reed Act funds is made available to the state by the federal Reed Act distributions made in federal fiscal years 1957, 1958, 1999, and 2002, pursuant to section 903 of the federal Social Security Act for the purpose of developing a modernized unemployment insurance computer system.
Federal funds	Section 4 would provide all federal funds received by Job Service North Dakota in excess of those funds appropriated in Section 1 are appropriated for the 2019-21 biennium.
New jobs training	Section 5 would provide Job Service North Dakota may not award more than \$2.5 million for new agreements related to the new jobs training program during the 2019-21 biennium.
Line item transfers	Section 6 would authorize Job Service North Dakota to transfer up to 10 percent of the agency's appropriation authority between line items.

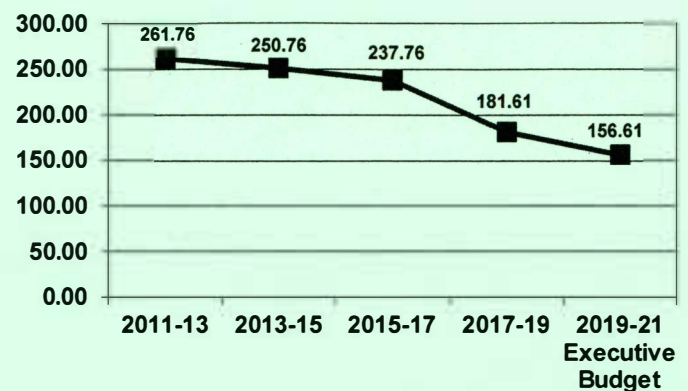
Department 380 - Job Service North Dakota

Historical Appropriations Information**Ongoing General Fund Appropriations Since 2011-13**

Ongoing General Fund Appropriations (in Millions)



FTE Positions



Ongoing General Fund Appropriations					
	2011-13	2013-15	2015-17	2017-19	2019-21 Executive Budget
Ongoing general fund appropriations	\$1,879,892	\$1,910,235	\$1,888,080	\$445,793	\$431,263
Increase (decrease) from previous biennium	N/A	\$30,343	(\$22,155)	(\$1,442,287)	(\$14,530)
Percentage increase (decrease) from previous biennium	N/A	1.6%	(1.2%)	(76.4%)	(3.3%)
Cumulative percentage increase (decrease) from 2011-13 biennium	N/A	1.6%	0.4%	(76.3%)	(77.1%)

Major Increases (Decreases) in Ongoing General Fund Appropriations**2013-15 Biennium**

1. No major changes identified

2015-17 Biennium

1. Added funding for Virtual OneStop application to allow access to Job Service North Dakota job listings \$100,000

2017-19 Biennium

1. Removed funding for the Workforce 20/20 program (\$1,432,316)

2019-21 Biennium (Executive Budget Recommendation)

1. No major changes identified

GOVERNOR'S RECOMMENDATION FOR JOB SERVICE NORTH DAKOTA AS SUBMITTED BY THE OFFICE OF MANAGEMENT AND BUDGET

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to job service North Dakota for the purpose of defraying the expenses of job service North Dakota, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	<u>Base level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$27,155,566	\$458,161	\$27,613,728
Operating expenses	11,501,255	10,440,058	21,941,313
Capital assets	20,000	0	20,000
Grants	5,458,571	707,541	6,166,112
 Reed Act – Unemployment insurance computer modernization	 11,209,557	 (122,591)	 11,086,966
Total all funds	\$55,344,949	\$11,483,169	\$66,828,119
Less estimated income	54,899,156	11,497,699	66,396,856
Total general fund	\$445,793	(\$14,530)	\$431,263
Full-time equivalent positions	181.61	(25.00)	156.61

SECTION 2. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium:

<u>One-Time Funding Description</u>	<u>2017-19</u>	<u>2019-21</u>
Renovation of Bismarck Regional Office	\$100,000	\$0
Total all funds	\$100,000	\$0
Total special funds	0	0
Total general fund	\$100,000	\$0

SECTION 3. APPROPRIATION - REED ACT FUNDS - UNEMPLOYMENT INSURANCE COMPUTER MODERNIZATION. The special fund appropriation of \$11,086,966 in section 1 of this Act is from federal Reed Act funds made available to the state by the federal Reed Act distributions made in federal fiscal years 1957, 1958, 1999, and 2002, pursuant to section 903 of the Social Security Act. This sum, or so much of the sum as may be necessary, is for the purpose of developing a modernized unemployment insurance computer system, for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 4. APPROPRIATION. All federal funds received by job service North Dakota in excess of those funds appropriated in section 1 of this Act are appropriated for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 5. NEW JOBS TRAINING. During the biennium beginning July 1, 2019, and ending June 30, 2021, job service North Dakota may not award more than \$2,500,000 for new agreements related to the new jobs training program under chapter 52-02.1.

SECTION 6. TRANSFER. Notwithstanding section 54-16-04, the agency may transfer between line items within section 1 of this Act up to ten percent of the total appropriation contained in section 1 during the biennium beginning July 1, 2019, and ending June 30, 2021. The agency shall notify the office of management and budget and the legislative council of any transfer made pursuant to this section.

HB 1016
Attachment #1
Page #1
1/8/2019



Job Service North Dakota Testimony HB1016

2019 Appropriations Testimony

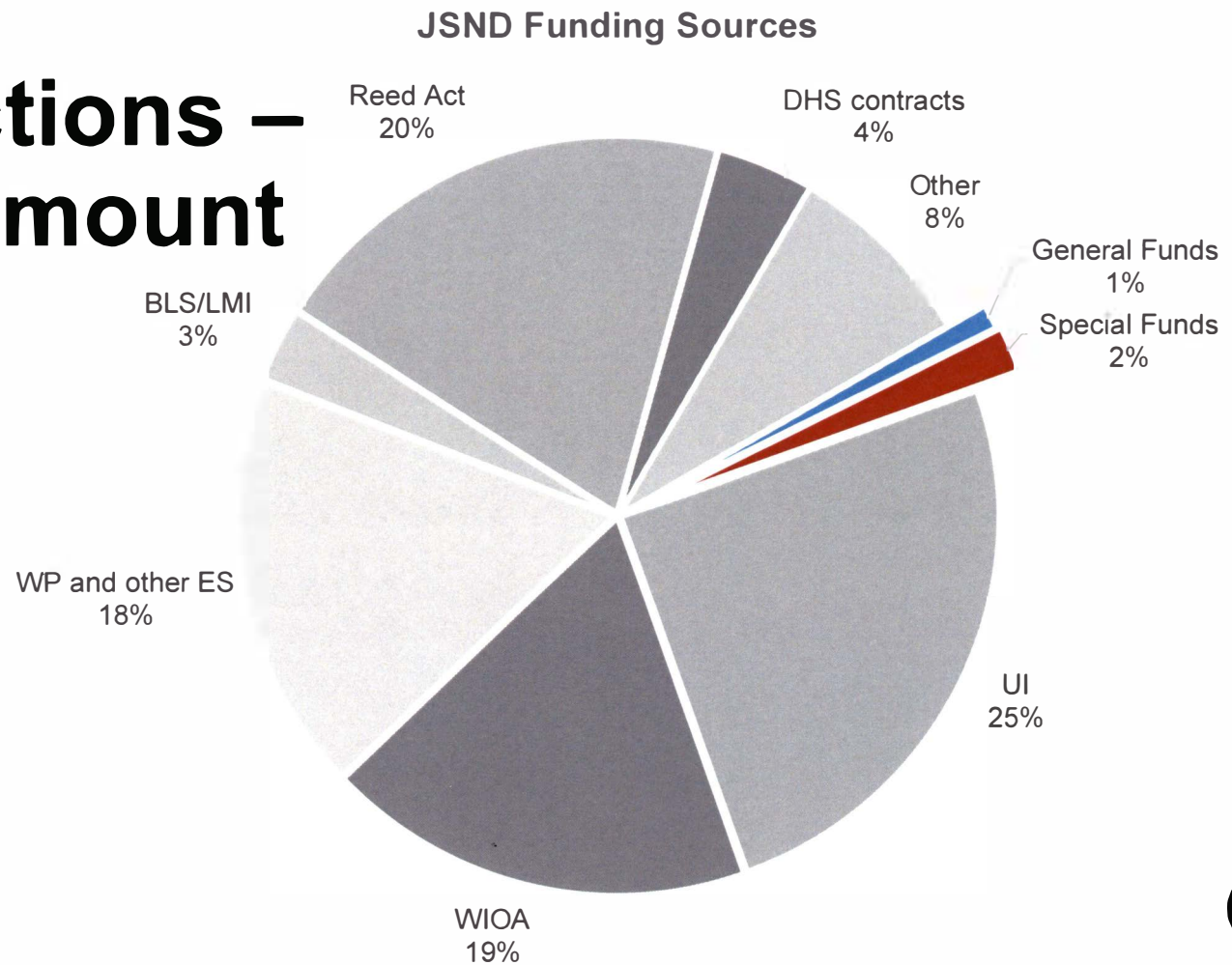
Agency Review

Job Service North Dakota

Core Functions & Federal Funding Sources

Unemployment Insurance	Workforce Programs	Labor Market Information
<ul style="list-style-type: none">• Base• Above-base	<ul style="list-style-type: none">• WIOA• Wagner-Peyser	<ul style="list-style-type: none">• BLS• ETA

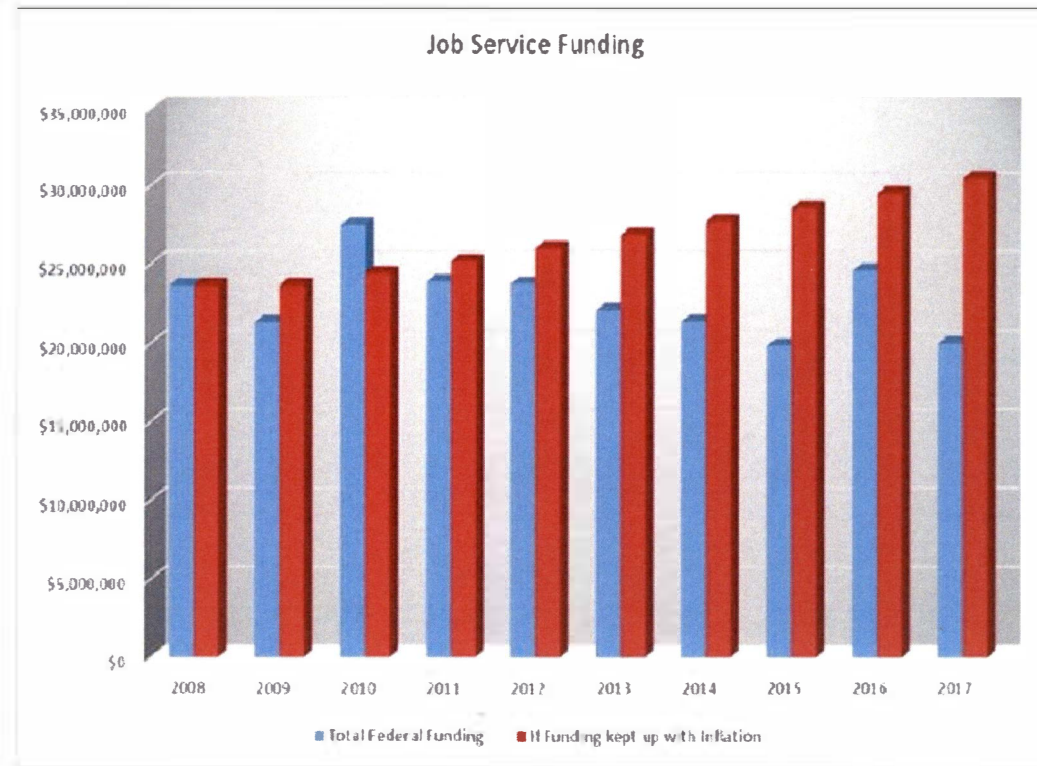
Core Functions – Funding Amount



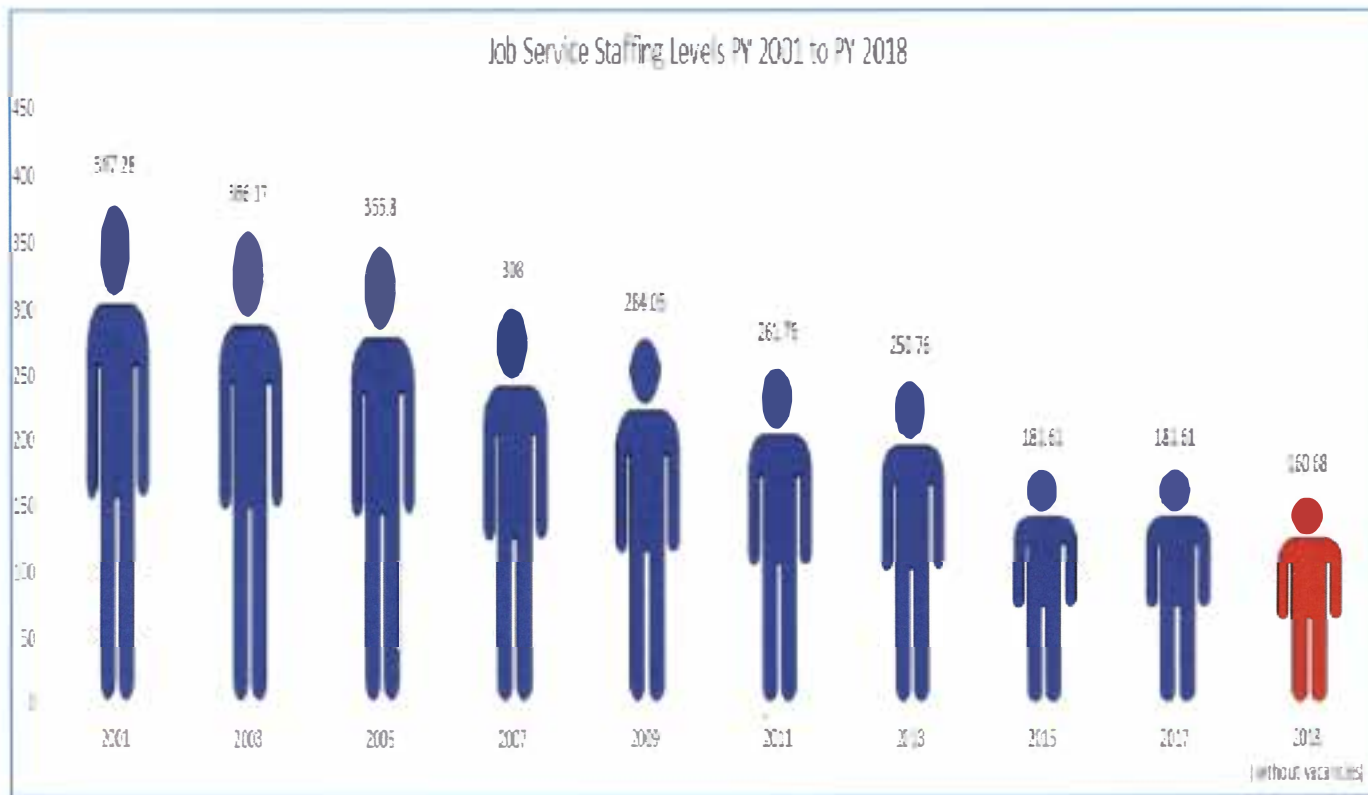
Funding History

*Less
funding*

SAME FUNCTIONS



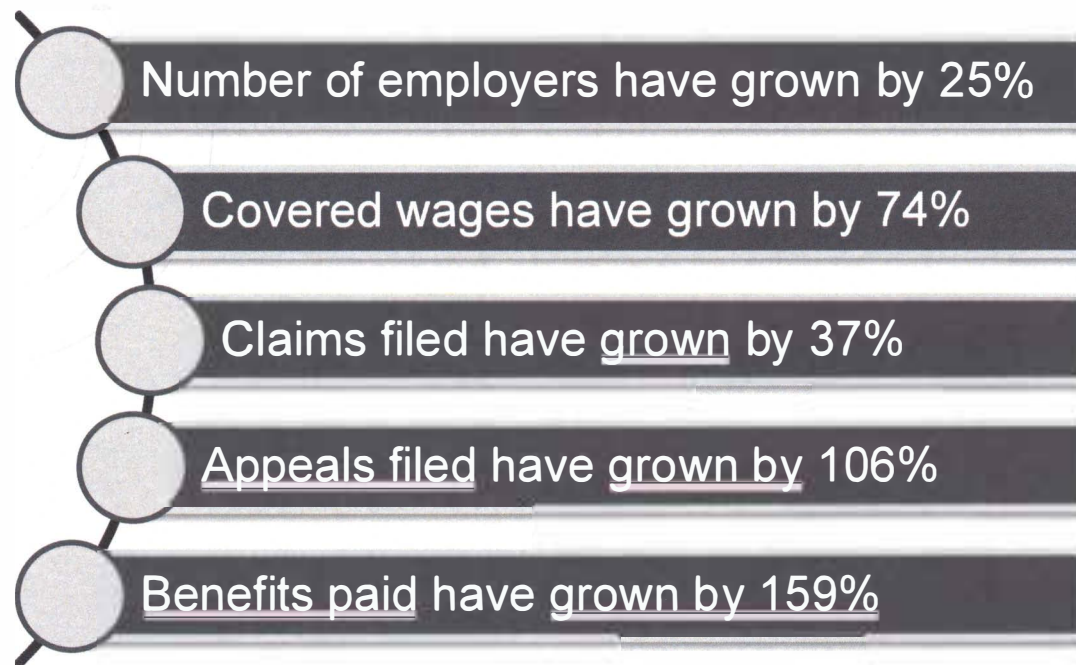
FTE History



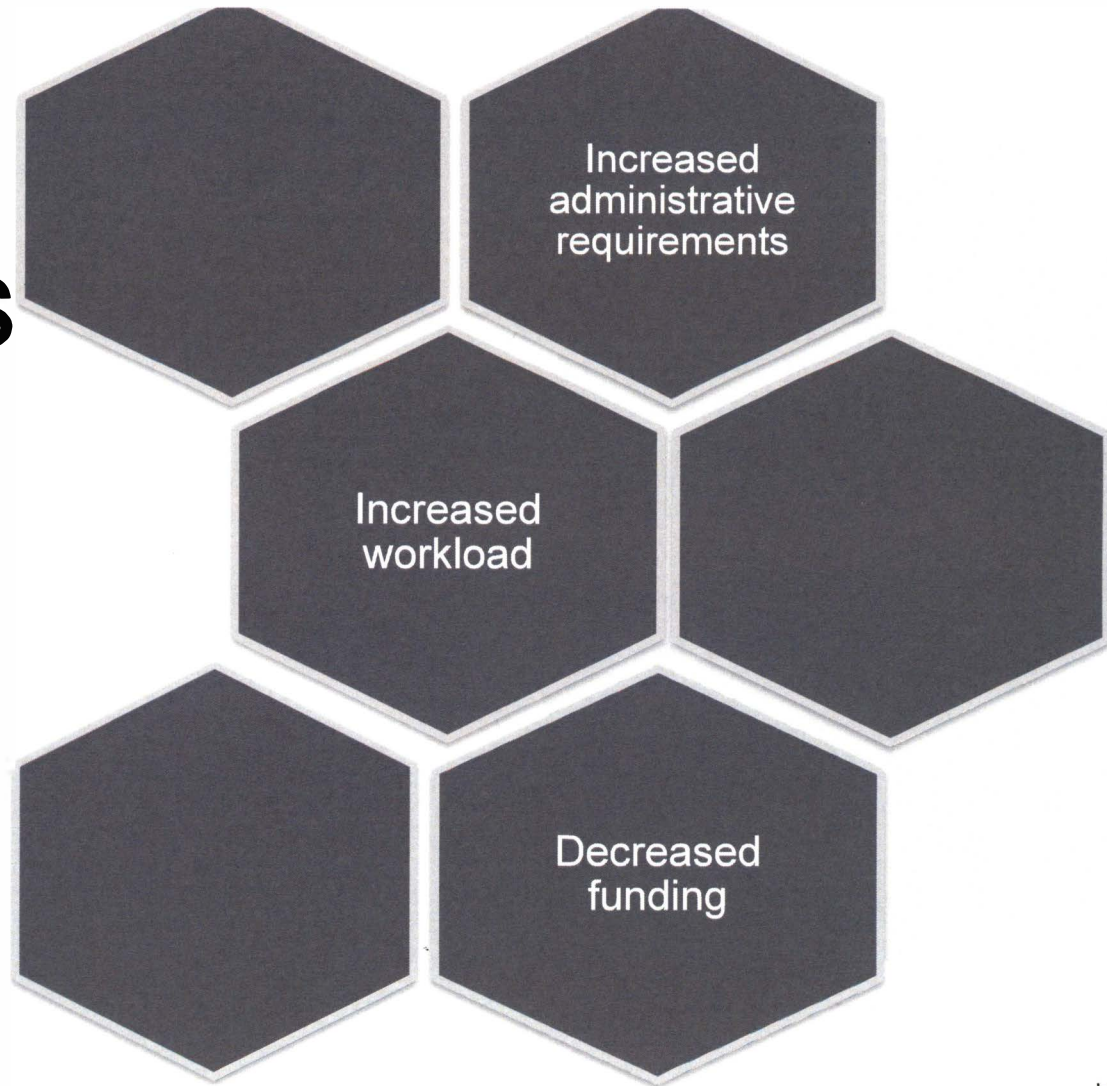
UI TRENDS & ACCOMPLISHMENTS

2017-19

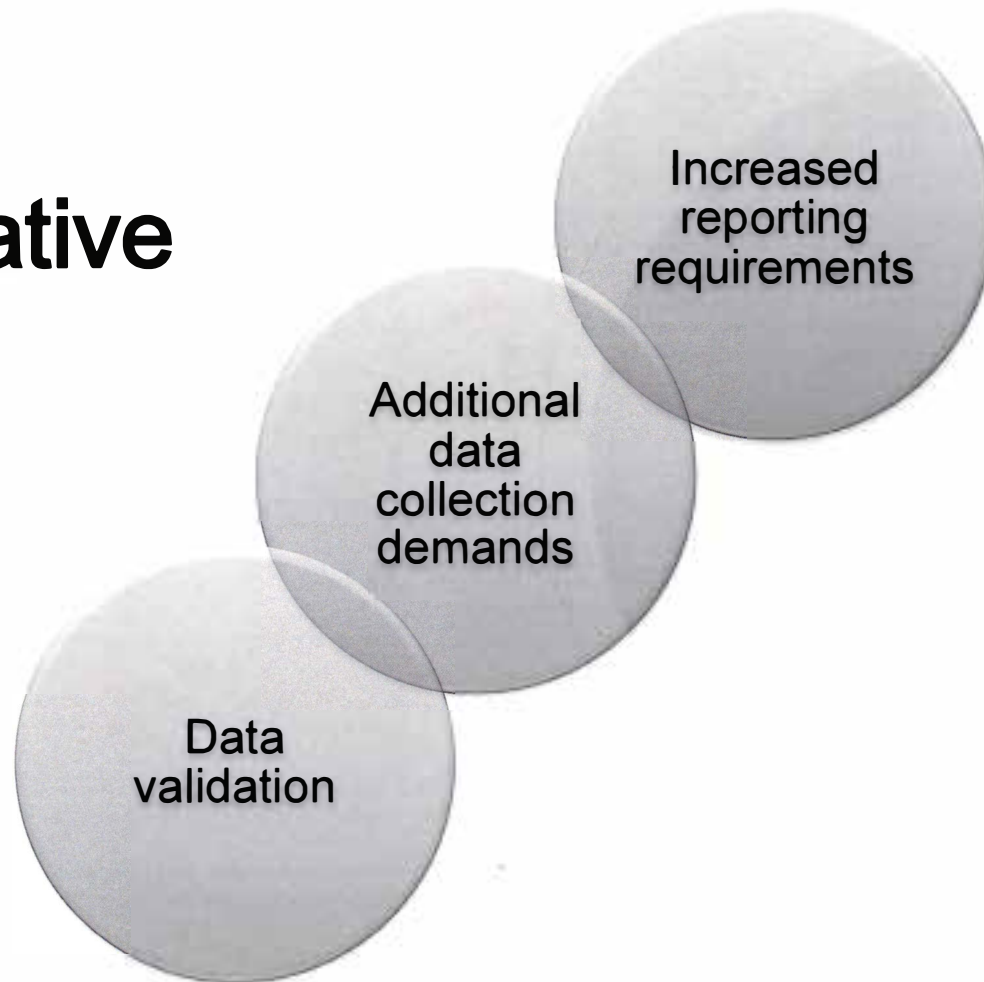
UI - PAST 10 YEARS



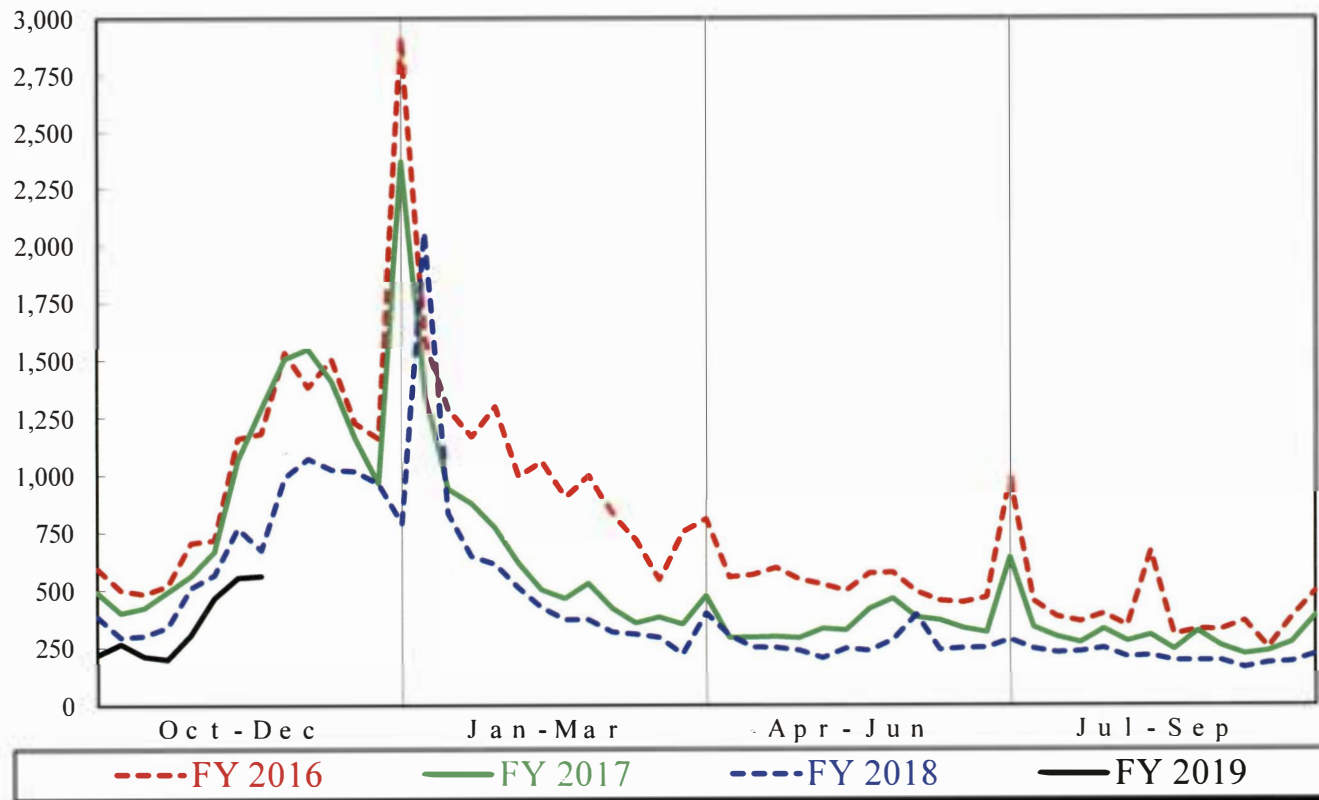
UI TRENDS



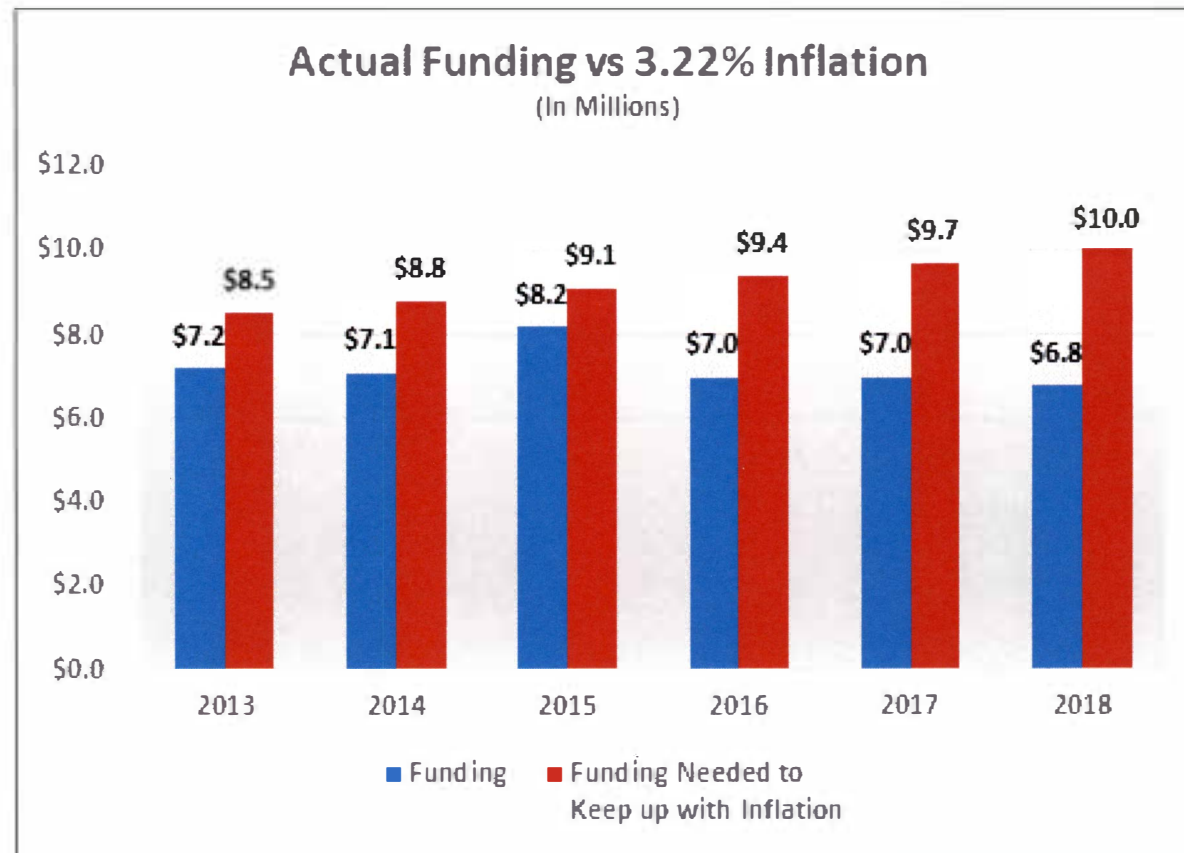
More administrative work



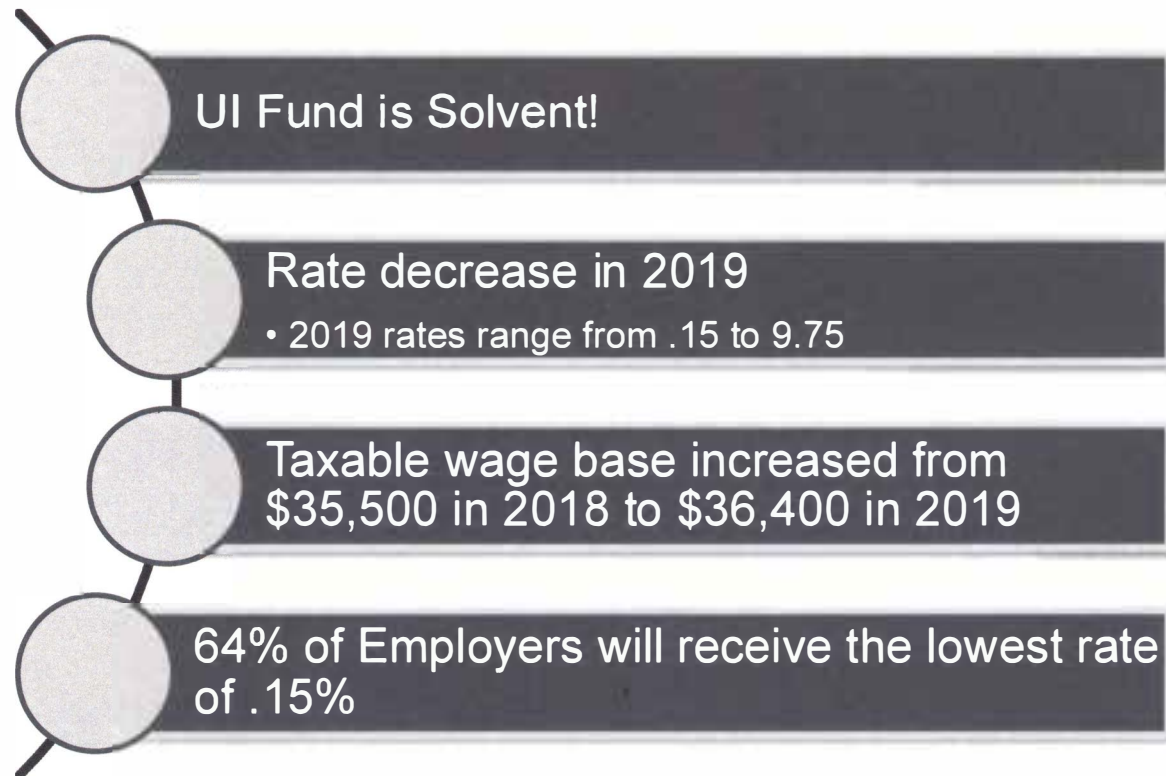
Claims 2016 - 2019



UI Funding Compared to Inflation



UI – Other Notable





WORKFORCE PROGRAMS TRENDS & ACCOMPLISHMENTS

2017-2019

Workforce Development Council Report of Recommendations

Council re-energized in late 2017

32 members from private sector, organized labor,
legislators & local elected officials, and state agencies

Submitted report of recommendations in October
2018

Occupational Licensure

Licensing can cause unnecessary barriers to employment

ND received USDOL grant

Workforce Training PY 2017

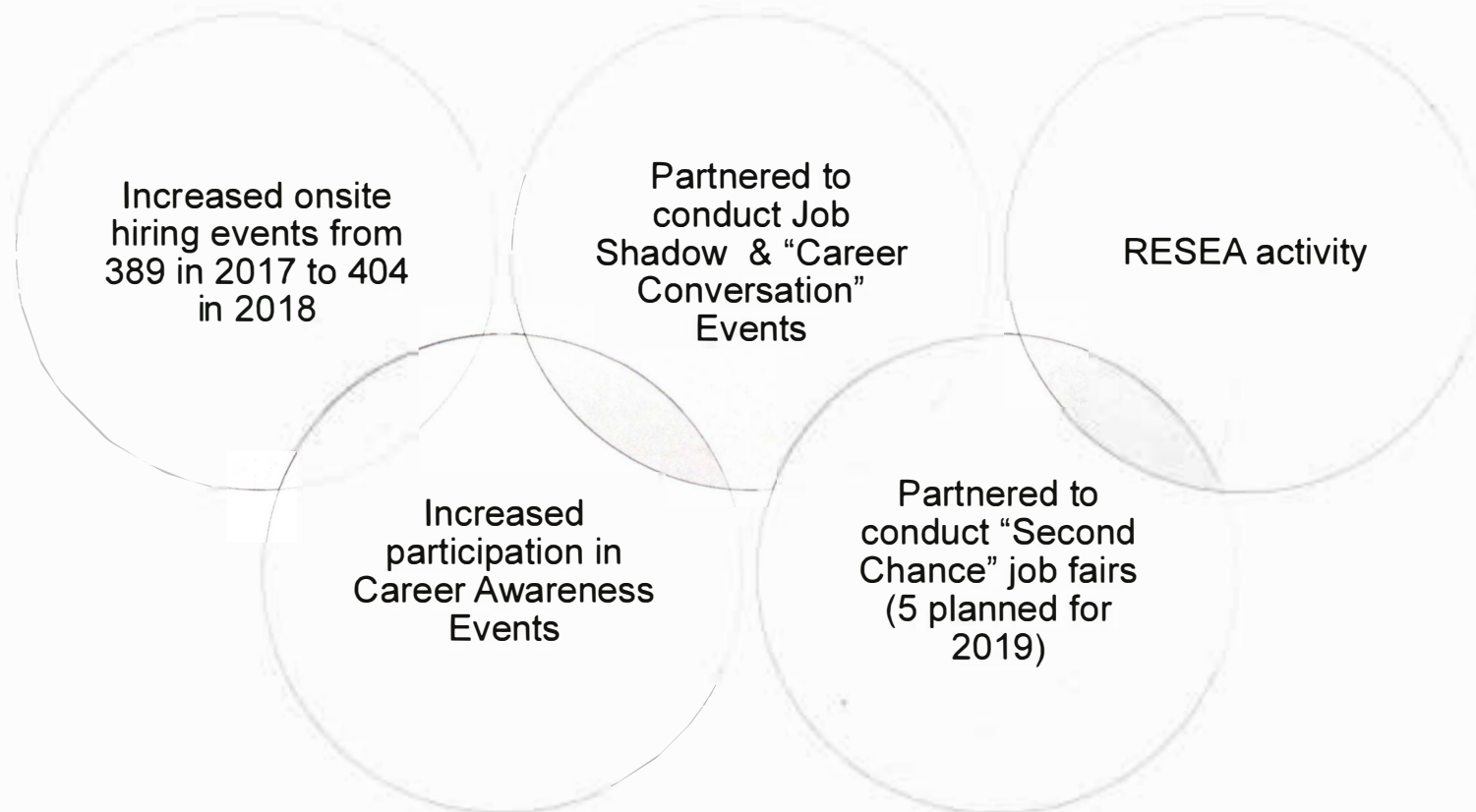
Workforce Innovation & Opportunity Act Training:

Adults
(212)

Dislocated
Worker
(28)

Youth (78)

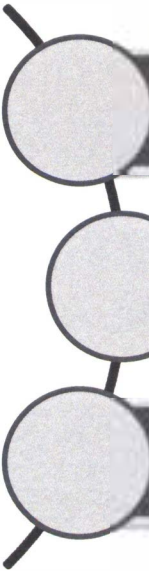
Local Office



MAJOR INITIATIVES

2019-21

Unemployment Insurance System Modernization

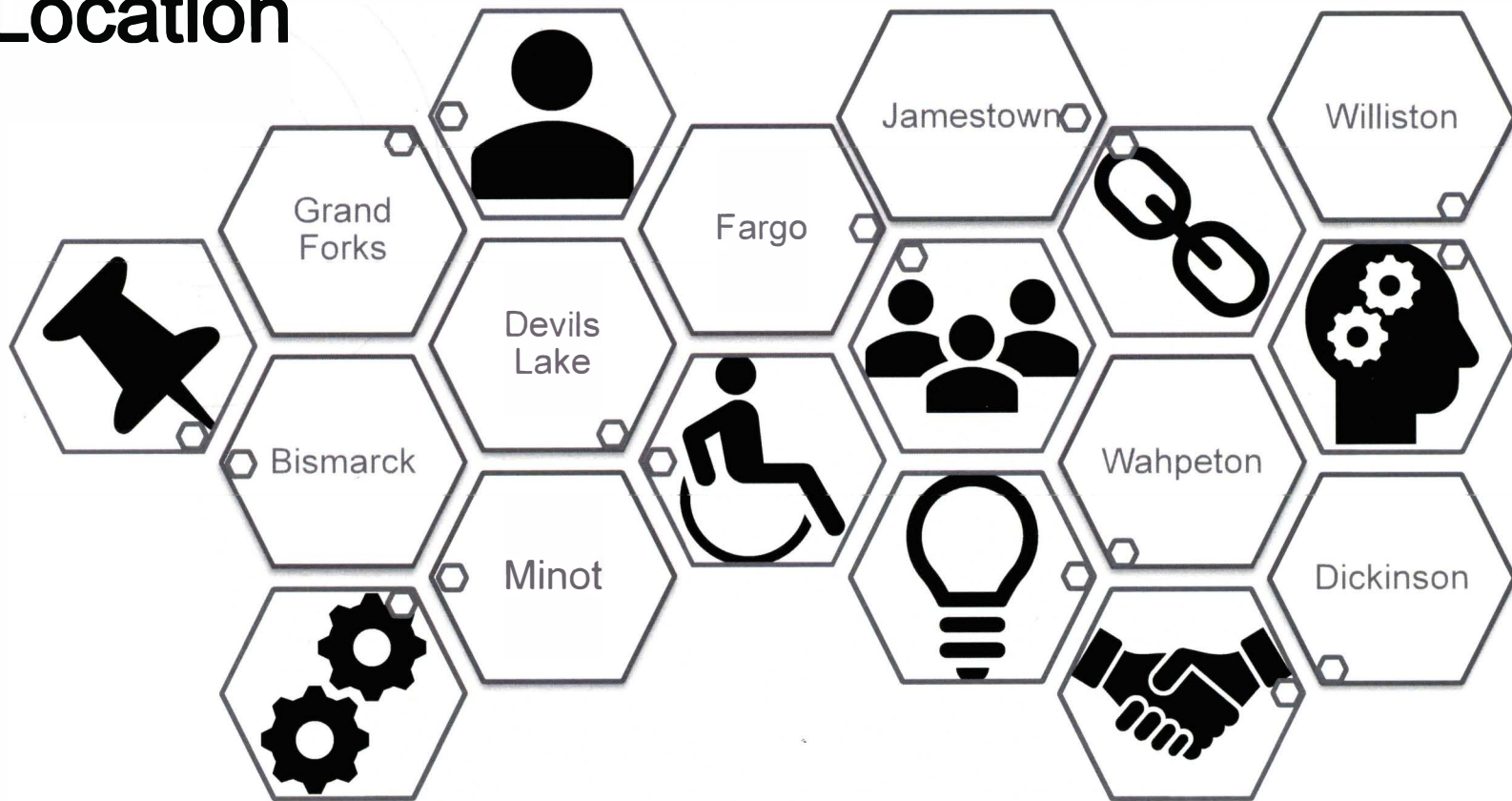


Job Service has joined a Idaho and Vermont in a consortium to modernize our mainframe-based state Unemployment Insurance technology system

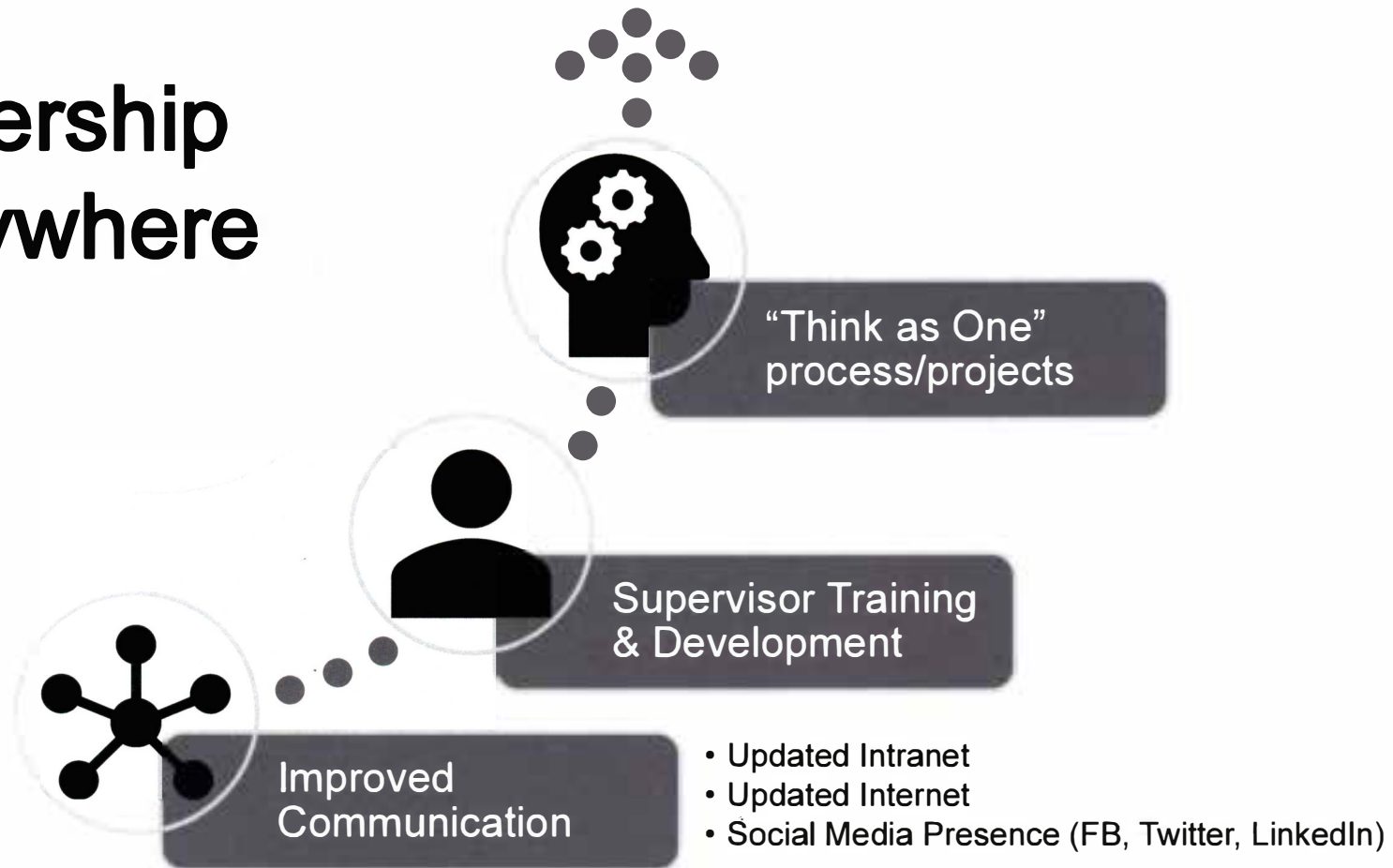
The project is 100% federally funded, and takes advantage of three states pooling federal funding, staff resources, and best practices

The consortium project is built on the foundation of Idaho's integrated and modernized UI benefits and tax system, which was implemented by Idaho in Sept. 2014

Workforce Services Co-Location



Leadership Everywhere



BASE BUDGET

2017-2019

Base Level Funding

Biennium	09-11		11-13		13-15		15-17		17-19	
<i>Wagner Peyser</i>	\$5,302,783	\$5,302,783	\$5,292,177	\$5,282,176	\$5,005,887	\$5,005,890	\$4,992,444	\$5,111,188	\$5,021,310	\$5,001,345
<i>Workforce Investment Act</i>	5,294,922	5,104,054	4,446,938	4,438,612	4,207,404	4,464,523	4,535,464	4,896,212	5,010,316	5,125,806
<i>Unemployment Insurance Base</i>	6,117,771	6,316,983	6,729,310	6,372,004	6,534,481	5,975,768	6,413,040	6,585,016	6,919,384	6,699,120
<i>Unemployment Insurance Above Base</i>	947,363	494,607	319,479	576,560	616,343	1,123,952	1,751,963	390,095	106,649	150,000
<i>Labor Market Information</i>	947,317	928,392	938,958	865,457	873,675	872,971	847,502	863,004	873,198	871,289
<i>Other Federal Programs</i>	8,877,015	5,724,745	5,972,136	4,497,699	4,107,466	2,373,978	6,106,596	2,683,638	3,537,833	1,690,149
Total Federal Funding	27,487,171	23,871,564	23,698,998	22,032,508	21,345,256	19,817,082	24,647,009	20,529,153	21,468,690	19,537,709
	\$51,358,735		\$45,731,506		\$41,162,338		\$45,176,162		\$41,006,399	

2017- 19 At- a - Glance

As of November 30, 2018

		Appropriation	Projected Expenditures	Remaining Appropriation
Sources:				
General Fund	0.98%	\$ 545,793	\$ 445,793	\$ 100,000
Federal Funds	97.14%	54,046,918	40,832,352	13,214,566
Special Funds	1.88%	<u>1,047,238</u>	<u>696,697</u>	<u>350,541</u>
Total Funds		\$55,639,949	\$41,974,842	\$13,665,107
Expenditures:				
Salaries/Wages		\$27,155,566	\$27,155,566	\$ 0
Operating Exp.		11,696,255	10,349,126	1,347,129
Capital Assets		120,000	20,000	100,000
Grants/Benefits/Claims		5,458,571	4,148,762	1,309,809
Reed Act*		<u>11,209,557</u>	<u>301,388</u>	<u>10,908,169</u>
Total		\$55,639,949	\$41,974,842	\$13,665,107

*One-time funding.

Reed Act

Appropriation	\$11,209,557
Projected Expenditure	<u>(301,388)</u>
Variance	\$ 10,908,169

Reed Act funds were awarded by USDOL for an unemployment insurance technology modernization project.

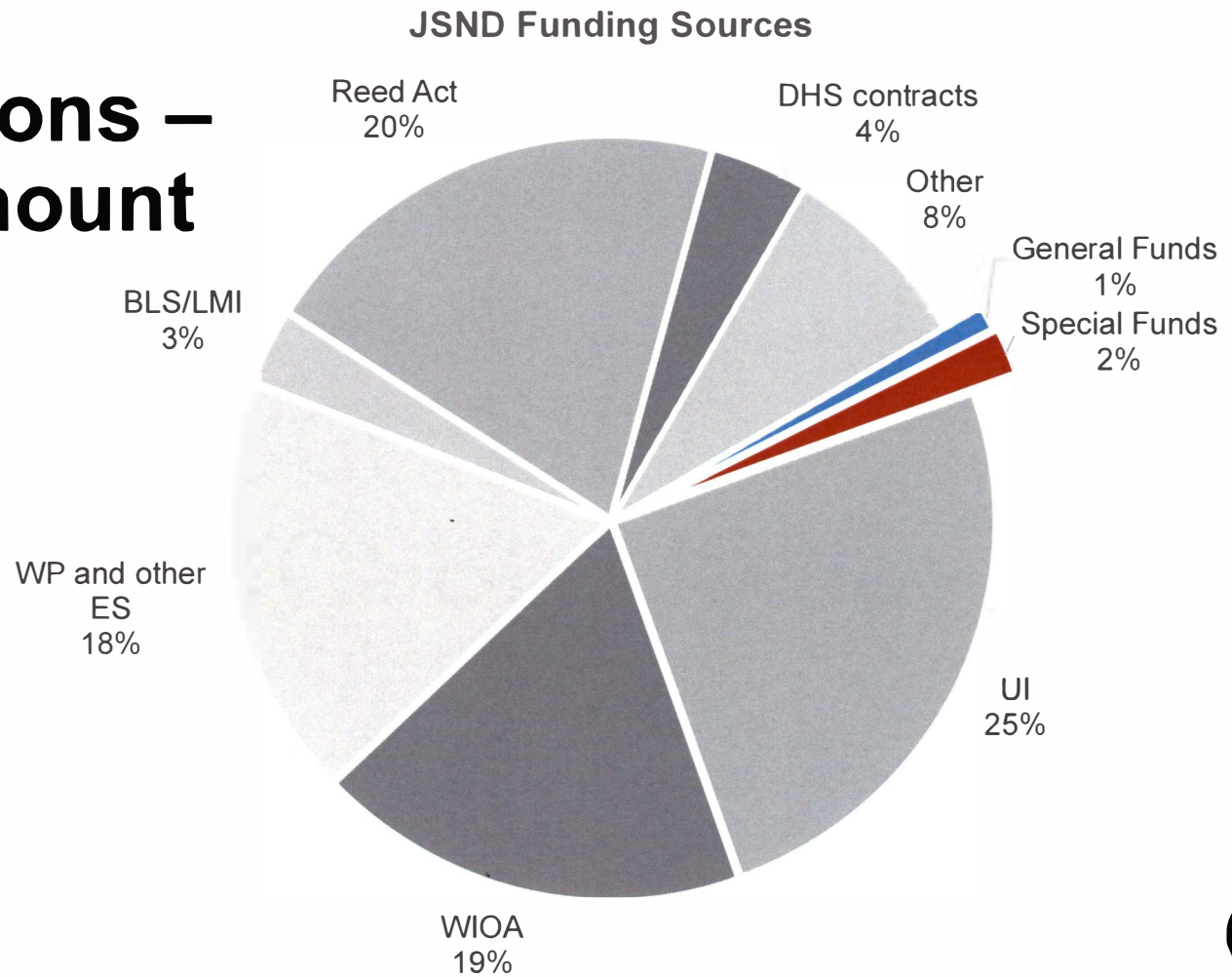
Joined Idaho and Vermont in a consortium to modernize our mainframe-based system.

We are requesting that these funds be appropriated in the 2019-21 biennium.

APPROPRIATIONS REQUEST

2019-2021

Core Functions – Funding Amount



Special Funds: New Jobs Training

WHAT IS IT?

- State income tax withholdings are captured to repay loans, grants, or self-financing

FOR WHO?

- Helps new or expanding primary-sector businesses secure funding for worker education and training
- Employers may qualify if they create new, high-wage jobs by relocating to or expanding current operations in North Dakota

SEE HANDOUT

General Funds: Job Spidering

Job spidering is an online tool that searches the Internet for job postings and automatically posts them to jobsnd.com.

75% of jobs posted on jobsnd.com are “spidered”

8.1M total views on jobsnd.com

Free of charge to employers and jobseekers

Critical to knowing # jobs open in ND

General Funds: Mobile Device - Friendly Services



**Get Applicants with
JobServiceND Mobile**



Instant
Jobs posted on jobsnd.com sync with
JobServiceND mobile

Convenient
Job seekers can search for jobs based
on their preferences

Accessible
The app is easy to use and can be
accessed almost anywhere

Software Developed by Geographic Solutions, INC., Palm Harbor, Florida, (727) 786-7955
Job Service North Dakota is an equal opportunity employer/program provider
Auxiliary aids and services are available upon request to individuals with disabilities

Proposed Reductions

5% FTE- 9 VACANT POSITIONS

- 5% GENERAL FUND (\$22K)
- 5% SPECIAL FUND (\$52K)



Requested Information

A listing of agency proposed budget reductions to meet Governor's 5% budget reduction guideline

- Replaced \$22,290 General Budget cut with Federal Wagner-Peyser funds

Governor's Recommendation

- Elimination of IT Staff for Unification decreases Salaries & Benefits by \$3,005,689, but increases IT Data Processing costs by \$4,100,420—an increase of \$1,094,731 to be funded by Unemployment
- Increase of \$77,619 in IT Data Processing costs for purchase of Office 365 to be funded \$72,962 by Unemployment and \$4,657 by the General fund
- Increased Compensation Package of \$1,700,661 to be funded by \$1,693,379 in Federal funds, \$3,103 General Fund, and \$4,179 by Special funds

2019-21 Appropriation

	2019-21 Base Level <u>(HB1016)</u>	Change Packages & Governor's Recommendations <u>(HB1016)</u>	2019-21 Appropriation <u>(HB1016)</u>
Salaries/Wages	\$27,155,566	\$458,162	\$27,613,728
Operating Expenses	11,501,255	10,440,058	21,941,313
Capital Assets	20,000	0	20,000
Grants	5,458,571	707,541	6,166,112
Reed Act	<u>11,209,557</u>	<u>(122,591)</u>	<u>11,086,966</u>
Total	\$55,344,949	\$11,483,170	\$66,828,119
Less Est. Income	<u>54,899,156</u>	<u>11,497,700</u>	<u>66,396,856</u>
Total Gen. Fund	\$445,793	\$(14,530)	\$431,263
FTEs	181.61	(25.00)	156.61

Other Requested Information

No significant financial audit findings

No one-time funding requests for 2019-21 biennium

No known changes to federal funding levels, but trend is decreasing, and difficult to predict based tie to national trend

Unsustainable to replace general fund cuts with federal funding

Thank You !



Testimony of Mason Sisk
Economic Development Association of North Dakota
In Support of HB 1016
January 8, 2019

Chairman Monson and members of the House Appropriations Committee Education and Environment Division:

EDND represents large and small and rural and urban economic development organizations on the front line of growing businesses and communities in North Dakota. The primary purpose of the organization is to promote the creation of new wealth throughout North Dakota to develop more vibrant communities and improve quality of life. It is for these reasons our organization and its members want to express support for HB 1016, the Job Service North Dakota appropriation bill.

EDND recognizes the importance of connecting businesses and education through expanded career counseling, career and technical education, and post-secondary education and training programs that support the state's most critical occupational needs. Job Service North Dakota serves as the conduit between job seekers and employers, and EDND urges the funding for Workforce 20/20 and New Jobs Training.

Job Service provides many essential services for economic developers, including regional and company-specific job fairs, and is also a great resource for wage-related information for economic developers and businesses. We see the agency as the state's premier job source organization. Workforce 20/20 is currently unappropriated but remains in statute and EDND encourages its funding. The program helps North Dakota's employers keep up with technical advances, global competition and new work methods and is a valuable tool in retaining employees. Statistics show 95 percent of Workforce 20/20 trainees stay in North Dakota. New Jobs Training provides worker education and training specifically required for jobs in new and expanding primary-sector businesses and encourages employers to create new high-wage jobs in our state. Both of these programs provide a strong incentive in attracting new employers and employees to North Dakota.

Workforce availability is one of the most significant challenges facing North Dakota businesses, impacting the growth potential of the state's economy. EDND supports the development of workforce attraction, development and training strategies that address the needs of the state's companies. The investments included in this bill will continue to help grow and diversify our state's economy.

Thank you for this opportunity to address your committee and express our support for HB 1016.

If we focus on the headline statistic of the unemployment rate, it would appear that North Dakota continues to have one of the healthiest labor markets in the United States. According to the Bureau of Labor Statistics, the unemployment rate in North Dakota was 2.7% in September of 2018—a full percentage point lower than the national average. [i] The headline statistic does not tell the whole story, however. According to a recently completed statewide workforce survey, 28 percent of job openings go unfilled for longer than three months.[ii] In addition, almost half of all hiring managers see an inability to hire and retain workers as a barrier to business growth. [iii] What is keeping workers from entering North Dakota? The labor market institution of occupational licensing could be a contributing factor.

Occupational licensing laws require aspiring workers to complete minimum levels of training or education, pass exams, pay fees, and meet other requirements before they are permitted to work by law. The professions affected by occupational licensing range from doctors and dentists to massage therapists and barbers. Occupational licensing today is the most important labor market institution in the United States. It has gone from affecting 5% of the workforce in the 1950s to more than 20% today.[iv] In North Dakota in 2015, occupational licensing was estimated to directly affect 26.6% of the workforce—almost 5 percentage points higher than the national average.[v] By creating barriers to prospective job seekers, could occupational licensing be imposing a barrier for job seekers?

In the pages that follow, we compare the occupational licensing requirements for eight high-growth occupations in North Dakota. Our comparison group consists of: Colorado, Iowa, Idaho, Kansas, Minnesota, Montana, North Dakota, Nebraska, Nevada, Oklahoma, Oregon, South Dakota, Utah, Washington, Wisconsin, and Wyoming. The comparison states either border or are in close proximity to North Dakota or are members of the Western Governors Association. We excluded Arizona, California, and Texas since they contain large cities and urban populations. We excluded New Mexico as a result of large population of state and federal government workers in the state. Hawaii and Alaska were also excluded due to their differences with and distance from North Dakota.

Using four entry requirements of occupational licensing, we established a classification scheme for the burden occupational licensing places upon workers in North Dakota. The entry requirements used for the ranking were:

- 1) The number of required exams
- 2) Continuing education fees
- 3) Initial licensing fees
- 4) Renewal Fees

We compared North Dakota to the average of the sixteen comparison states. Our classification system is as follows:

- **"Red"** Above Average Burden": 3 or more of the 4 categories of occupational licensing requirements are higher in North Dakota than the average for the comparison group. North Dakota should strongly consider scaling back or removing licensing requirements to facilitate entry into the profession.
- **"Yellow"** Average Burden": 1 or 2 of the categories of occupational licensing requirements are higher in North Dakota than the average for the comparison group. North Dakota may consider scaling back or removing licensing requirements to facilitate entry into the profession.
- **"Green"** Below Average Burden": All categories of occupational licensing requirements are similar in North Dakota than the average for the comparison group. Occupational licensing requirements are likely not creating barriers to entry into the profession that are more burdensome than comparison states.

Summary of Findings

Our findings suggest that:

- 1) Licensing requirements for limited x-ray machine operators and occupational therapist assistants in North Dakota present an above average burden relative to comparison states.
- 2) Licensing requirements for licensed addiction counselors, licensed practical nurses (LPNs), physical therapists assistants, and preschool teachers are presenting barriers similar to comparison states.
- 3) Licensing requirements for certified nursing aides (CNAs) and paraprofessionals are less burdensome than comparison states.
- 4) North Dakota occupational licensing laws present more burdens to individuals with criminal records than bordering state Minnesota.
- 5.) North Dakota occupational licensing laws present more barriers to veterans than in five other states (Colorado, Idaho, Kansas, Minnesota, and Utah) within the comparison group.

Total Number of Licensing Boards, Commissions, and Agencies

61



1. Abstracters' Board of Examiners
2. Addiction Counseling Examiners Board
3. Attorney General's Office - North Dakota State Government
4. Board of Physical Therapy
5. Board of Barber Examiners
6. Board of Counselor Examiners
7. Board of Hearing Aid Specialists
8. Board of Massage
9. Board of Occupational Therapy Practice
10. Board of Podiatric Medicine
11. Commission of Combative Sports
12. Dietetic Practice Board
13. Education Standards And Practices Board
14. Game And Fish Advisory Board
15. Health Council
16. Milk Marketing Board
17. NDSU Agriculture and Extension
18. North Dakota Real Estate Appraise Qualifications And Ethics Board
19. North Dakota Aeronautics Commission
20. North Dakota Atmospheric Resource Board
21. North Dakota Board of Athletic Trainers
22. North Dakota Board of Clinical Laboratory Practice
23. North Dakota Board of Reflexology
24. North Dakota Board of Social Work Examiners
25. North Dakota Department of Health
26. North Dakota Department of Human Services
27. North Dakota Environmental Health Advisory Board /Association
28. North Dakota Geologic Survey - North Dakota Industrial Commission
29. North Dakota Marriage and Family Therapy Licensure Board
30. North Dakota Medical Imaging and Radiation Therapy Board of Examiners
31. North Dakota Real Estate Commission
32. North Dakota Secretary of State
33. North Dakota State Board of Law Examiners
34. North Dakota State Board of Optometry
35. Peace Officer Standards and Training Board
36. Private Investigative And Security Board
37. Racing Commission, North Dakota
38. State Banking Board
39. State Board of Accountancy
40. State Board of Animal Health
41. State Board of Architecture and Landscape Architecture
42. State Board of Chiropractic Examiners
43. State Board of Cosmetology
44. State Board of Dental Examiners
45. State Board of Examiners For Nursing Home Administrator
46. State Board of Examiners on Audiology And Speech-Language Pathology
47. State Board of Funeral Service
48. State Board of Integrative Health Care
49. State Board of Medicine
50. State Board of Nursing
51. State Board of Pharmacy
52. State Board of Plumbing
53. State Board of Psychologist Examiners
54. State Board of Registration for Professional Engineers and Land Surveyors
55. State Board of Registration for Professional Soil Classifiers
56. State Board of Board Respiratory Care
57. State Board of Board Veterinary Medical Examiners
58. State Board of Water Well Contractors
59. State Credit Union Board
60. State Electrical Board
61. The North Dakota Department of Agriculture's Livestock Development Division

Comparison Data Section for the Eight Focus Target Occupations Selected by North Dakota

This comparison analysis includes **16** of the 50 U.S states The comparison states either border or are in close proximity to North Dakota or are members of the Western Governors Association.

Certified Nurse Aide, CNA (Nursing Assistant)

Licensure Requirements

\$ \$25.00 Initial Fee



Postsecondary Non-Degree Training



2 Examinations



No Renewal Fee



Continuing Education is not a requirement for license renewal

**Low Burden
to Entry**

Initial Licensing Fee: \$25.00 Initial Fee
Initial fee due with the application \$25.00

Degree Requirement: Postsecondary Non-Degree Training

Applicants must complete a department-approved certified nurse aide training program consisting of a minimum of seventy-five hours and a department-approved competency evaluation or a department-approved competency evaluation.

Examination Requirement: 2 Exams

Applicants must submit verification of passing scores on both the written and skills CNA tests.

Licensure Renewal Fee: No Renewal Fee.

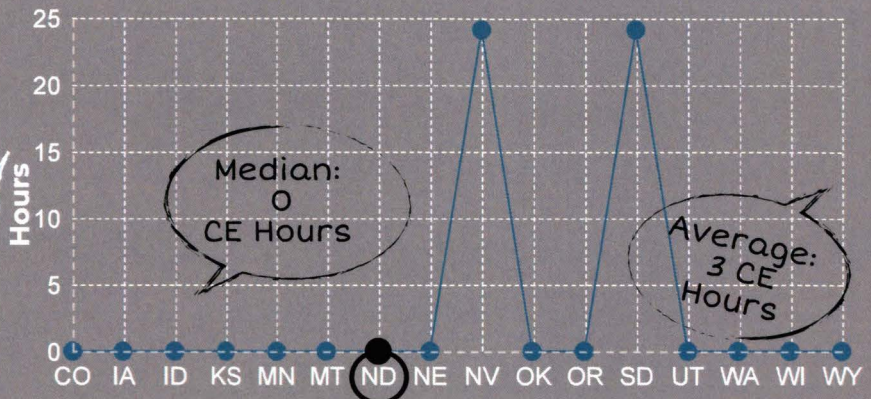
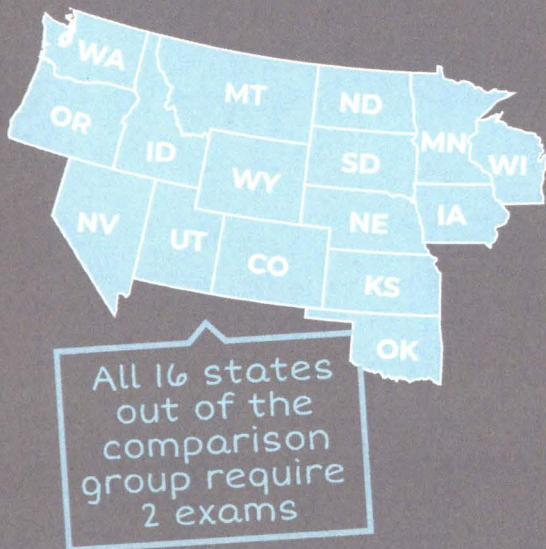
There is NO FEE required for Certified Nurse Aide (CNA) renewal. Your expiration date will change with each renewal. Expiration dates are based on the last date worked, as verified by your employer, at the time of renewal. In order to renew your certification, you must have worked a total of 8 hours in North Dakota performing nursing or nursing related services within a continuous 24 month period, for pay, under the supervision of a licensed nurse. The time can be broken down into two 4 hour blocks, or four 2 hour blocks and so on.

Continuing Education: Individuals who have not performed at least eight (8) hours of nursing or nursing related services for pay within their current registration period (previous 24 consecutive months) are NOT eligible for renewal and must complete a new competency evaluation process to obtain current registration as a CNA.

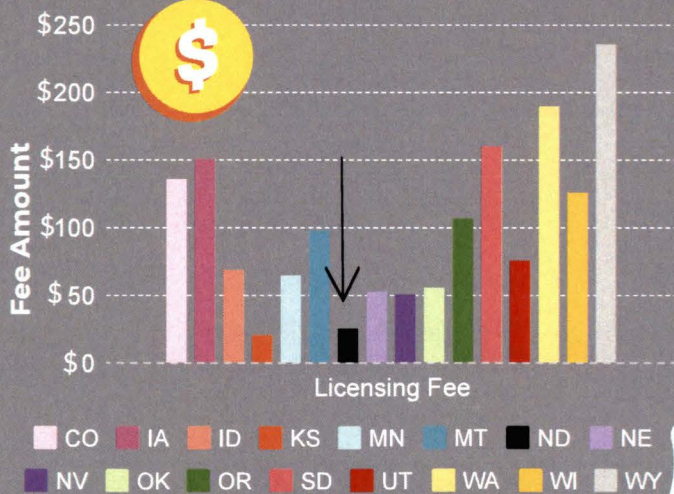
Licensure by Endorsement: Applicant must submit verification from the licensing authority in another state/jurisdiction that you are licensed in good standing.

Certified Nurse Aide (Nursing Assistant) Peer Group Comparison

Continuing Education Requirement on a Biennial Scale



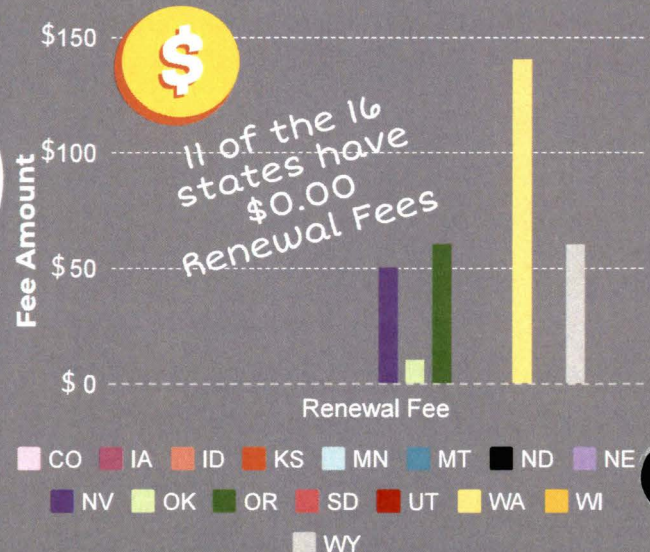
Initial Fees



North Dakota Fee: \$25.00
Fee Average: \$100.34
Fee Median: \$86.00

North Dakota Fee: \$0.00
Fee Average: \$20.00
Fee Median: \$0.00

Renewal Fees on a Biennial Scale



Licensed Addiction Counselor, LAC

Licensure Requirements



\$100.00 - \$300.00 Initial Fee



Master's Degree



1 Examination



\$300.00 Biennial Renewal Fee



40 Hours of Continuing Education

**Average Burden
to Entry**

Initial Licensing Fee: \$100.00 - \$300.00 Initial Fee

License fee is based on date application was received by board office.

On or after January 1 (even year) and before July 1 (even year): \$300

On or after July 1 (even year) and before January 1 (odd year): \$250

On or after January 1 (odd year) and before July 1 (odd year): \$150

On or after July 1 (odd year) and before January 1 (even year): \$100

Degree Requirement: Master's Degree

Applicants must have a minimum of a Master's Degree in a behavioral science field from an accredited post secondary institution.

Examination Requirement: 1 Exam

Applicant must take and pass the master addiction counselor examination administered by the national association for alcoholism and drug abuse counselors.

Licensure Renewal Fee: \$300.00 Biennial Renewal Fee

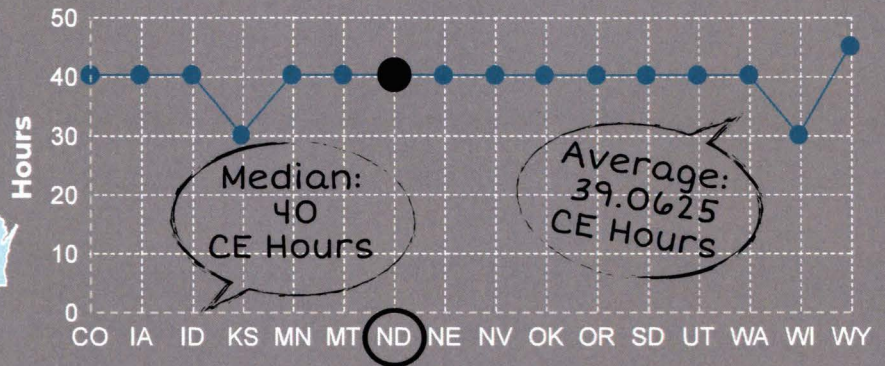
Continuing Education: 40 hours every 2 years

To maintain licensure, licensed addiction counselors, licensed clinical addiction counselors, and licensed master addiction counselors are required to complete forty hours of continuing education for the two-year licensing period, at least six hours of which must be on the topic of professional ethics.

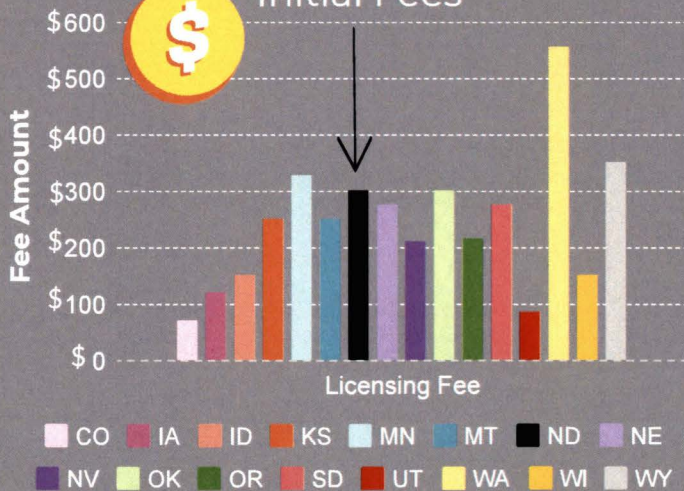
Licensure by Reciprocity: The board may grant reciprocity, on such terms and conditions as it may determine necessary, to an applicant for licensure who is in good standing as a licensed, approved, or certified addiction counselor, licensed clinical addiction counselor, or licensed master addiction counselor under the laws of another jurisdiction that imposes at least substantially the same requirements that are imposed under this chapter. For the purposes of reciprocity as set forth in subsection 2 of North Dakota Century Code section 43-45-05.1:

Licensed Addiction Counselor Peer Group Comparison

Continuing Education Requirement on a Biennial Scale



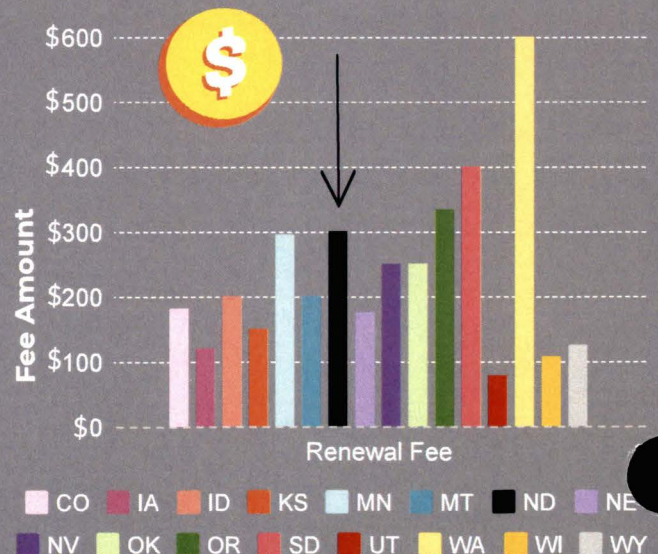
Initial Fees



North Dakota Fee: \$300.00
Fee Average: \$242.63
Fee Median: \$250.00

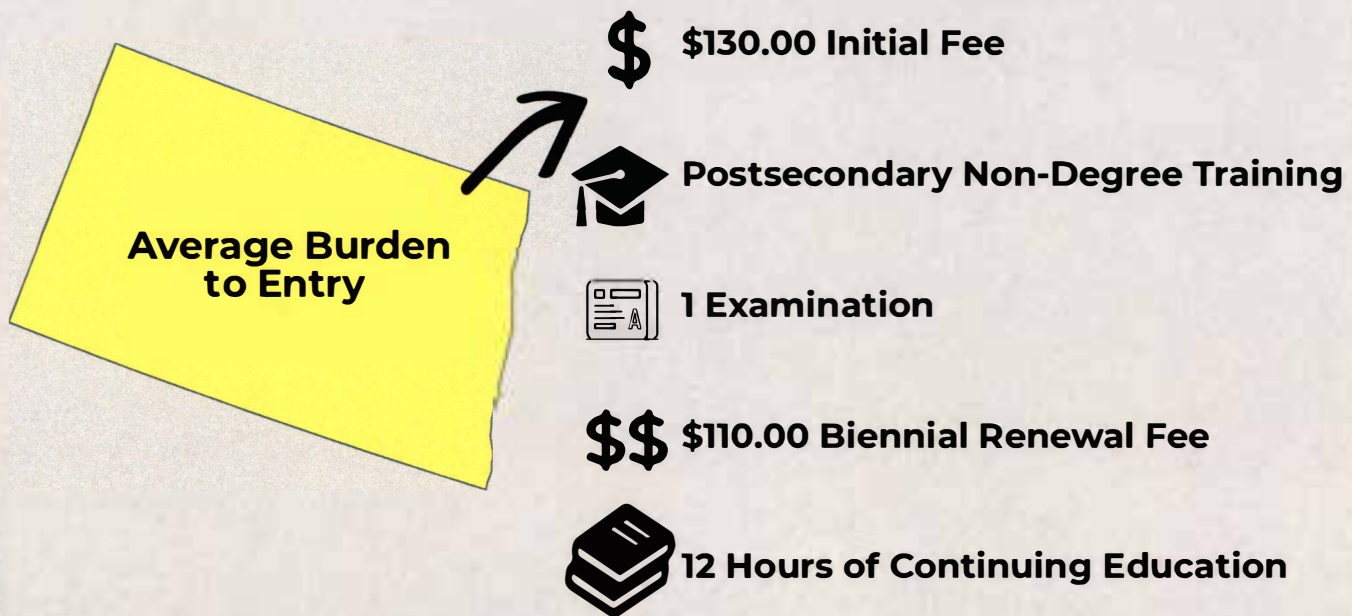
North Dakota Fee: \$300.00
Fee Average: \$235.31
Fee Median: \$200.00

Renewal Fees on a Biennial Scale



Licensed Practical Nurse, LPN

Licensure Requirements



Initial Licensing Fee: \$130.00 Initial Fee

Initial license fee \$130.00

Degree Requirement: Postsecondary Non-Degree Training

All applicants must complete of a board-approved in-state nursing education program that prepares the graduate for the level of licensure sought; or submit an official transcript that verifies completion of an out-of-state nursing education program that is approved by the state board of nursing of the jurisdiction in which the program is headquartered and that prepares the graduate for the level of licensure sought.

Examination Requirement: 1 Exam

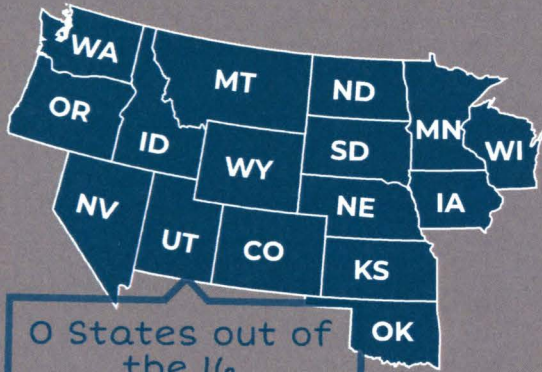
1. The National Council Licensure Examination for Practical Nurses (NCLEX-PN)

Licensure Renewal Fee: \$110.00 Biennial Renewal Fee

Continuing Education: 12 contact hours: The Board determined that continuing education for purposes of relicensure must meet or exceed twelve (12) contact hours within the preceding two (2) years.

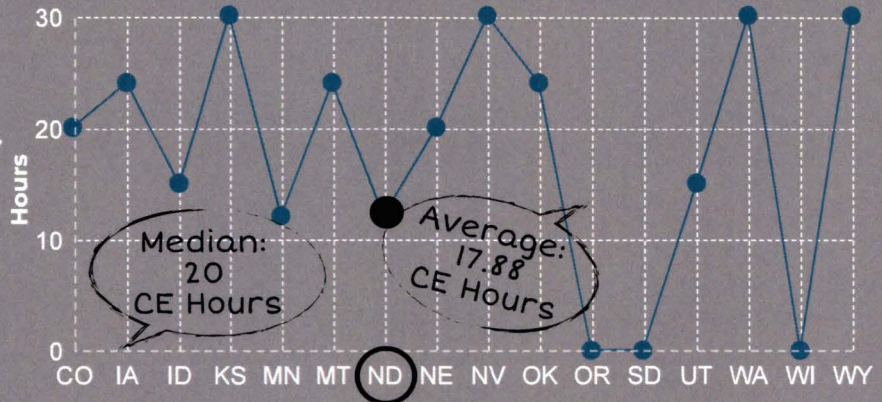
Licensure by Endorsement: An applicant can apply for licensure through endorsement by submitting an application and appropriate proof of licensure in another United States state or territory.

Licensed Practical Nurse Peer Group Comparison

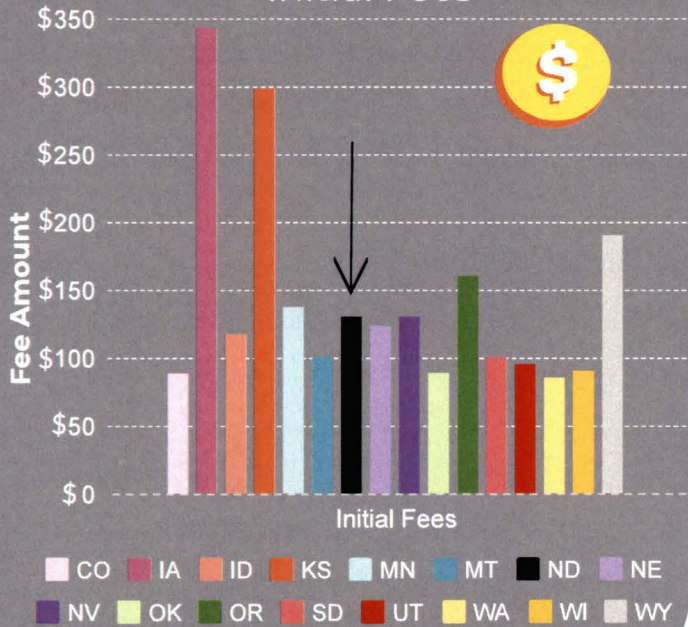


0 States out of the 16 comparison states require 2 exams, all require 1 exam

Continuing Education Requirement on a Biennial Scale



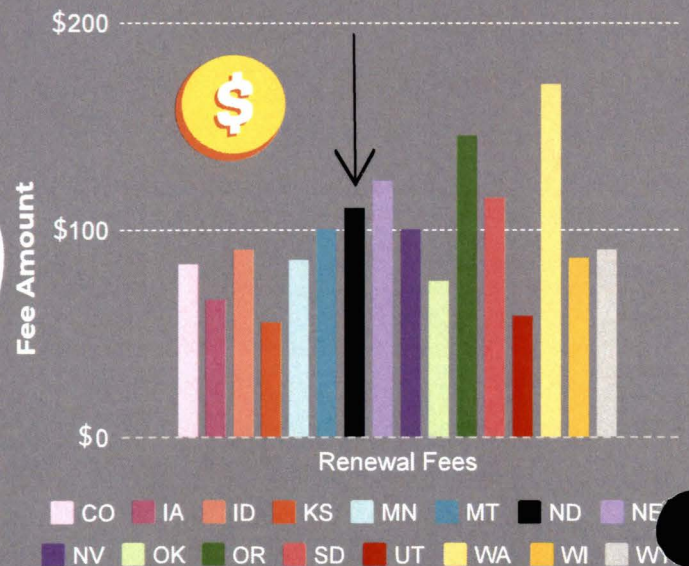
Initial Fees



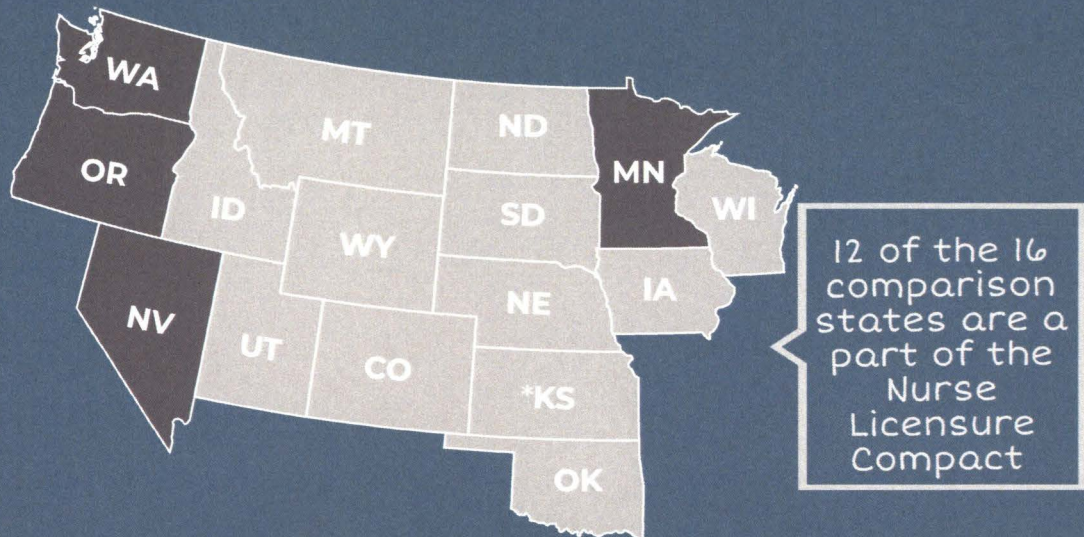
North Dakota Fee: \$130.00
Fee Average: \$142.16
Fee Median: \$120.00

North Dakota Fee: \$110.00
Fee Average: \$96.94
Fee Median: \$90.00

Renewal Fees on a Biennial Scale



Nurse Licensure Compact Peer Group Comparison



<https://www.ncsbn.org/nurse-licensure-compact.htm>

The Purpose of the Nurse Compact Agreement:

The general purposes of this compact are to:

- A. Facilitate the states' responsibility to protect the public's health and safety;
- B. Ensure and encourage the cooperation of party states in the areas of nurse licensure and regulation;
- C. Facilitate the exchange of information between party states in the areas of nurse regulation, investigation, and adverse actions;
- D. Promote compliance with the laws governing the practice of nursing in each jurisdiction;
- E. Invest all party states with the authority to hold a nurse accountable for meeting all state practice laws in the state in which the patient is located at the time care is rendered through the mutual recognition of party state licenses.


CHAPTER 43-12.4 NURSE LICENSURE COMPACT

Military Spouses who are Nurses Maintaining or changing a primary state of legal residency is at the discretion of the nurse. Should a nurse maintain legal residency in a NLC state and hold a multistate license and the military family is stationed in other NLC states, the nurse may practice under the home state multistate license in the other NLC states without obtaining additional licensure in those states.

* Kansas will be a member state starting July 1st 2019

Limited X-Ray Machine Operator

Licensure Requirements

 \$100.00 Initial Fee



Postsecondary Non-Degree Training



1 Examination



\$75.00 Biennial Renewal Fee



12 Hours of Continuing Education

**Above Average
Burden to Entry**

Initial Licensing Fee: \$100.00 Initial Fee

Degree Requirement: Postsecondary Non-Degree Training

Applicants must complete

1. Didactic requirements include the successful completion of 80-hour Department approved class: This must be a single training program providing didactic instruction in accordance with Part 1 of Appendix H of Chapter 33-10-06. A certificate of completion will be issued, which must be made available to the Department upon request.

2. Clinical Experience and Supervision: Individuals must complete the clinical experience section as outlined in Part 2 of Appendix H of Chapter 33-10-06 of the North Dakota Radiological Health Rules. The individual must complete three months of clinical training during which time they may perform X-ray examinations only under direct supervision. **OR** Individual must complete at least 120 hours of clinical training at a facility where there is routinely fifty or more limited scope x-ray examinations performed per week. During this time they may perform X-ray examinations only under direct supervision.

Examination Requirement: 1 Exam

North Dakota applicants must pass the ARRT limited scope exam

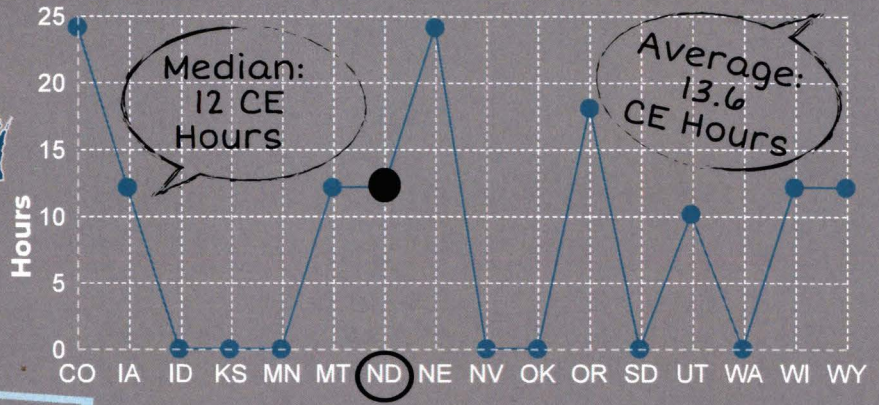
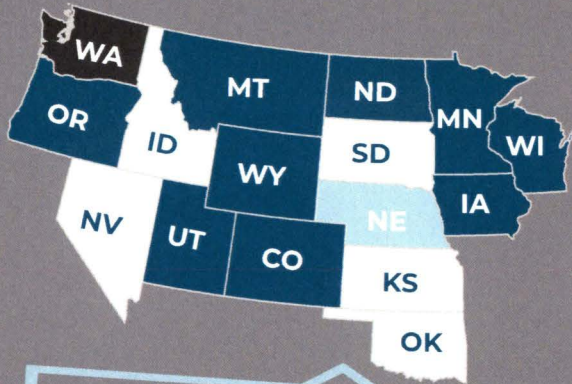
Licensure Renewal Fee: \$75.00 Biennial Renewal Fee

Continuing Education: 12 continuing education hours are needed every 2 years for licensure renewal

Licensure by Endorsement: No Reciprocity or Endorsement Available

Limited X-Ray Machine Operator

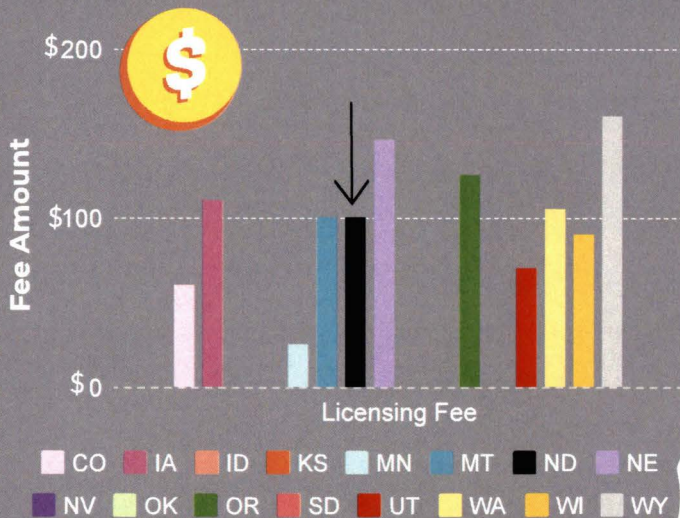
Continuing Education Requirement on a Biennial Scale



Out of the 16 state comparison group,
 5 States have no licensure,
 1 State has no exam requirement
 9 States have 1 exam requirement
 1 State 1-2 exam requirement

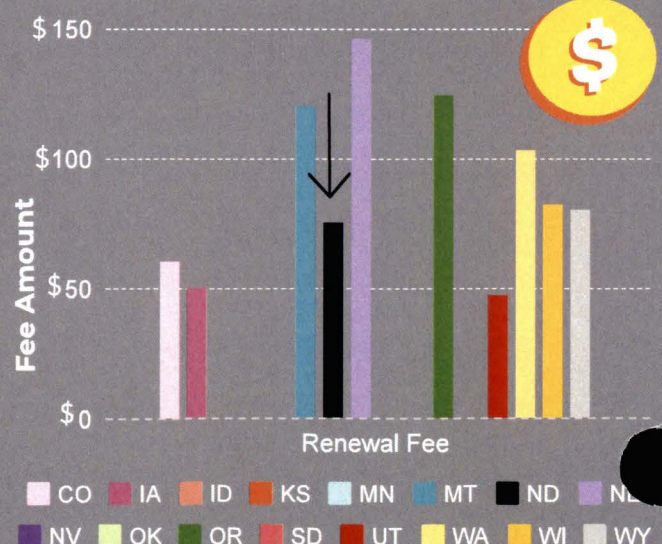
North Dakota Fee: \$75.00
Fee Average: \$88.70
Fee Median: \$81.00

Initial Fees



North Dakota Fee: \$100.00
Fee Average: \$99.18
Fee Median: \$100.00

Renewal Fees on a Biennial Scale



Occupational Therapist Assistant, OTA

Licensure Requirements

\$ \$105.00 - \$160.00 Initial Fee



Associate's Degree



2 Examinations



\$110.00 Biennial Renewal Fee



20 Hours of Continuing Education

**Above Average
Burden to Entry**

Initial Licensing Fee: \$ 160.00 Initial Fee

After 6/30 even year and before 7/1 odd year \$160.00

After 6/30 and on or before 12/31 odd year \$105.00

On or after 1/1 even year \$160.00

Degree Requirement: Associate's Degree

An applicant must be a graduate of an American Occupational Therapy Association (AOTA) accredited Associate's program.

Examination Requirement: 2 Exams

1. Applicants must submit verification of passing score on National Board for Certification in Occupational Therapy (NBCOT) examination.

2. Applicant also must pass a jurisprudence exam. This exam is for all new and reciprocity applicants ONLY. This is an exam over the laws and rules governing OT Practice in ND.

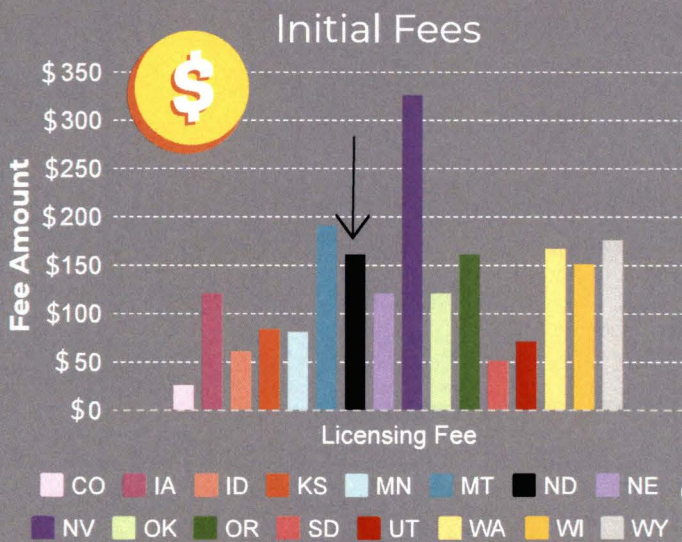
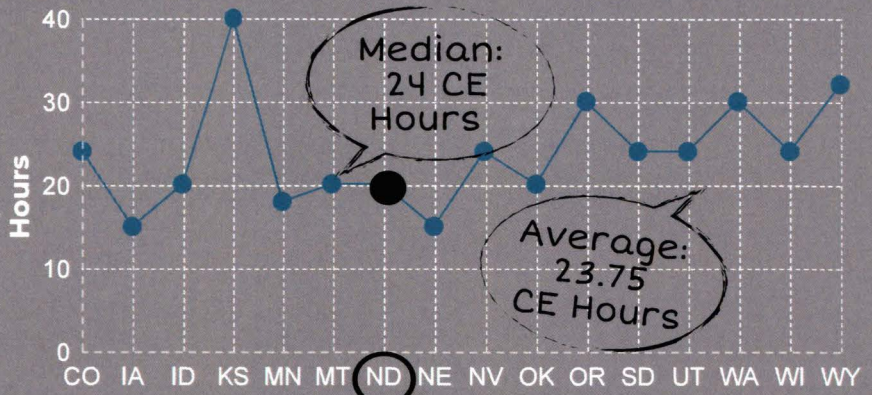
Licensure Renewal Fee: \$110.00 Biennial Renewal Fee (even-numbered years)

Continuing Education: 20 contact hours within the twenty-four months prior to the completed application, must be completed, for renewal of licensure.

Licensure by Reciprocity: Applicant must submit verification from the licensing authority in another state/jurisdiction that you are licensed in good standing. You must request this from ALL states you have held licensure even if the license has expired.

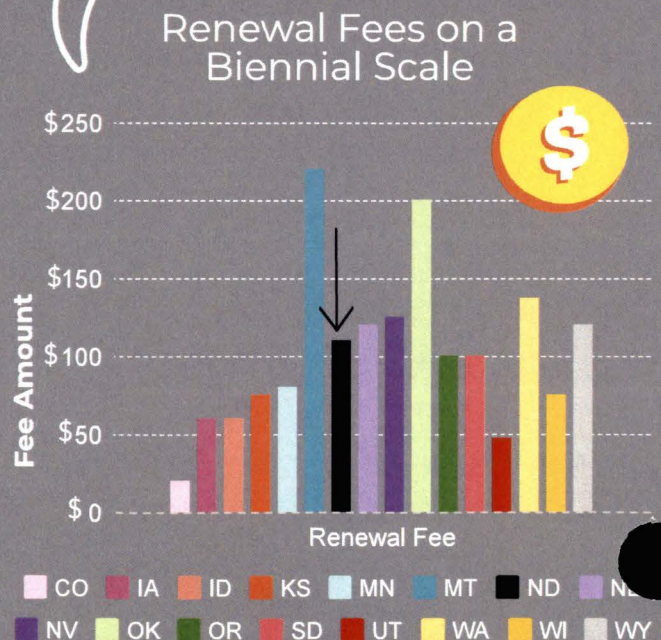
Occupational Therapist Assistant Peer Group Comparison

Continuing Education
Requirement on a Biennial Scale



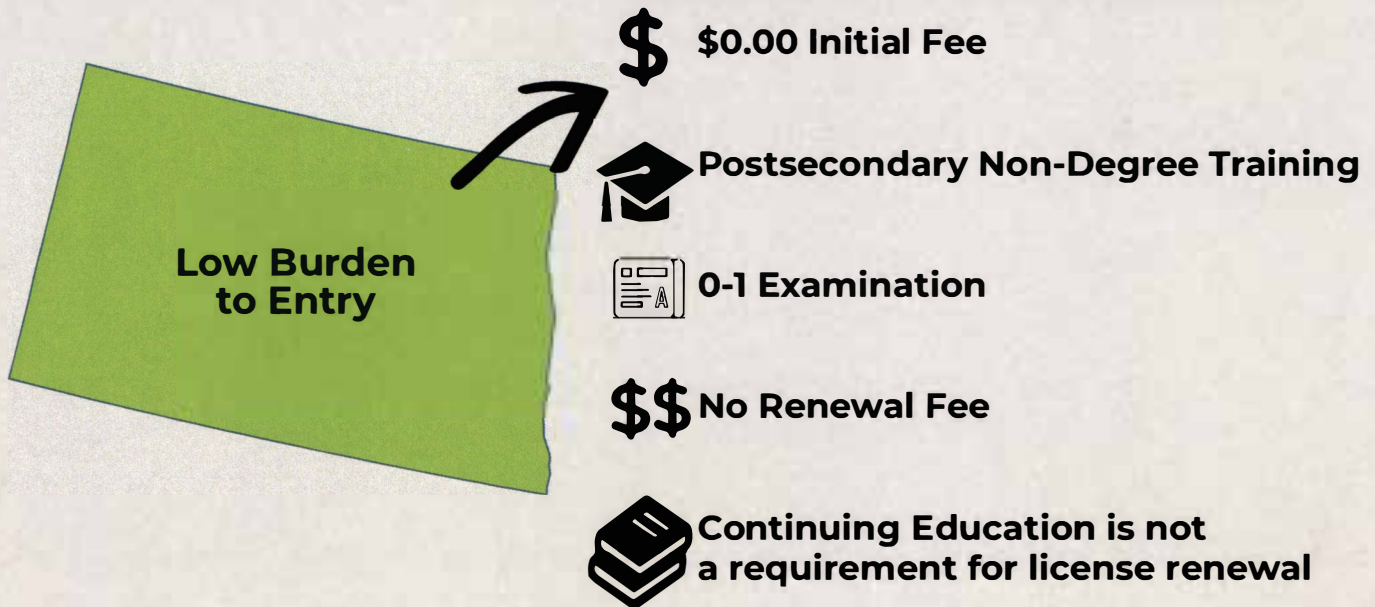
North Dakota Fee: \$160.00
Fee Average: \$128.38
Fee Median: \$120.00

North Dakota Fee: \$110.00
Fee Average: \$103.06
Fee Median: \$100.00



Paraprofessional Certification/Teacher Aide

Licensure Requirements



Initial Licensing Fee: No initial licensing fee

Degree Requirement: Postsecondary Non-Degree Training

As part of the Every Student Succeeds Act (ESSA), Title I paraprofessionals must have a secondary school diploma or its recognized equivalent and meet one of the following three requirements to be employed in a Title I program:

- 1) Obtained a working knowledge in reading, mathematics, and writing by completing two years of study (48 semester hours) at an accredited institution of higher education
- 2) Obtained an associate's (or higher) degree
- 3) Met a rigorous and objective standard of quality, which includes a North Dakota approved assessment of skills in reading, mathematics, and writing.

Examination Requirement: 0-1 Exam

The North Dakota Department of Public Instruction (NDDPI) has approved five options for meeting the assessment requirement for paraprofessionals under the NCLB Act. Any paraprofessional without an Associates Degree or 48 semester hours of higher education must meet the qualifications by taking one of the state approved assessments. The applicant must complete and pass each assessment in reading, mathematics, and writing. The five options are The ParaPro Assessment test, The Praxis Core Academic Skills for Educator (CORE) test, The ACT WorkKeys test, The ParaEduat or PD Now test

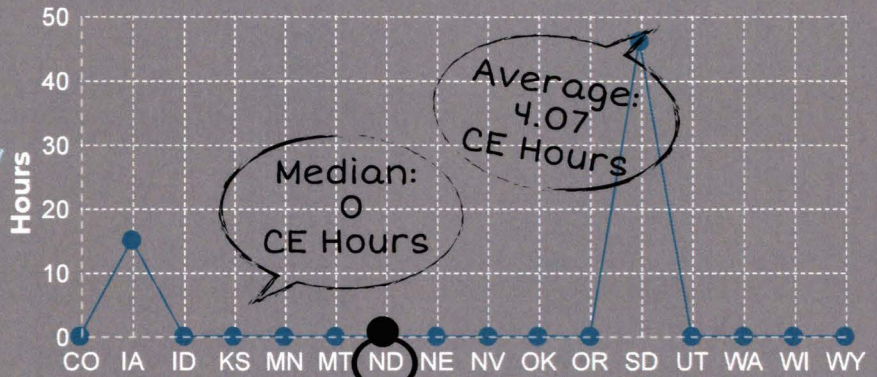
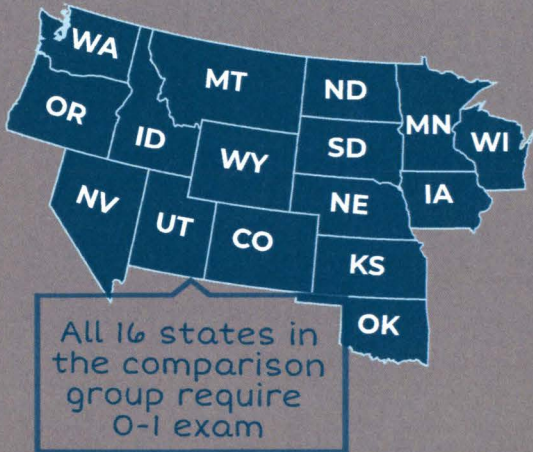
Licensure Renewal Fee: No licensure renewal.

Continuing Education: No Continuing Education Requirement

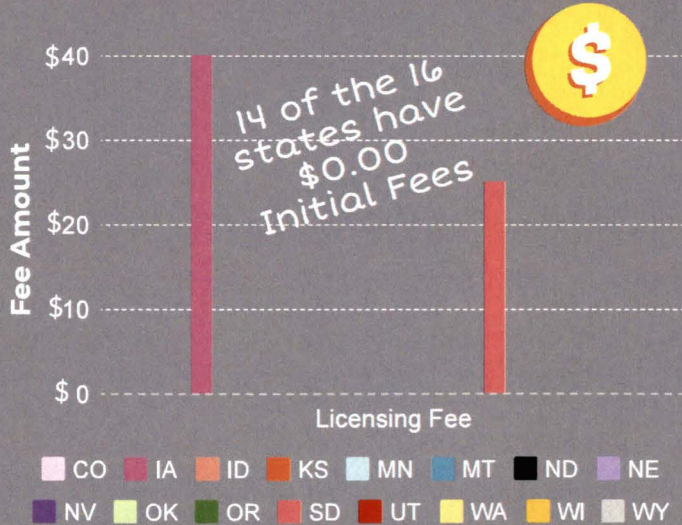
Licensure by Endorsement: No Reciprocity or Endorsement

Paraprofessional Certification/Teachers Aide Peer Group Comparison

Continuing Education Requirement on a 5 -Year Scale



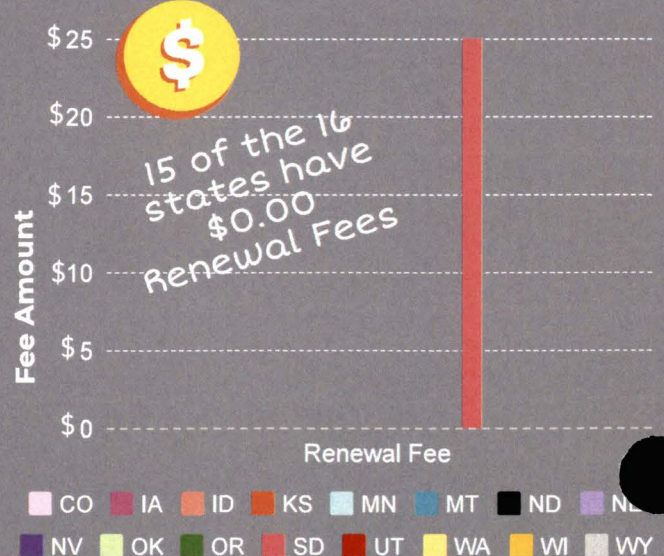
Initial Fees



North Dakota Fee: \$0.00
Fee Average: \$1.56
Fee Median: \$0.00

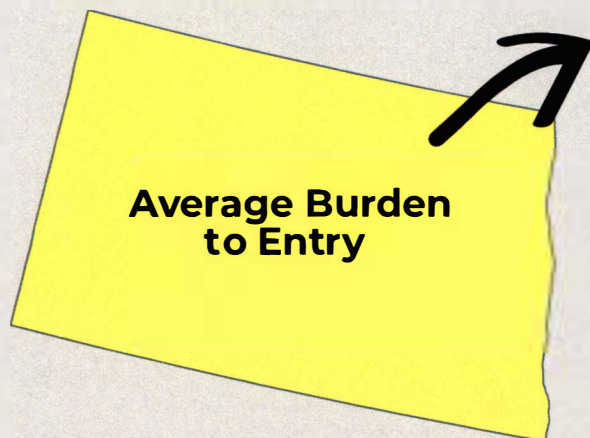
North Dakota Fee: \$0.00
Fee Average: \$4.06
Fee Median: \$0.00

Renewal Fees on a 5 -Year Scale



Preschool Teacher (Except Special Education)

Licensure Requirements



\$144.50 Initial Fee



Bachelor's Degree



2 Examinations



\$50.00 Biennial Renewal Fee



Continuing Education is not a requirement for license renewal

Initial Licensing Fee: Total initial fee of \$144.50 includes an initial application fee of \$30.00, a fingerprinting fee of \$44.50 and a licensing fee \$70.00

Degree Requirement: Bachelor's Degree

Applicants must complete a minimum of a four-year bachelor's degree from a state agency-approved teacher education program.

Examination Requirement: 2 Exams

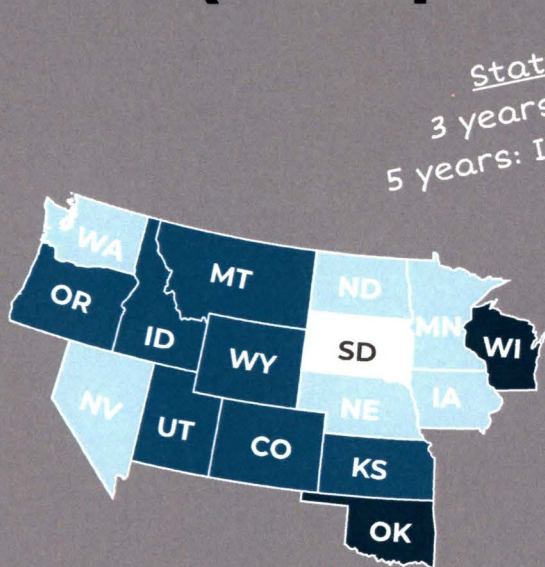
Required Praxis I for all licensure, Required Praxis II for all core academic areas and elementary education.

Licensure Renewal Fee: \$50.00 Biennial Renewal Fee

Continuing Education: No Continuing Education Requirement. If you currently hold a 2 year license, no continuing education required, if you hold a 5 year license, the re-education requirement is 6 semester hours of college coursework.

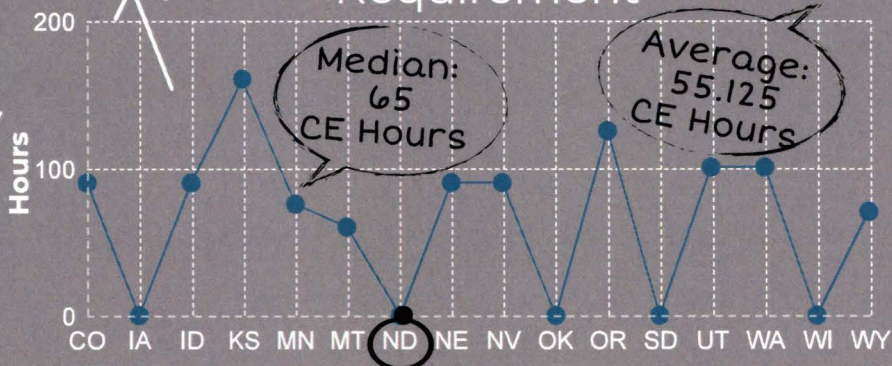
Licensure by Reciprocity: Out-of-State Reciprocal License (Two-Years): Issued to individuals who graduated from an out-of-state university but do not hold a teaching license in another state. A transcript analysis is completed and a plan of study is developed for each individual indicating the coursework and testing needed. This license can be issued twice, so the educator has a total of four years to complete all requirements.

Preschool Teacher (Except Special Education)



States CE Cycles
3 years: CO, MN and UT
5 years: ID, KS, MT, NE, NV, OR, WA, and WI

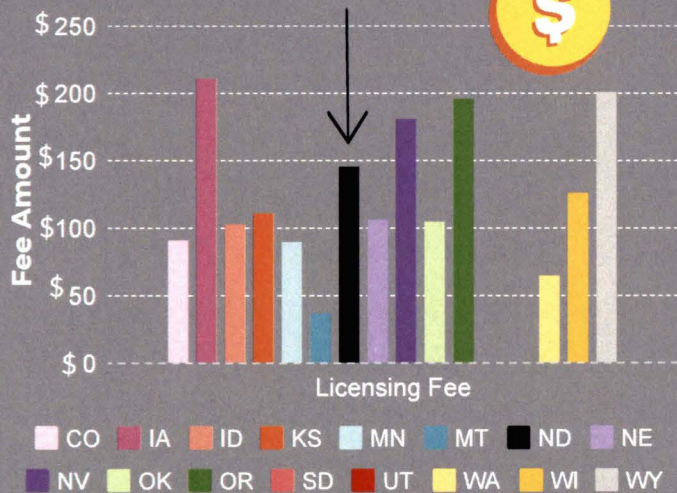
Continuing Education Requirement



Out of the 16 state comparison group,
1 State has no licensure,
7 states have 1 exam required
6 States 2 exam required
2 states have 3 exams required

North Dakota Fee: \$50.00
Fee Average: \$82.93
Fee Median: \$64.00

Initial Fees

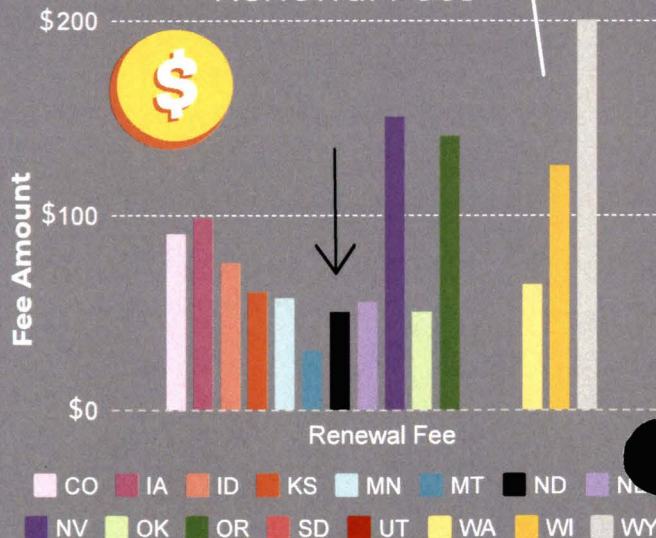


North Dakota Fee: \$144.50
Fee Average: \$116.96
Fee Median: \$105.00

States Renewal Cycles

2 years: ND and IA
3 years: CO and MN
5 years: ID, KS, MT, NE, NV, OK, OR, WA, WI and WY

Renewal Fees



Physical Therapist Assistant, PTA

Licensure Requirements

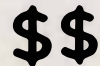
\$ \$240.00 Initial Fee



Associate's Degree



2 Examinations



\$60.00 Biennial Renewal Fee



25 Hours of Continuing Education

Average Burden to Entry

Initial Licensing Fee: \$240.00 Initial Fee

Initial fee payment can be made online using a credit card or enclose a check for \$240 payable to the ND Board of PT, \$200 for the non-refundable application fee and \$40 for the criminal background check

Degree Requirement: Associate's Degree

An applicant must be a graduate of a Commission on Accreditation in Physical Therapy Education (CAPTE) accredited Associate's program.

Examination Requirement: 2 Exams

1. Applicants must submit verification of passing score on National Physical Therapy Exam (NPTE) examination.
2. Applicant also must pass a juris-prudence exam. Juris-Prudence: This is an open book exam which can be completed by using up the Rules & Regulations and ND PT Practice Act.

Licensure Renewal Fee: \$60.00 Biennial Renewal Fee

Continuing Education: 25 contact hours within the twenty-four months prior to the completed application, must be completed, for renewal of licensure.

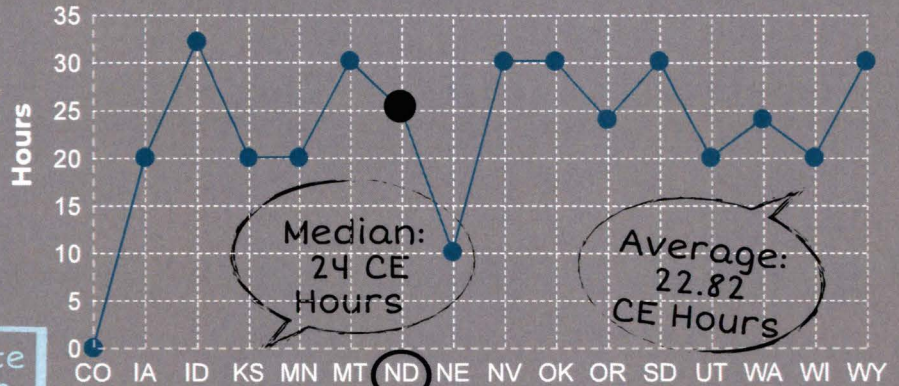
Licensure by Endorsement: CHAPTER 43-26.1 PHYSICAL THERAPISTS Section 43-26.1-06. Licensure by endorsement .The board shall issue a license to a physical therapist or physical therapist assistant who has a license in good standing from another jurisdiction that imposes requirements for obtaining and maintaining a license which are at least as stringent as the requirements imposed in this state.

Physical Therapist Assistant Peer Group Comparison

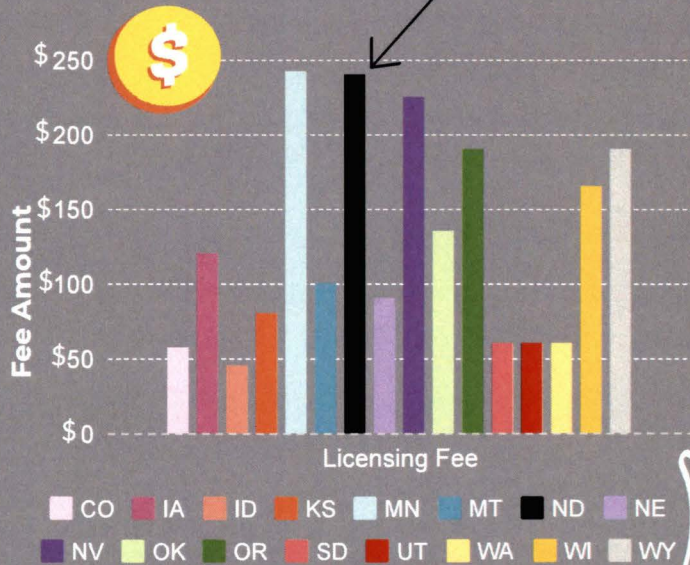


10 states out of the 16 state comparison group require 2 exams for licensure, the other 6 states require 1 exam

Continuing Education Requirement on a Biennial Scale



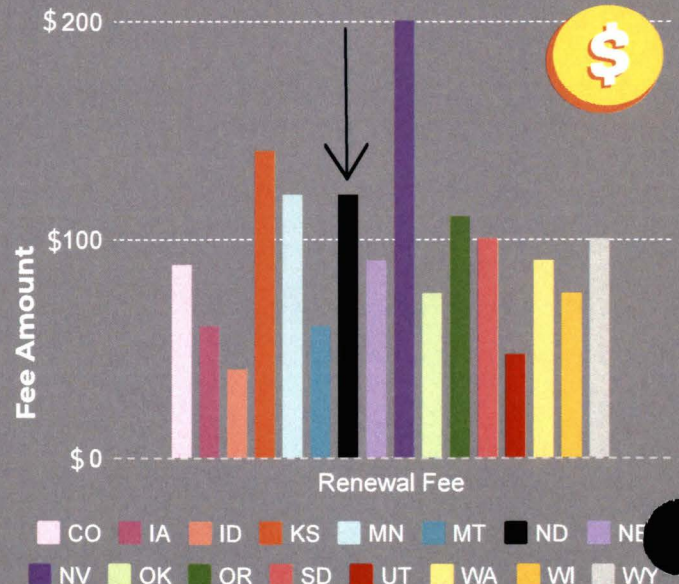
Initial Fees



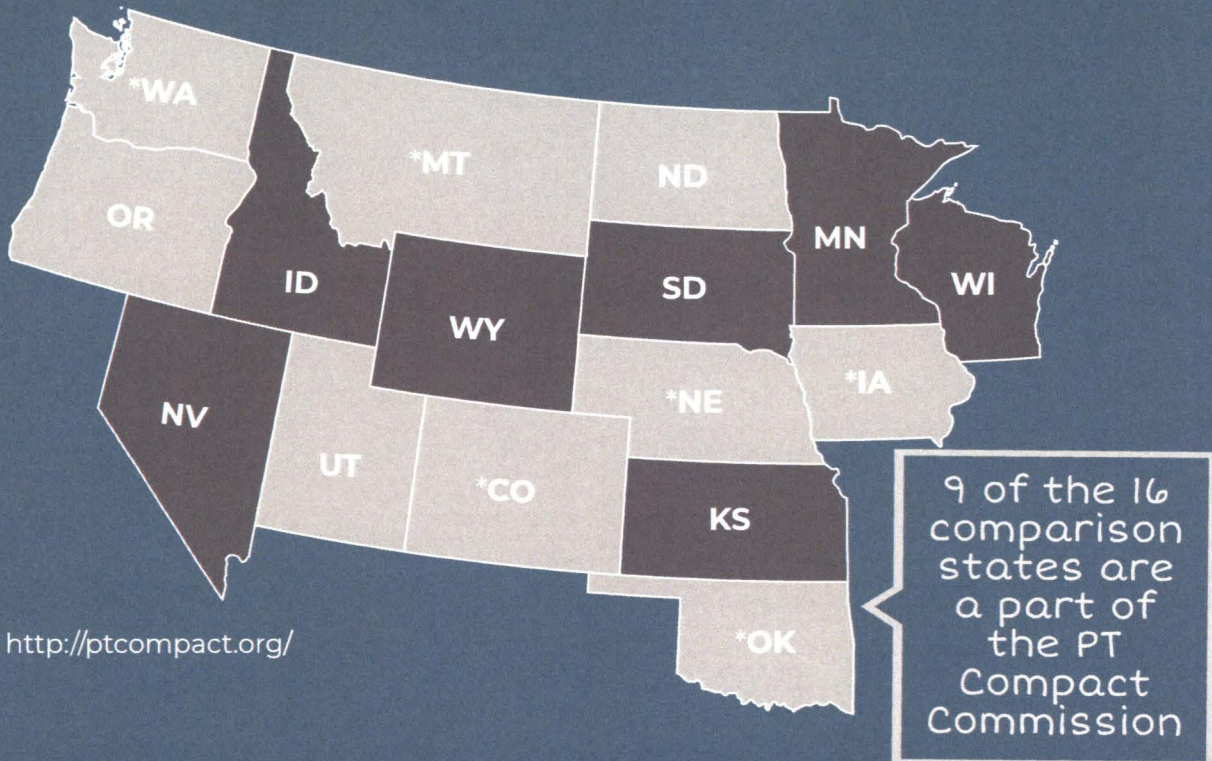
North Dakota Fee: \$240.00
Fee Average: \$128.69
Fee Median: \$110.00

North Dakota Fee: \$60.00
Fee Average: \$94.69
Fee Median: \$90.00

Renewal Fees on a Biennial Scale



Physical Therapy Compact Commission Peer Group Comparison



<http://ptcompact.org/>

What is the Physical Therapy Licensure Compact?

The Physical Therapy Licensure Compact (PTLC) is a state-based solution to the challenges of interstate licensure portability for physical therapists (PTs) and physical therapist assistants (PTAs).

It will improve patient access to physical therapy services by giving eligible licensees in participating states a faster, less expensive alternative to traditional licensure.

What Impact Does the PTLC have on Current Scope of Practice?

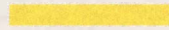
The PTLC is separate legislation from the Physical Therapy Practice Act and does not change the scope of practice of PTs and PTAs. Any PT or PTA must abide by the practice act in the state where he/she is practicing.

* Enacted Legislation – Not Yet Issuing or Accepting Compact Privileges

Criminal Justice Review

Effectiveness

Most Effective



Satisfactory



Needs Improvement



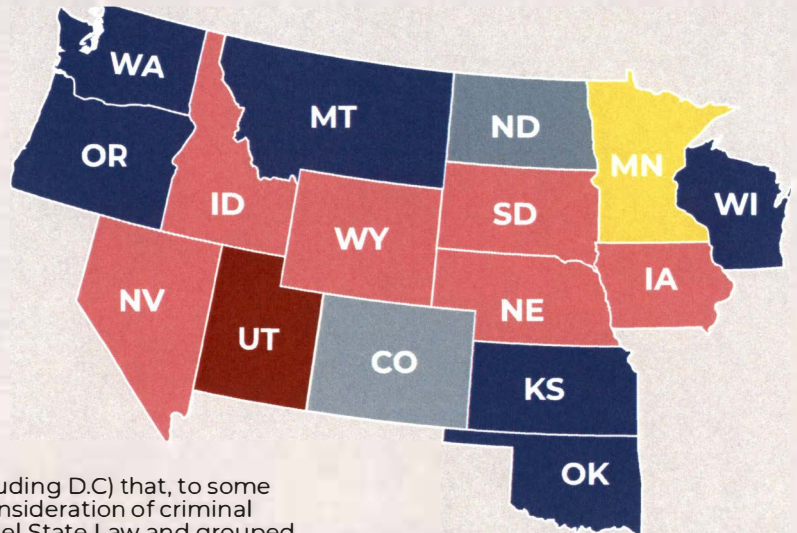
Minimal



Unsatisfactory



No Overarching Law





NELP graded 40 overall state licensing laws (including D.C.) that, to some degree, restrict occupational licensing boards consideration of criminal records. The laws are graded against NELP's Model State Law and grouped into five tiers, from best ("Most Effective") to worst ("Unsatisfactory")

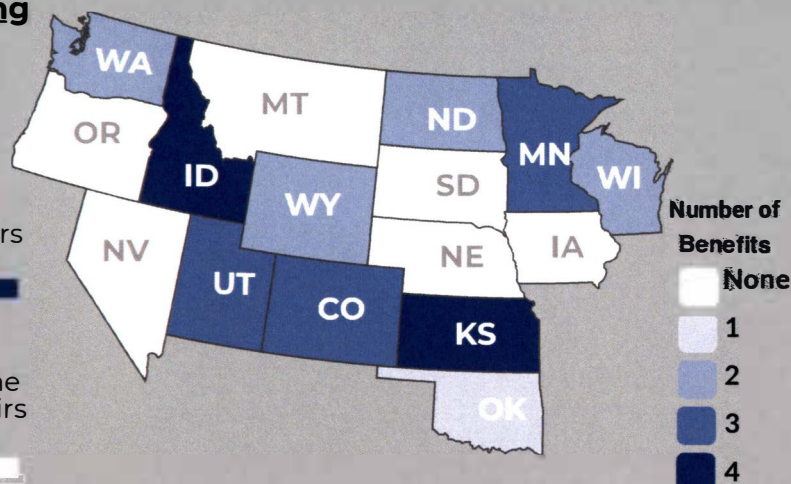
North Dakota is one of two states in our comparison group (including Colorado) to be classified by the National Employment Law Project (NELP) as "needs improvement." According to the report, North Dakota law prevents blanket bans based on conviction and receives a high grade for this statutory language. NELP recommends, however, that North Dakota adds explicit prohibition of: 1) denying occupational licensing for unrelated convictions; 2) considering lesser offenses and older offenses; and 3) denying licenses for rehabilitated applicants. By contrast, North Dakota's eastern neighbor Minnesota receives NELP's highest grade and already meets most of the recommended prohibitions recommended to North Dakota. Minnesota is used by NELP as a model for reform of occupational licensing laws to make sure that individuals with criminal records do not face unnecessary barriers to employment.

Military Policy Review

States with and without Overarching Licensure Policy Impacting Active Military, Veterans and Spouses:

States **with** overarching policy from the General Assembly or Veteran/Military Affairs impacting the licensure process for active military, veterans and spouses. 

States **without** overarching policy from the General Assembly or Veteran/Military Affairs impacting the licensure process for active military, veterans and spouses. 



From the above comparison group, ten states have overarching laws with policies designed to benefit military personnel and their spouses.

There are five benefits that these states offer to veterans, active military, and their spouses through these overarching policies:

1. Waiving renewal fees and continuing education for license holders on active duty
2. Allowing reciprocity or waving requirements for military spouses
3. Allowing applicants to use relevant military training in place of education
4. Reducing licensing fees for active military and recent veterans
5. Expediting the applications of active military and recent veterans

Currently, North Dakota has laws encourage licensing boards to offer two of the five benefits:

- Waiving renewal fees and continuing education requirements for active military personnel
- Allowing reciprocity or granting exceptions to licensing requirements for military spouses

*Idaho and Kansas have the highest number of benefits offered through their military licensing policy. They have four of the five possible military benefits excluding reducing licensing fees.

Notes Section:

Certified Nurse Assistants, CNA Notes:

1. Oklahoma: There is no fee for Long Term Care (LTC) renewal. Home Health Aide (HHA), Developmentally Disabled Direct Care Aide (DDDCa), Residential Care Aide (RCA), Adult Day Care Aide (ADCA), or Certified Medication Aide (CMA) all require a \$10.00 renewal fee, the renewal cycle is every 2 years

2. Certified Medication Aides must complete at least eight (8) hours of continuing education units (CEUs) within the last twelve (12) months of your certification, excluding the first year renewal of certification. All other nurse aides must provide documentation of at least eight (8) hours of nursing or health related services for compensation (paid work) during the preceding 24 months of your certification.

3. Washington's renewal cycle is annual with a \$70.00.

4. South Dakota's continuing education cycle is annual at a 12 hour requirement

Licensed Addiction Counselor, LAC Notes:

1. Idaho, Iowa and Oregon only issue Professional Counselors or Mental Health Counselor licenses. The data in this report are on those occupations.

2. Idaho, Montana, Oklahoma, Oregon, South Dakota, and Washington's renewal cycles are on an annual scale. The fees presented in the renewal fee table are multiplied by 2 to reflect a biennial renewal cycle.

3. Idaho, Montana and Oklahoma have annual submissions of continuing education. The hours of continuing education table are multiplied by 2.

Licensed Practical Nurse, LPS Notes:

1. Iowa is on a triennial renewal cycle: Original Renewal Fee: \$99.00.

2. Iowa's Continuing Education requirement is 36 hours every three years

3. Washington is on an annual renewal cycle: Original Renewal Fee: \$85.00.

4. Washington's Continuing Education is submitted every three years with 45 hours of CE needed every three years.

Nursing Licensure Compact Notes:

1. This map does not reflect all 50 states plus D.C.

Limited X-Ray Operators Notes:

1. Montana's renewal cycle is annual with a fee of \$60.00

2. Wyoming's renewal cycle is annual with a fee of \$40.00

3. Montana's continuing education cycle is annual, with a requirement of 6 hours per year

4. Wyoming's continuing education cycle is annual, with a requirement of 6 hours per year

Occupational Therapist Assistant, OTA Notes:

1. Idaho is on an annual renewal cycle: Original Renewal Fee \$30.00

2. Montana is on an annual renewal cycle: Original Renewal Fee \$110.00

3. Oklahoma is on an annual renewal cycle: Original Renewal Fee \$100.00

4. South Dakota is on an annual renewal cycle: Original Renewal Fee \$50.00

5. Wyoming is on an annual renewal cycle: Original Renewal Fee \$60.00

Preschool Teacher Notes:

1. Oregon's first initial renewal of licensure is after 3 year and then every 5 years after the first initial renewal.

2. For first initial renewal of license 75 hours of continuing education is required, then for every 5 years 125 hours of continuing education is required.

Physical Therapist Assistant, PTA Notes:

1. Idaho is on an annual renewal cycle, Original Renewal Fee is \$20.00

2. Kansas is on an annual renewal cycle, Original Renewal Fee is \$70.00

3. Minnesota is on an annual renewal cycle, Original Renewal Fee is \$60.00

4. Nevada is on an annual renewal cycle, Original Renewal Fee is 100.00

5. South Dakota is on an annual renewal cycle, Original Renewal Fee is \$50.00

6. Washington is on an annual renewal cycle, Original Renewal Fee \$45.00

7. Wyoming is on an annual renewal cycle, Original Renewal Fee is \$50.00

8. North Dakota's is on an annual renewal cycle: Original Renewal Fee: \$60.00.

9. Oklahoma is on an annual renewal cycle: Original Renewal Fee: \$35.00.

Sources:

- North Dakota Public Data Access, 2018, www.ndcourts.gov/court/committees/barbd/Information.htm.
- "Boards and Commissions." Burgum Signs "Constitutional Carry" Bill into Law | North Dakota Office of the Governor, 2018, www.governor.nd.gov/boards/.
- "CSOR The Knee Center for the Study of Occupational Regulation Database." CSORSFU, 2018, www.csorsfu.com/.
- "Licensing." Attorney General, 2018, attorneygeneral.nd.gov/licensing-and-gaming/licensing.
- "Livestock Licensing." Nd.gov - The Official Portal for North Dakota State Government, 2018, www.nd.gov/ndda/livestock-development-division/livestock-licensing.
- Rodriguez, Michelle Natividad, and Beth Avery. "UNLICENSED & UNTAPPED: REMOVING BARRIERS TO STATE OCCUPATIONAL LICENSES FOR PEOPLE WITH RECORDS." National Employment Law Project, 2016, www.nelp.org/publication/unlicensed-untapped-removing-barriers-state-occupational-licenses/.
- "Secretary of State |." Secretary of State |, 2018, sos.nd.gov/.
- "North Dakota POST." - North Dakota Peace Officer Standards and Training Home Page, 2018, www.post.nd.gov/.

North Dakota Occupational Licensure Sources

- **Certified Nurse Aide, CNA (Nursing Assistant)**
https://www.ndhealth.gov/hf/North_Dakota_certified_nurse_aide.htm
- **Licensed Addiction Counselor, LAC**
<http://www.ndbace.org/laws-and-rules.html>
- **Licensed Practical Nurse, LPN**
<https://www.ndbon.org/>
- **Nurse Licensure Compact**
<https://www.ndbon.org/Compact/Overview.aspx><https://www.ncsbn.org/nurse-licensure-compact.htm>
- **Limited X-Ray Machine Operator**
https://deq.nd.gov/aq/radiation/Limited_Scope.aspx
- **Occupational Therapist Assistant, OTA**
<https://www.ndotboard.com/licenserequirements.asp>
- **Paraprofessional Certification / Teacher Aide**
<https://www.nd.gov/dpi/SchoolStaff/FTP/TitleI/Para/>
- **Preschool Teacher (Except Special Education)**
<https://www.nd.gov/espb/licensure/license-information/types-licenses>
- **Physical Therapist Assistant, PTA**
<https://www.ndbpt.org/compact.asp>
<http://ptcompact.org/>

Military Policy Sources:

Colorado:

- H.B 16-1197, 2016 Reg. Sess. (CO. 2016)
<http://leg.colorado.gov/bills/hb16-1197>
- H.B 11-1100, 2011 Reg. Sess (CO 2011)
<http://www.leg.state.co.us/CLICS/CLICS2011A/csl.nsf/StatusAll?OpenFrameSet>
- Home Page
<https://www.colorado.gov/pacific/dora-military/career-pathways-0>

Idaho:

- Title 67, Chpt 26, Sec 67-2601-2620 (ID 2012)
<http://legislature.idaho.gov/statutesrules/idstat/Title67/T67CH26/>

Kansas:

- Kansas Statutes. Chpt 48, Art 34, Sec 1-8 (KS 2018)
https://www.ksrevisor.org/statutes/ksa_ch48.html

Minnesota:

- Minnesota Statutes Chpt 326 Sec 55-66 (MN 2018)
<https://www.revisor.mn.gov/statutes/cite/326>
- Minnesota Statutes Chpt 197, Sec 4552 (MN 2018)
https://www.revisor.mn.gov/statutes/2018/cite/197.4552?keyword_type=all&keyword=military+licensing

North Dakota:

- North Dakota Chpt 43-51 PROFESSIONAL AND OCCUPATIONAL LICENSING
<https://www.nd.gov/veterans/laws/professional-and-occupational-licensing>

Oklahoma:

- Oklahoma Title 59, Sec 4100.5. (OK 2014)
<http://www.oklegislature.gov/osstatuestitle.html>

Utah:

- S.B. 227, 2018 Reg Sess, (UT 2018)
<https://le.utah.gov/~2018/bills/static/SB0227.html>

Washington:

- S.B 6290 Chpt 45, 62nd Leg, 2012 Reg Sess (WA 2012)
<http://lawfilesexternal.wa.gov/biennium/2011-12/Pdf/Bills/Session%20Laws/Senate/6290.SL.pdf>
- S.B 5359, Chapt 184, 65th Leg, 2017 Reg Sess (WA 2017)
https://custom.statenet.com/public/resources.cgi?id=ID:bill:WA2017000S5359&ciq=ncsl&client_md=3b0a7533ca7848998a8038d31035f3f8&mode=current_text

Wisconsin

- S.B 338, 2011 W.A 209, 100th Leg, 2011 Reg Sess (WI 2011)
<http://docs.legis.wisconsin.gov/2011/related/acts/209>
- Home Page:
<https://dva.wi.gov/Pages/educationEmployment/FeeWaiver.aspx>

Wyoming:

- WY Title 33, Chpt 1, Art 1, (WY 2018)
<https://www.wyoleg.gov/StateStatutes/StatutesDownload>

Job Service North Dakota

Base Level Funding

Biennium	09-11		11-13		13-15		15-17		17-19	
<i>Wagner Peyser</i>	\$5,302,783	\$5,302,783	\$5,292,177	\$5,282,176	\$5,005,887	\$5,005,890	\$4,992,444	\$5,111,188	\$5,021,310	\$5,001,345
<i>Workforce Investment Act</i>	5,294,922	5,104,054	4,446,938	4,438,612	4,207,404	4,464,523	4,535,464	4,896,212	5,010,316	5,125,806
<i>Unemployment Insurance Base</i>	6,117,771	6,316,983	6,729,310	6,372,004	6,534,481	5,975,768	6,413,040	6,585,016	6,919,384	6,699,120
<i>Unemployment Insurance Above Base</i>	947,363	494,607	319,479	576,560	616,343	1,123,952	1,751,963	390,095	106,649	150,000
<i>Labor Market Information</i>	947,317	928,392	938,958	865,457	873,675	872,971	847,502	863,004	873,198	871,289
<i>Other Federal Programs</i>	8,877,015	5,724,745	5,972,136	4,497,699	4,107,466	2,373,978	6,106,596	2,683,638	3,537,833	1,690,149
Total Federal Funding	27,487,171	23,871,564	23,698,998	22,032,508	21,345,256	19,817,082	24,647,009	20,529,153	21,468,690	19,537,709
	\$51,358,735		\$45,731,506		\$41,162,338		\$45,176,162		\$41,006,399	

HB 1016
Att 3
1/8/2019

NORTH DAKOTA

New Jobs Training Program

Job Training for New and
Expanding Businesses



Introduction

Job Service North Dakota administers the North Dakota New Jobs Training Program. The New Jobs Training Program provides incentives to primary-sector businesses and industries that are creating new employment opportunities through business expansion or relocation to North Dakota. The program provides a mechanism for businesses to secure funding to help offset the cost of training new employees.

Funding Assistance

New Jobs Training Program funds are made available through the capture of state income tax withholding generated from the newly-created, permanent, full-time positions.

Under the New Jobs Training Program, a business obtains funds in the form of a loan, grant, or self-financing option.

- A loan may be obtained from a commercial lender, local development corporation, the Bank of North Dakota, or other qualified lender. Reimbursements to repay the loan (plus interest) are made directly to the lender.
- A grant may be obtained from the state, a city, or a local economic development corporation. Reimbursements for a grant are made directly to the granting community or local economic development corporation.
- Under the self-financing option, 60 percent of the allowable state income tax withholding can be reimbursed directly to the participating business.

State income tax withholding can be captured for up to a ten-year period or until the loan is repaid, or the self-financing or grant obligations have been met, whichever comes first.

Business Eligibility

A business must be a primary-sector business in order to be eligible for New Jobs Training Program benefits. "*Primary-sector business*" is defined as an individual, corporation, limited liability company, partnership, or association through which the employment of knowledge or labor adds value to a product, process, or service that results in the creation of new wealth. This term includes tourism, but does not include production agriculture.

Other qualifying criteria include:

- A new employer locating in North Dakota must create a minimum of five new jobs.
- Expanding businesses must increase their base employment level by a minimum of one new job.
- A business must not be closing or reducing its operation in one area of the state and relocating substantially the same operation to another area of the state.
- Employees in eligible new positions must be paid a minimum of \$10 per hour plus benefits by the end of the first year of employment in the new job position created.

Calculation of State Income Tax Withholding Credit

The amount of state income tax withholding available to a project is based on the following criteria:

- The number of permanent, full-time new positions created.
- The wage rate paid to individuals filling the new positions.
- A withholding formula provided by the North Dakota State Tax Department which is applied to the actual annual salary of the new jobs being created.
 - The formula considers the individual's average tax liability using a varying number of exemptions.
 - The formula is applied to the annual gross wages of the new jobs created, and is then multiplied by the number of new positions in each pay category.
 - This figure is then multiplied by ten (the maximum number of years of the program) to establish the maximum state income tax withholding available under the North Dakota New Jobs Training Program.

Determining the Loan, Grant, or Self-Financing Amount

The business provides the lender with the amount of state income tax withholding available.

- Based on the interest rate charged and draw-down schedule established by the business, the lender amortizes the total amount of state income tax withholding to determine the loan amount.
- Under the self-financing option, 60 percent of the allowable quarterly withholding will be reimbursed directly to the business up to the maximum available withholding identified in a program agreement.
- A grant is based upon the amount of state income tax withholding available.

Length of Reimbursement

Most loans, grants, and self-financing options will be reimbursed in less than the ten-year program period if the business creates the number of new jobs identified in the North Dakota New Jobs Training Program agreement at the wage rates projected.

Early reimbursement takes place when:

- *Average* tax liabilities are used to calculate the amount of state income tax withholding credit available, but the *actual* withholding reported is used to credit reimbursements.
- Most individuals have more state income tax withheld than their actual tax liability.
- The agreement does not build in salary increases during the ten-year period, resulting in larger withholdings.

Loan, Grant, and Self-Finance Proceeds

Funding received by loan, grant or through self-financing options is intended to be used for training the individuals hired in the newly-created jobs. The program will be monitored to insure that the number of new positions agreed to in the final agreement are actually created, and that these new positions are paid at least the wage specified in the agreement.

Administration Fees

A five percent administration fee is due and payable to Job Service North Dakota when the final agreement has been signed. This is a one-time fee, based on the projected amount of the agreement over the ten-year period.

Application Process

Job Service North Dakota (JSND), North Dakota Department of Commerce, and local development corporations can create a preliminary proposal prior to the completion of a final agreement. The preliminary proposal is an estimate of the amount available upon entering into the final agreement.

Apply for a Final Agreement — Primary-sector businesses may apply for a new agreement through the JSND New Jobs Training Program. The application will provide information on the business, the finance option selected, lender (if applicable), number and title of new job positions to be created, and the training start date.

Create a New Proposal or Apply for a New Agreement at <https://apps.nd.gov/jsnd/njtp/login>

A State of North Dakota Login is required. Register for a State of North Dakota Login at <https://apps.nd.gov/itd/ldap/registration.htm?rp=/jsnd/njtp/main/>

The *Application for Certification as a Primary-Sector Business in the State of North Dakota* is available on the ND Department of Commerce website at <https://www.business.nd.gov/uploads/7/primarysectorcertification2018new2.pdf>

Submit questions and forms to:

Workforce Programs
Job Service North Dakota
P.O. Box 5507
Bismarck, ND 58506-5507

Phone: 701-328-2812
Fax: 701-328-4894
TTY: 800-366-6888
E-Mail: jsnjt@nd.gov



WORKFORCE PROGRAMS
JSND-6063 (R.1.2019)

Job Service North Dakota - Budget No. 380
House Bill No. 1016
Base Level Funding Changes

A+41
WB 10/6
2/4/2019

	Executive Budget Recommendation				House Version				House Changes to Executive Budget Increase (Decrease) - Executive Budget			
	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2019-21 Biennium Base Level	181.61	\$445,793	\$54,899,156	\$55,344,949	181.61	\$445,793	\$54,899,156	\$55,344,949	0.00	\$0	\$0	\$0
2019-21 Ongoing Funding Changes												
Base payroll changes		(\$334)	\$1,029,081	\$1,028,747		(\$334)	\$1,029,081	\$1,028,747				\$0
Salary increase		3,103	989,739	992,842		1,145	593,770	594,915		(1,958)	(395,969)	(397,927)
Health insurance increase			583,439	583,439		1,116	687,788	688,904		1,116	104,349	105,465
Retirement contribution increase			124,380	124,380				0			(124,380)	(124,380)
Remove 9 FTE unfunded positions	(9.00)	(22,290)		(22,290)	(9.00)	(22,290)		(22,290)				0
Transfer 16 FTE positions to ITD for IT unification	(16.00)		(3,005,689)	(3,005,689)	(16.00)		(3,005,689)	(3,005,689)				0
Add funding for information technology expenses			4,100,418	4,100,418			3,219,536	3,219,536			(880,882)	(880,882)
Adjust funding for operating expenses		334	(191,803)	(191,469)		334	(191,803)	(191,469)				0
Add funding for grants			707,541	707,541			707,541	707,541				0
Add funding for unemployment insurance system modernization			5,405,800	5,405,800			5,405,800	5,405,800				0
Add funding for unemployment insurance registration			1,069,980	1,069,980			1,069,980	1,069,980				0
Add funding for Microsoft Office 365 license expenses		4,657	72,962	77,619		4,657	72,962	77,619				0
Total ongoing funding changes	(25.00)	(\$14,530)	\$10,885,848	\$10,871,318	(25.00)	(\$15,372)	\$9,588,966	\$9,573,594	0.00	(\$842)	(\$1,296,882)	(\$1,297,724)
One-time funding items												
Add one-time funding for unemployment insurance			\$611,852	\$611,852			\$611,852	\$611,852			\$0	\$0
Total one-time funding changes	0.00	\$0	\$611,852	\$611,852	0.00	\$0	\$611,852	\$611,852	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	(25.00)	(\$14,530)	\$11,497,700	\$11,483,170	(25.00)	(\$15,372)	\$10,200,818	\$10,185,446	0.00	(\$842)	(\$1,296,882)	(\$1,297,724)
2019-21 Total Funding	156.61	\$431,263	\$66,396,856	\$66,828,119	156.61	\$430,421	\$65,099,974	\$65,530,395	0.00	(\$842)	(\$1,296,882)	(\$1,297,724)

Other Sections for Job Service North Dakota - Budget No. 380

	Executive Budget Recommendation	House Version
Reed Act funds	Section 3 would provide \$11,086,966 of funding appropriated in Section 1 from federal Reed Act funds is made available to the state by the federal Reed Act distributions made in federal fiscal years 1957, 1958, 1999, and 2002, pursuant to section 903 of the federal Social Security Act for the purpose of developing a modernized unemployment insurance computer system.	Section 3 would provide \$11,086,966 of funding appropriated in Section 1 from federal Reed Act funds is made available to the state by the federal Reed Act distributions made in federal fiscal years 1957, 1958, 1999, and 2002, pursuant to section 903 of the federal Social Security Act for the purpose of developing a modernized unemployment insurance computer system.
Federal funds	Section 4 would provide all federal funds received by Job Service North Dakota in excess of those funds appropriated in Section 1 are appropriated for the 2019-21 biennium.	Section 4 would provide all federal funds received by Job Service North Dakota in excess of those funds appropriated in Section 1 are appropriated for the 2019-21 biennium.
New jobs training	Section 5 would provide Job Service North Dakota may not award more than \$2.5 million for new agreements related to the new jobs training program during the 2019-21 biennium.	Section 5 would provide Job Service North Dakota may not award more than \$2.5 million for new agreements related to the new jobs training program during the 2019-21 biennium.
Line item transfers	Section 6 would authorize Job Service North Dakota to transfer up to 10 percent of the agency's appropriation authority between line items.	

P.1

19.0204.01001
Title.

Fiscal No. 1

Att 1
HB 1016
2/6/2019

Prepared by the Legislative Council staff for
the House Appropriations - Education and
Environment Division Committee
February 5, 2019

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1016

Page 1, replace lines 10 through 21 with:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$27,155,566	\$3,196,656	\$30,352,222
Operating expenses	11,501,255	6,339,640	17,840,895
Capital assets	20,000	0	20,000
Grants	5,458,571	707,541	6,166,112
Reed Act - unemployment insurance computer modernization	<u>11,209,557</u>	<u>(122,591)</u>	<u>11,086,966</u>
Total all funds	\$55,344,949	\$10,121,246	\$65,466,195
Less estimated income	<u>54,899,156</u>	<u>10,136,618</u>	<u>65,035,774</u>
Total general fund	\$445,793	(\$15,372)	\$430,421
Full-time equivalent positions	181.61	(9.00)	172.61"

Page 1, line 22, after "**FUNDING**" insert "**- EFFECT ON BASE BUDGET - REPORT TO
SIXTY-SEVENTH LEGISLATIVE ASSEMBLY**"

Page 1, line 23, after "biennium" insert "and the 2019-21 biennium one-time funding items
included in the appropriation in section 1 of this Act"

Page 2, replace line 1 with:

"Renovation of Bismarck regional office	\$100,000	\$0
Unemployment insurance modernization project	<u>0</u>	<u>611,852</u>
Total all funds	\$100,000	\$611,852
Total special funds	<u>0</u>	<u>611,852"</u>

Page 2, after line 2, insert:

"The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. Job service North Dakota shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021."

Page 2, line 5, replace "\$11,209,557" with "\$11,086,966"

Page 2, replace lines 10 through 14 with:

"SECTION 4. ADDITIONAL INCOME - APPROPRIATION. All federal funds received by job service North Dakota in excess of those funds appropriated in section 1 of this Act are appropriated to the agency for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 5. NEW JOBS TRAINING. During the biennium beginning July 1, 2019, and ending June 30, 2021, job service North Dakota may not award more than \$2,500,000 for new agreements related to the new jobs training program under chapter 52-02.1."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1016 - Job Service North Dakota - House Action

A++

HB 1016

2/6/2019

	Base Budget	House Changes	House Version
Salaries and wages	\$27,155,566	\$3,196,656	\$30,352,222
Operating expenses	11,501,255	6,339,640	17,840,895
Capital assets	20,000		20,000
Grants	5,458,571	707,541	6,166,112
Reed Act - Computer modernization	11,209,557	(122,591)	11,086,966
Total all funds	\$55,344,949	\$10,121,246	\$65,466,195
Less estimated income	54,899,156	10,136,618	65,035,774
General fund	\$445,793	(\$15,372)	\$430,421
FTE	181.61	(9.00)	172.61

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

	Adjusts Funding for Base Payroll Changes ¹	Adds Funding for Salary and Benefit Increases ²	Removes Unfunded Positions ³	Adjusts Funding for Operating Expenses ⁴	Adds Grant Funding ⁵	Adds Funding for Unemployment System Modernization ⁶
Salaries and wages	\$1,763,190	\$1,433,466				
Operating expenses			(\$22,290)	(\$191,469)		\$5,405,800
Capital assets						
Grants					\$707,541	
Reed Act - Computer modernization	(734,443)					
Total all funds	\$1,028,747	\$1,433,466	(\$22,290)	(\$191,469)	\$707,541	\$5,405,800
Less estimated income	1,029,081	1,431,205	0	(191,803)	707,541	5,405,800
General fund	(\$334)	\$2,261	(\$22,290)	\$334	\$0	\$0
FTE	0.00	0.00	(9.00)	0.00	0.00	0.00

	Adds Funding for Registration System ⁷	Adds Funding for Microsoft Office 365 Licensing ⁸	Adds One-Time Funding for Unemployment System Modernization ⁹	Total House Changes
Salaries and wages				\$3,196,656
Operating expenses	\$1,069,980	\$77,619		6,339,640
Capital assets				
Grants				707,541
Reed Act - Computer modernization			\$611,852	(122,591)
Total all funds	\$1,069,980	\$77,619	\$611,852	\$10,121,246
Less estimated income	1,069,980	72,962	611,852	10,136,618
General fund	\$0	\$4,657	\$0	(\$15,372)
FTE	0.00	0.00	0.00	(9.00)

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2019-21 biennium salary adjustments of 2 percent per year and increases in health insurance premiums from \$1,241 to \$1,427 per month:

	General Fund	Other Funds	Total
Salary increase	\$1,145	\$672,024	\$673,169
Health insurance increase	1,116	759,181	760,297
Total	\$2,261	\$1,431,205	\$1,433,466

³ This amendment removes 9 FTE unfunded positions and related operating expenses of \$22,290.

⁴ Funding is adjusted for operating expenses, primarily related to decreases in postage, repairs, and professional services and increases in IT supplies, data processing, and contractual services.

⁵ Funding for grants is increased to provide total grant funding of \$6,166,112.

⁶ Funding is added for an unemployment insurance system modernization project.

⁷ Funding is added for an unemployment insurance registration project.

⁸ Funding is added for Microsoft Office 365 license expenses.

⁹ One-time funding of \$611,852 is provided for an unemployment insurance system modernization project to provide total funding of \$16,492,766, of which \$11,086,966 is in the Reed Act - Unemployment insurance computer modernization line item and \$5,405,800 is in the operating expenses line item.

This amendment also:

- Removes Section 4 of the bill which relates to funding received by the agency from rent revenue.
- Adds a section to appropriate any additional federal funds received by the agency during the 2019-21 biennium.
- Adds a section to provide that not more than \$2.5 million may be awarded during the 2019-21 biennium for new agreements related to the new jobs training program.

Department 380 - Job Service North Dakota
House Bill No. 1016

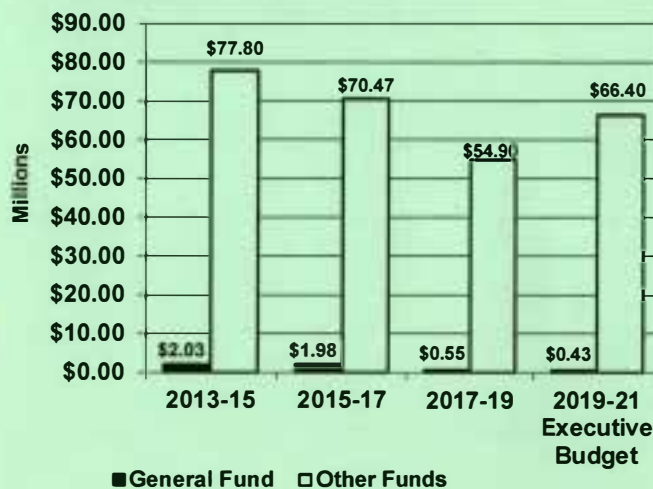
Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2019-21 Executive Budget	156.61	\$431,263	\$66,396,856	\$66,828,119
2017-19 Legislative Appropriations	181.61	545,793	54,899,156	55,444,949
Increase (Decrease)	(25.00)	(\$114,530)	\$11,497,700	\$11,383,170

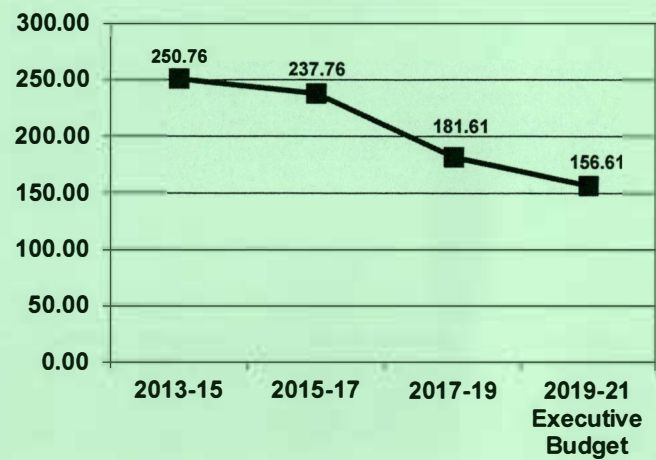
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2019-21 Executive Budget	\$431,263	\$0	\$431,263
2017-19 Legislative Appropriations	445,793	100,000	545,793
Increase (Decrease)	(\$14,530)	(\$100,000)	(\$114,530)

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2019-21 Executive Budget	\$431,263	\$66,396,856	\$66,828,119
2019-21 Base Level	445,793	54,899,156	55,344,949
Increase (Decrease)	(\$14,530)	\$11,497,700	\$11,483,170

First House Action

Attached is a comparison worksheet detailing first house changes to base level funding and the executive budget.

Executive Budget Highlights (With First House Changes in Bold)

	General Fund	Other Funds	Total
1. Provides funding for state employee salary and benefit increases, of which \$992,842 is for salary increases, \$583,439 is for health insurance increases, and \$124,380 is for retirement contribution increases. The House added funding for salary adjustments of 2 percent per year and increases in health insurance premiums from \$1,241 to \$1,427 per month. The House did not add funding for retirement contribution increases.	\$3,103	\$1,697,558	\$1,700,661
2. Removes 9 FTE unfunded positions and related operating expenses of \$22,290	(\$22,290)	\$0	(\$22,290)
3. Transfers 16 FTE positions to the Information Technology Department for the information technology unification initiative.	\$0	(\$3,005,689)	(\$3,005,689)

The House did not transfer FTE positions to the Information Technology Department for the information technology unification initiative.

4. Adds funding for information technology expenses related to the information technology unification initiative. The House did not add funding for the information technology unification initiative.	\$0	\$4,100,418	\$4,100,418
5. Adjusts funding for operating expenses, primarily related to decreases in postage, repairs, and professional services and increases in IT supplies, data processing, and contractual services	\$334	(\$191,803)	(\$191,469)
6. Increases funding for grants to provide total funding of \$6,166,112	\$0	\$707,541	\$707,541
7. Adds funding for an unemployment insurance system modernization project	\$0	\$5,405,800	\$5,405,800
8. Adds funding for unemployment insurance registration systems	\$0	\$1,069,980	\$1,069,980
9. Adds funding for Microsoft Office 365 license expenses	\$4,657	\$72,962	\$77,619
10. Adds one-time funding for an unemployment insurance system modernization project	\$0	\$611,852	\$611,852

Other Sections in House Bill No. 1016

Reed Act funds - Section 3 identifies \$11,086,966 of funding appropriated in Section 1 is from federal Reed Act funds made available to the state by the federal Reed Act distributions made in federal fiscal years 1957, 1958, 1999, and 2002, pursuant to section 903 of the federal Social Security Act for the purpose of developing a modernized unemployment insurance computer system.

New jobs training - Section 4 provides Job Service North Dakota may not award more than \$2.5 million for new agreements related to the new jobs training program during the 2019-21 biennium.

Continuing Appropriations

Federal advance interest repayment fund - North Dakota Century Code Section 52-04-22 - Collection of penalty and interest on delinquent unemployment insurance contribution reports and payment of any interest due on federal and nonfederal obligations of the unemployment insurance trust fund.

Unemployment insurance tax fund - Section 52-03-04 - Collection of unemployment taxes and the payments of unemployment benefits.

Job task analysis - Section 52-08-13 - Collection of fees for providing job task analysis services to employers that request these services and the payment of the expenses related to the activity.

Significant Audit Findings

The financial statement audit for Job Service North Dakota conducted by Brady, Martz and Associates, PC for the period ending June 30, 2018, recommends Job Service North Dakota implement additional review controls to verify mathematical accuracy prior to reports being submitted. The report also includes a recommendation for Job Service North Dakota to consider implementing additional logical controls in the investigation claim tracking process to reduce the likelihood of manual errors.

Major Related Legislation

House Bill No. 1060 - Requires Job Service North Dakota to assess a surcharge of 3 percent, 7 percent, or 10 percent by January 31st of each year to each employer with cumulative benefits exceeding cumulative contributions. The employer is required to pay the assessment by October 31st each year and the amounts must be deposited in the unemployment insurance trust fund and credited to the employer's account.

Senate Bill No. 2085 - Authorizes Job Service North Dakota to sell the agency's regional office located in Rolla.

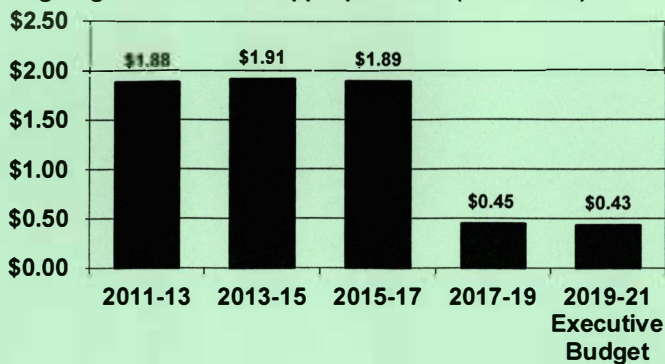
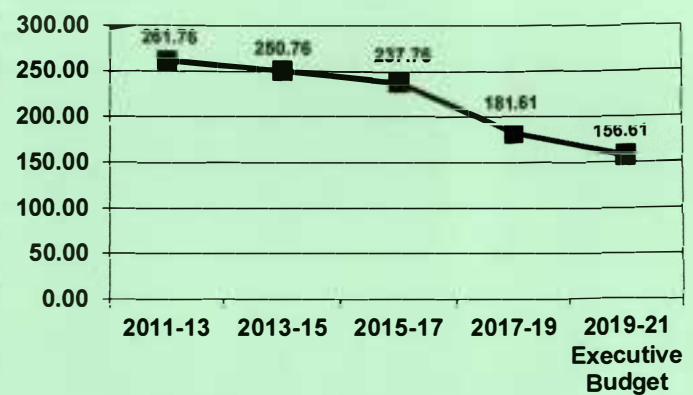
Job Service North Dakota - Budget No. 380
House Bill No. 1016
Base Level Funding Changes

	Executive Budget Recommendation				House Version			
	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total
2019-21 Biennium Base Level	181.61	\$445,793	\$54,899,156	\$55,344,949	181.61	\$445,793	\$54,899,156	\$55,344,949
2019-21 Ongoing Funding Changes								
Base payroll changes		(\$334)	\$1,029,081	\$1,028,747		(\$334)	\$1,029,081	\$1,028,747
Salary increase		3,103	989,739	992,842		1,145	672,024	673,169
Health insurance increase			583,439	583,439		1,116	759,181	760,297
Retirement contribution increase			124,380	124,380				0
Remove 9 FTE unfunded positions	(9.00)	(22,290)		(22,290)	(9.00)	(22,290)		(22,290)
Transfer 16 FTE positions to ITD for IT unification	(16.00)		(3,005,689)	(3,005,689)				0
Add funding for information technology expenses			4,100,418	4,100,418				0
Adjust funding for operating expenses		334	(191,803)	(191,469)		334	(191,803)	(191,469)
Add funding for grants			707,541	707,541			707,541	707,541
Add funding for unemployment insurance system modernization			5,405,800	5,405,800			5,405,800	5,405,800
Add funding for unemployment insurance registration			1,069,980	1,069,980			1,069,980	1,069,980
Add funding for Microsoft Office 365 license expenses		4,657	72,962	77,619		4,657	72,962	77,619
Total ongoing funding changes	(25.00)	(\$14,530)	\$10,885,848	\$10,871,318	(9.00)	(\$15,372)	\$9,524,766	\$9,509,394
One-time funding items								
Add one-time funding for unemployment insurance			\$611,852	\$611,852			\$611,852	\$611,852
Total one-time funding changes	0.00	\$0	\$611,852	\$611,852	0.00	\$0	\$611,852	\$611,852
Total Changes to Base Level Funding	(25.00)	(\$14,530)	\$11,497,700	\$11,483,170	(9.00)	(\$15,372)	\$10,136,618	\$10,121,246
2019-21 Total Funding	156.61	\$431,263	\$66,396,856	\$66,828,119	172.61	\$430,421	\$65,035,774	\$65,466,195

Other Sections for Job Service North Dakota - Budget No. 380

	Executive Budget Recommendation	House Version
Reed Act funds	Section 3 would provide \$11,086,966 of funding appropriated in Section 1 from federal Reed Act funds is made available to the state by the federal Reed Act distributions made in federal fiscal years 1957, 1958, 1999, and 2002, pursuant to section 903 of the federal Social Security Act for the purpose of developing a modernized unemployment insurance computer system.	Section 3 identifies \$11,086,966 of funding appropriated in Section 1 from federal Reed Act funds is made available to the state by the federal Reed Act distributions made in federal fiscal years 1957, 1958, 1999, and 2002, pursuant to section 903 of the federal Social Security Act for the purpose of developing a modernized unemployment insurance computer system.
Federal funds	Section 4 would provide all federal funds received by Job Service North Dakota in excess of those funds appropriated in Section 1 are appropriated for the 2019-21 biennium.	
New jobs training	Section 5 would provide Job Service North Dakota may not award more than \$2.5 million for new agreements related to the new jobs training program during the 2019-21 biennium.	Section 4 provides Job Service North Dakota may not award more than \$2.5 million for new agreements related to the new jobs training program during the 2019-21 biennium.
Line item transfers	Section 6 would authorize Job Service North Dakota to transfer up to 10 percent of the agency's appropriation authority between line items.	

Department 380 - Job Service North Dakota

Historical Appropriations Information**Ongoing General Fund Appropriations Since 2011-13****Ongoing General Fund Appropriations (in Millions)****FTE Positions**

Ongoing General Fund Appropriations					
	2011-13	2013-15	2015-17	2017-19	2019-21 Executive Budget
Ongoing general fund appropriations	\$1,879,892	\$1,910,235	\$1,888,080	\$445,793	\$431,263
Increase (decrease) from previous biennium	N/A	\$30,343	(\$22,155)	(\$1,442,287)	(\$14,530)
Percentage increase (decrease) from previous biennium	N/A	1.6%	(1.2%)	(76.4%)	(3.3%)
Cumulative percentage increase (decrease) from 2011-13 biennium	N/A	1.6%	0.4%	(76.3%)	(77.1%)

Major Increases (Decreases) in Ongoing General Fund Appropriations**2013-15 Biennium**

1. No major changes identified

2015-17 Biennium

1. Added funding for Virtual OneStop application to allow access to Job Service North Dakota job listings \$100,000

2017-19 Biennium

1. Removed funding for the Workforce 20/20 program (\$1,432,316)

2019-21 Biennium (Executive Budget Recommendation)

1. No major changes identified

GOVERNOR'S RECOMMENDATION FOR JOB SERVICE NORTH DAKOTA AS SUBMITTED BY THE OFFICE OF MANAGEMENT AND BUDGET

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to job service North Dakota for the purpose of defraying the expenses of job service North Dakota, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	<u>Base level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$27,155,566	\$458,161	\$27,613,728
Operating expenses	11,501,255	10,440,058	21,941,313
Capital assets	20,000	0	20,000
Grants	5,458,571	707,541	6,166,112
 Reed Act – Unemployment insurance computer modernization	 <u>11,209,557</u>	 <u>(122,591)</u>	 <u>11,086,966</u>
Total all funds	\$55,344,949	\$11,483,169	\$66,828,119
Less estimated income	<u>54,899,156</u>	<u>11,497,699</u>	<u>66,396,856</u>
Total general fund	\$445,793	(\$14,530)	\$431,263
Full-time equivalent positions	181.61	(25.00)	156.61

SECTION 2. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium:

<u>One-Time Funding Description</u>	<u>2017-19</u>	<u>2019-21</u>
Renovation of Bismarck Regional Office	<u>\$100,000</u>	\$0
Total all funds	\$100,000	\$0
Total special funds	<u>0</u>	<u>0</u>
Total general fund	\$100,000	\$0

SECTION 3. APPROPRIATION - REED ACT FUNDS - UNEMPLOYMENT INSURANCE COMPUTER MODERNIZATION. The special fund appropriation of \$11,086,966 in section 1 of this Act is from federal Reed Act funds made available to the state by the federal Reed Act distributions made in federal fiscal years 1957, 1958, 1999, and 2002, pursuant to section 903 of the Social Security Act. This sum, or so much of the sum as may be necessary, is for the purpose of developing a modernized unemployment insurance computer system, for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 4. APPROPRIATION. All federal funds received by job service North Dakota in excess of those funds appropriated in section 1 of this Act are appropriated for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 5. NEW JOBS TRAINING. During the biennium beginning July 1, 2019, and ending June 30, 2021, job service North Dakota may not award more than \$2,500,000 for new agreements related to the new jobs training program under chapter 52-02.1.

SECTION 6. TRANSFER. Notwithstanding section 54-16-04, the agency may transfer between line items within section 1 of this Act up to ten percent of the total appropriation contained in section 1 during the biennium beginning July 1, 2019, and ending June 30, 2021. The agency shall notify the office of management and budget and the legislative council of any transfer made pursuant to this section.



Job Service North Dakota Testimony HB1016

2019 Appropriations Testimony

#1
HB 1016
2.27.2019

Agency Review

Job Service North Dakota

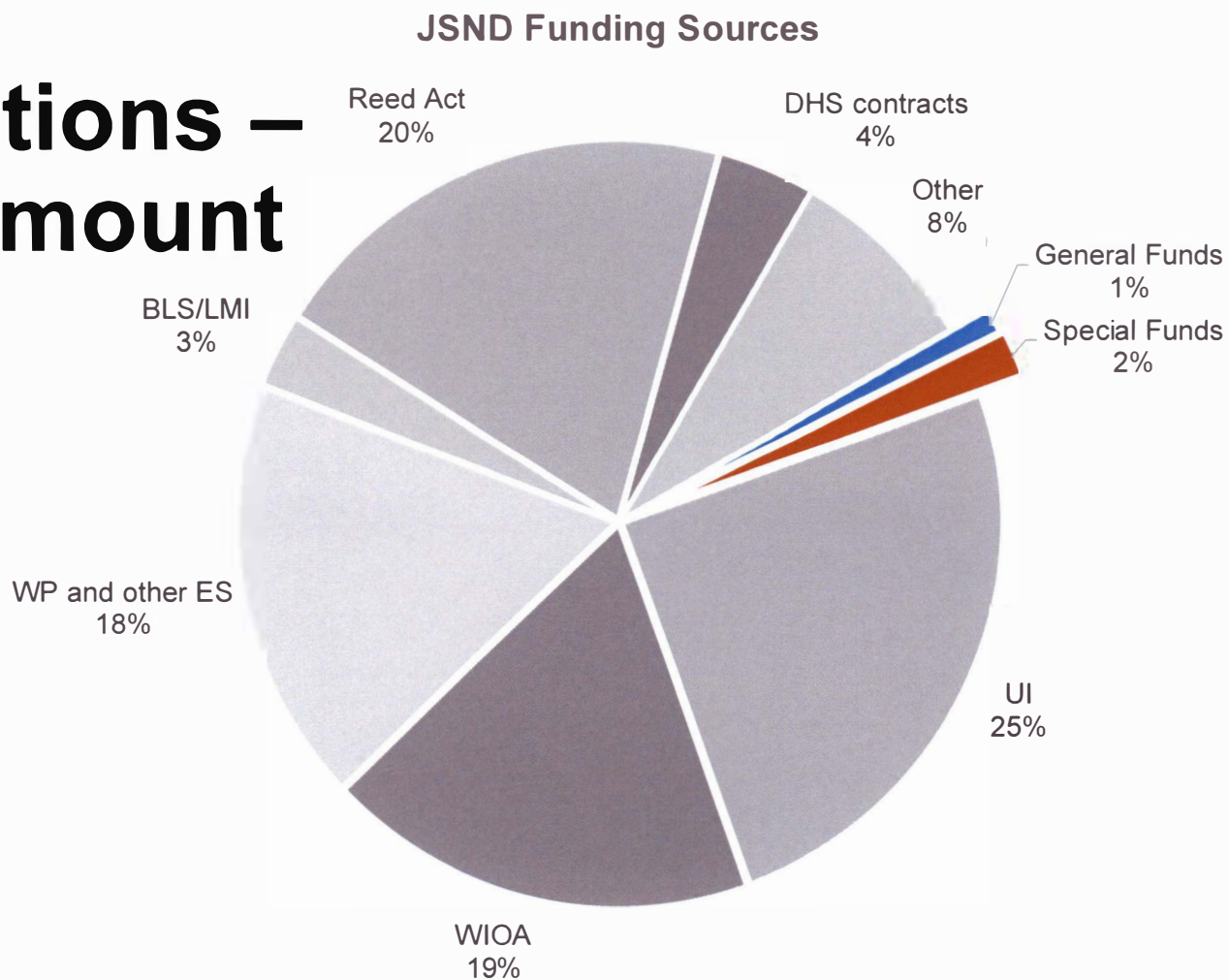
#1 AB 10/16
2.27-2019

Core Functions & Federal Funding Sources

Unemployment Insurance	Workforce Programs	Labor Market Information
<ul style="list-style-type: none">• Base• Above-base	<ul style="list-style-type: none">• WIOA• Wagner-Peyser	<ul style="list-style-type: none">• BLS• ETA

#1 #B 10/16
2-27-2019

Core Functions – Funding Amount

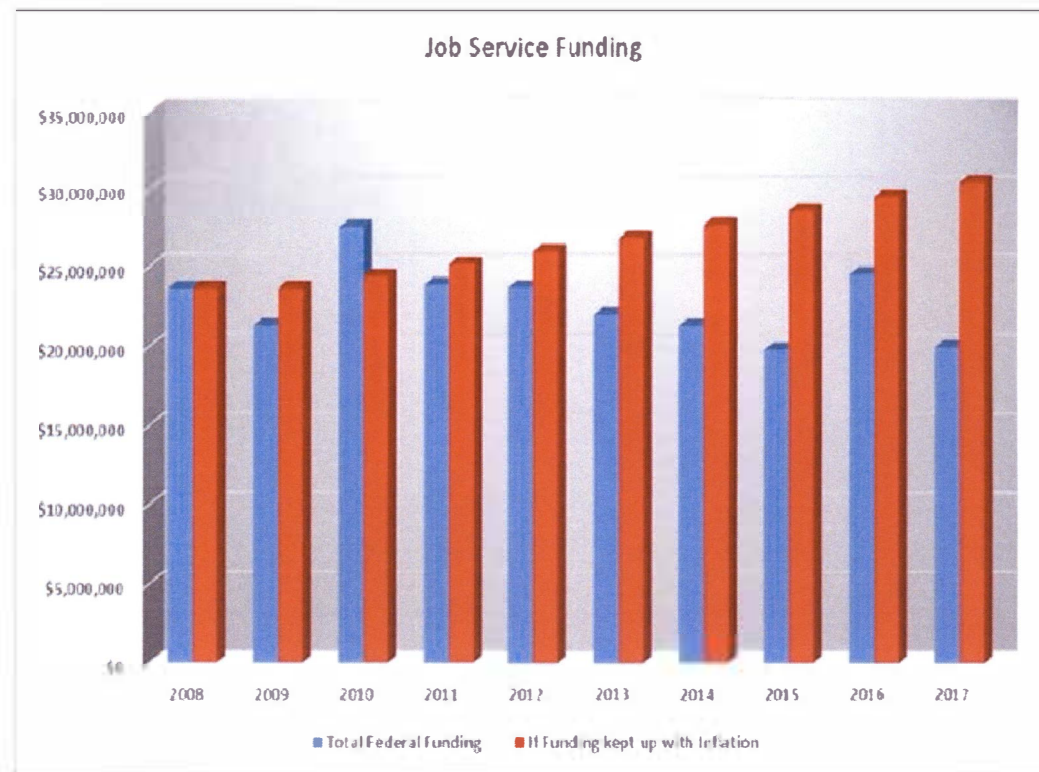


#1
HB 1016
2-27-2019

Funding History

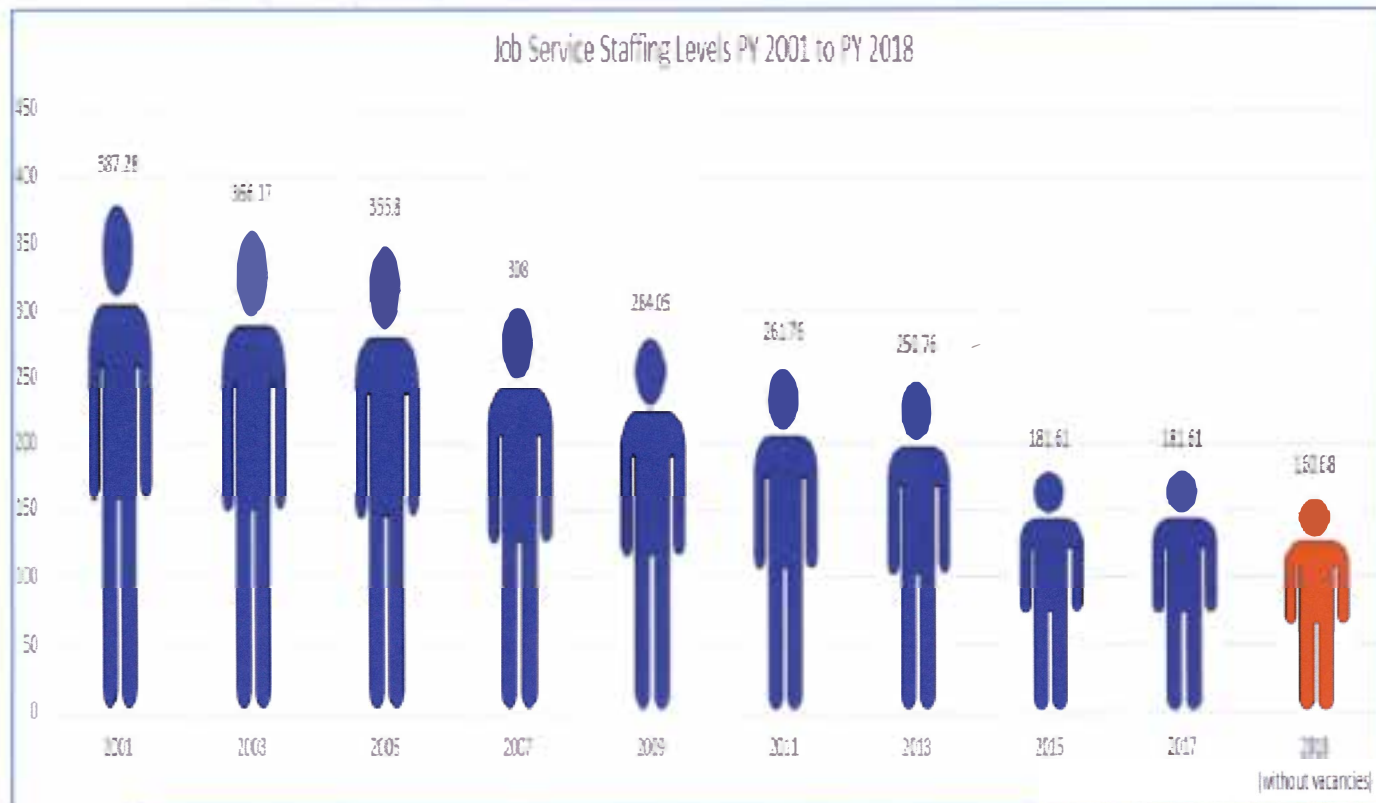
*Less
funding*

SAME FUNCTIONS



#1 4/8/10/16
2-27-2019

FTE History



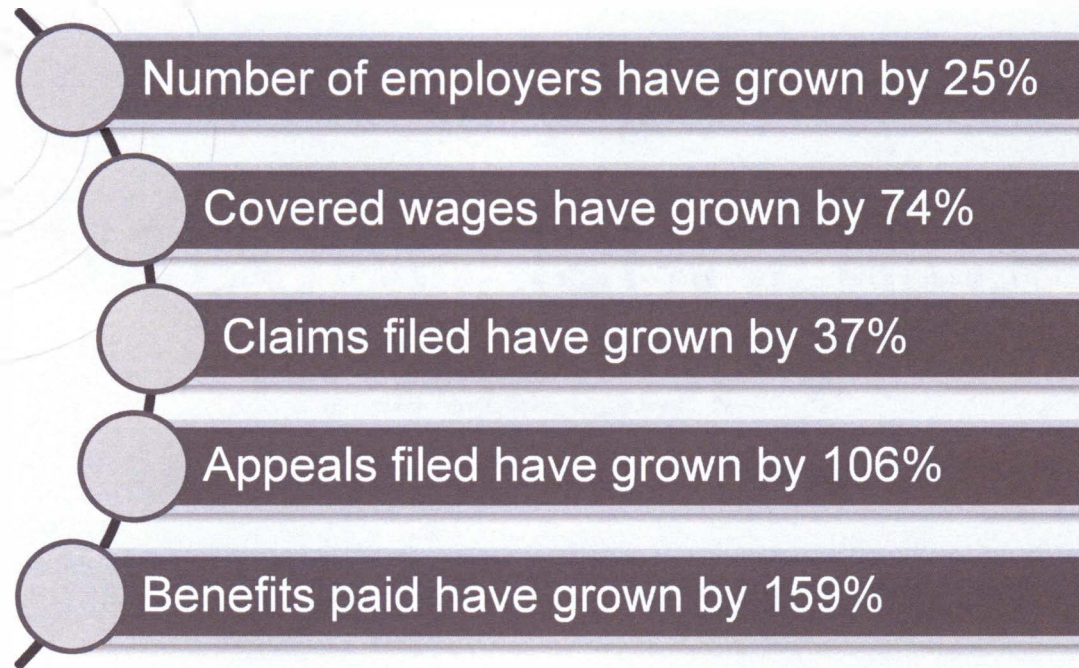
#1 HB 1016
2-27-2019



UI TRENDS & ACCOMPLISHMENTS

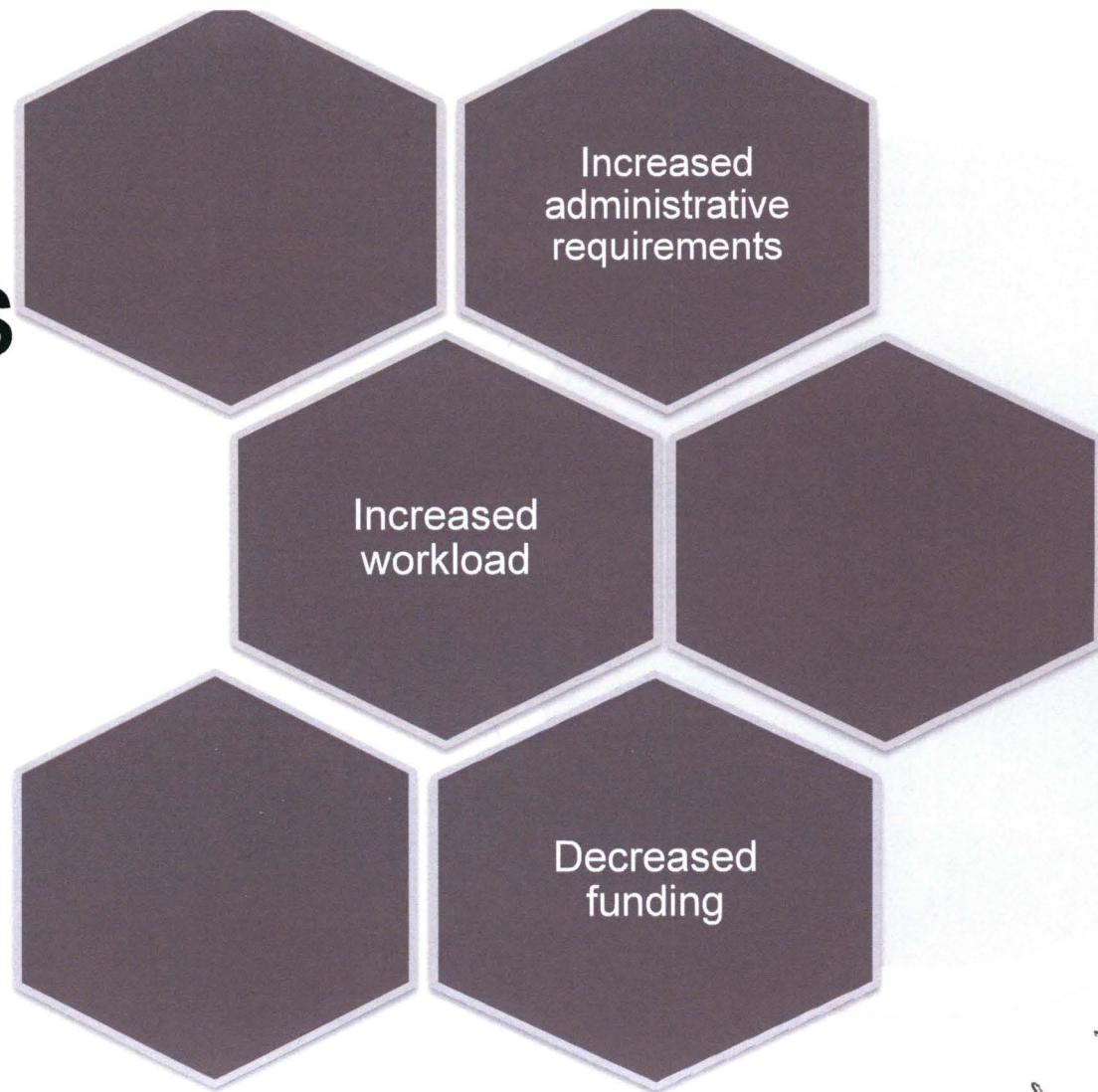
2017-19

UI - PAST 10 YEARS



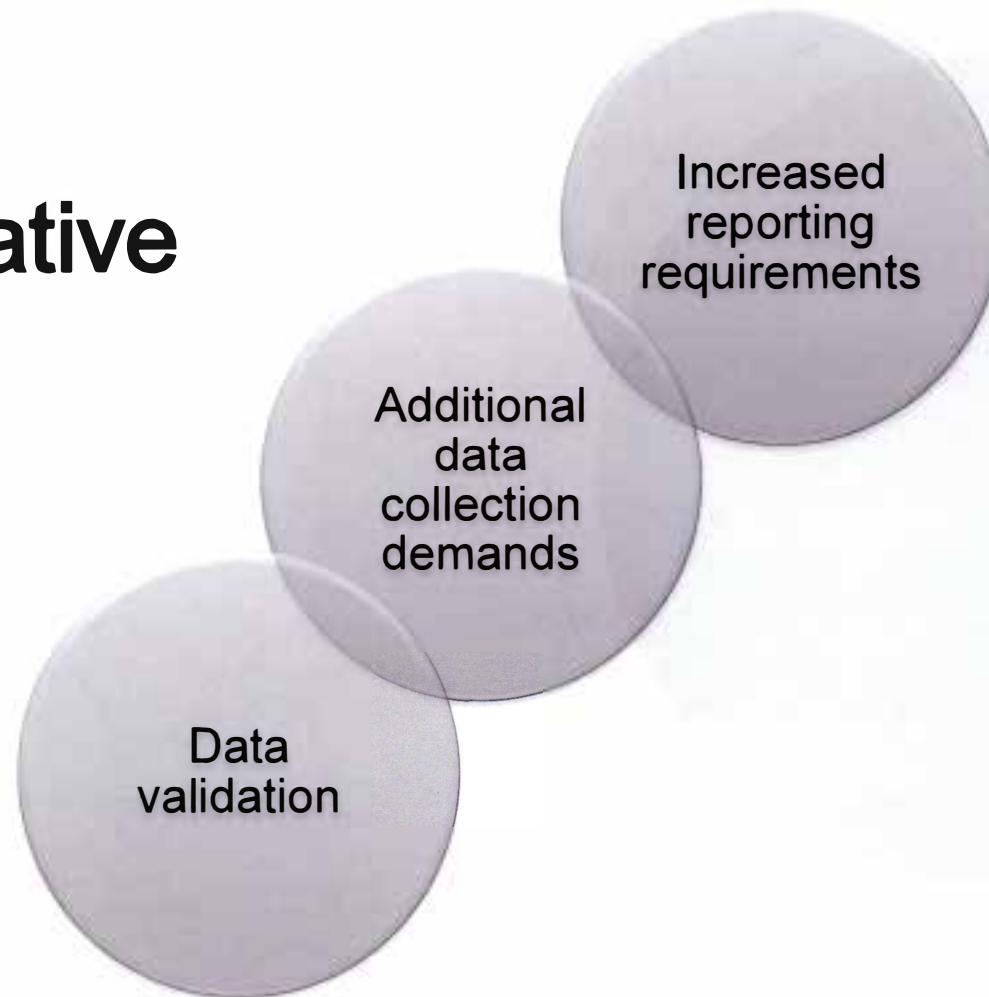
#1 MB 1016
2-27-2019

UI TRENDS



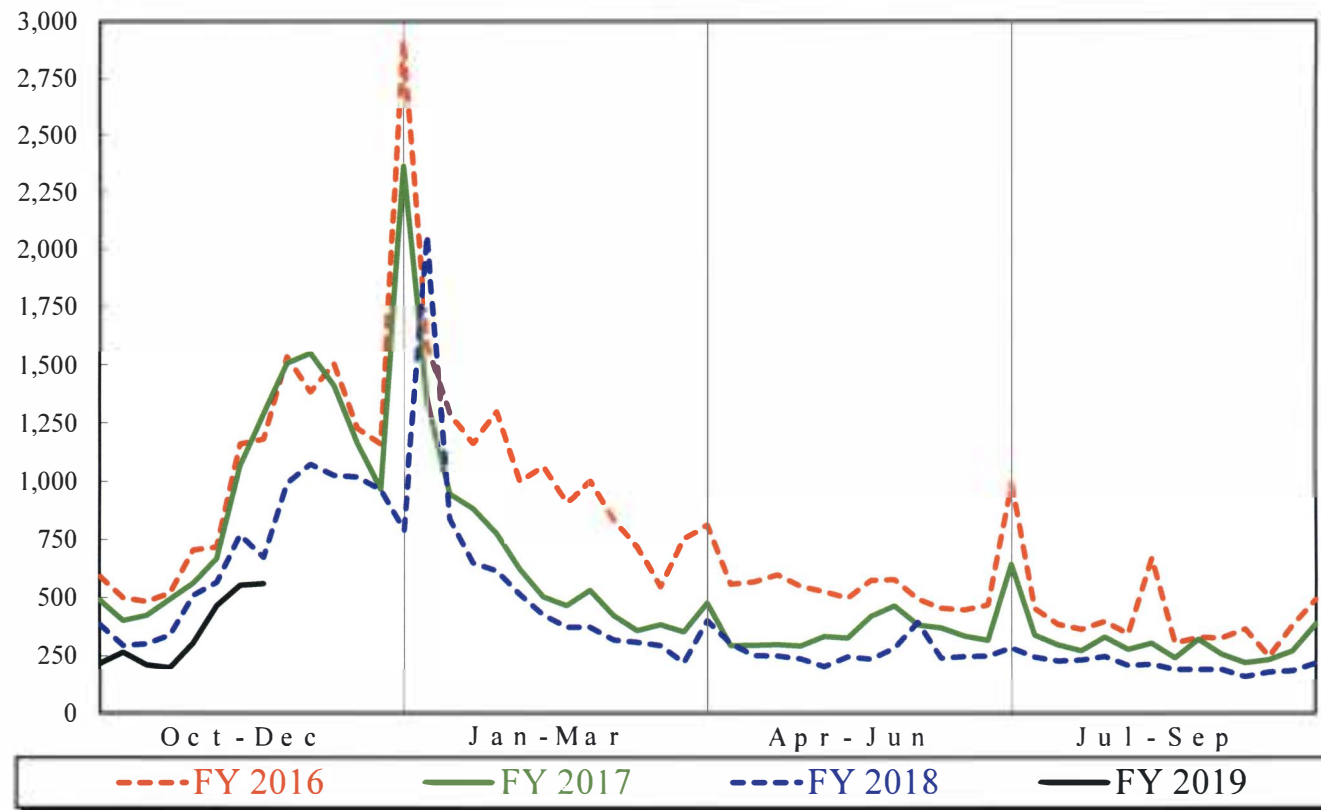
#1 HB 1016
2-27-2019

More administrative work



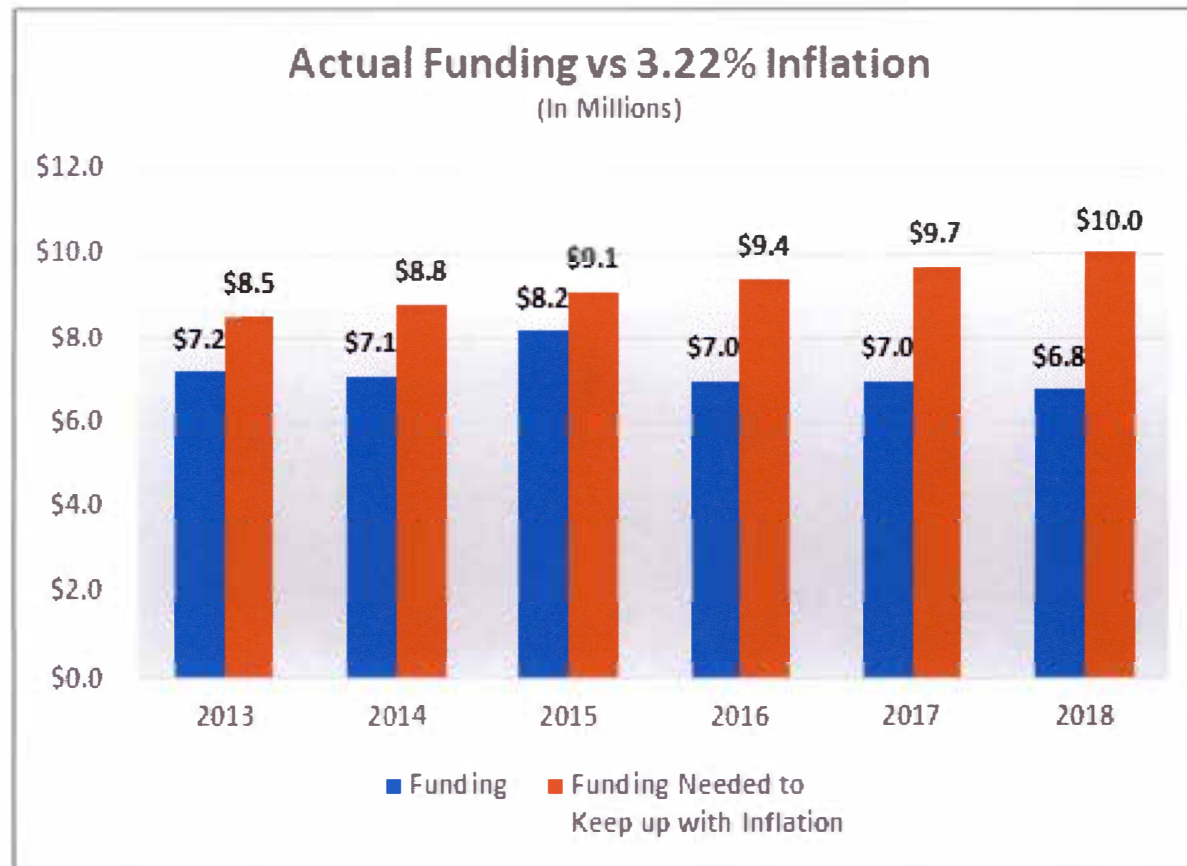
#1
HB 1016
2-27-19

Claims 2016 - 2019



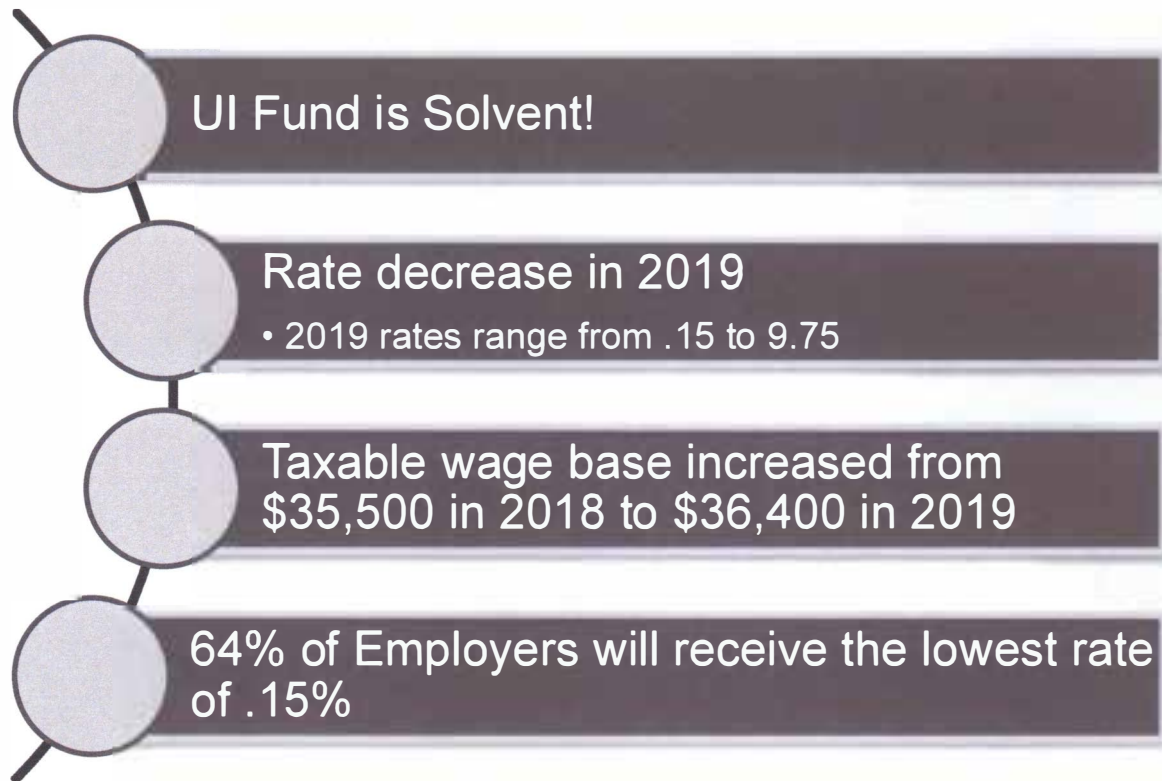
#1
HB 1016
2-27-19

UI Funding Compared to Inflation



#1
HB 1016
2-27-19

UI – Other Notable



#1
HJB 10/16
8-27-19

WORKFORCE PROGRAMS TRENDS & ACCOMPLISHMENTS

2017-2019

#1
HB 1016
2-27-19

Workforce Development Council Report of Recommendations

Council re-energized in late 2017

32 members from private sector, organized labor,
legislators & local elected officials, and state agencies

Submitted report of recommendations in October
2018

/ HB 1016
2-27-19

Occupational Licensure

Licensing can cause unnecessary barriers to employment

ND received USDOL grant

#1
HB 1014
2-27-19

Workforce Training PY 2017

Workforce Innovation & Opportunity Act Training:

Adults
(212)

Dislocated
Worker
(28)

Youth (78)

/ MB 1016
2-27-19

Local Office



#1
HB 1016
2-27-19


MAJOR INITIATIVES

2019-21

19

#/
HB 1016
2-27-19

Unemployment Insurance System Modernization



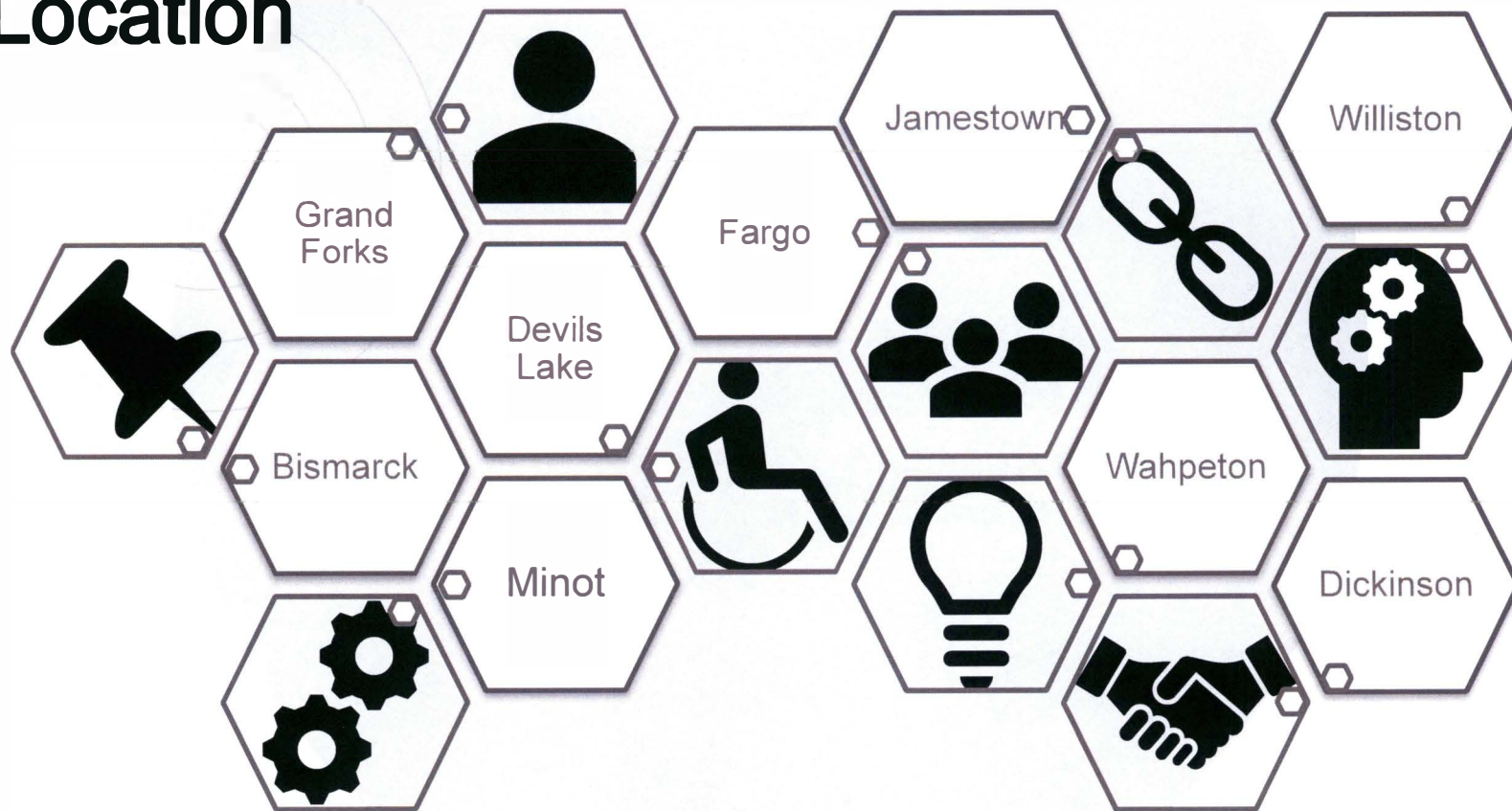
Job Service has joined a Idaho and Vermont in a consortium to modernize our mainframe-based state Unemployment Insurance technology system

The project is 100% federally funded, and takes advantage of three states pooling federal funding, staff resources, and best practices

The consortium project is built on the foundation of Idaho's integrated and modernized UI benefits and tax system, which was implemented by Idaho in Sept. 2014

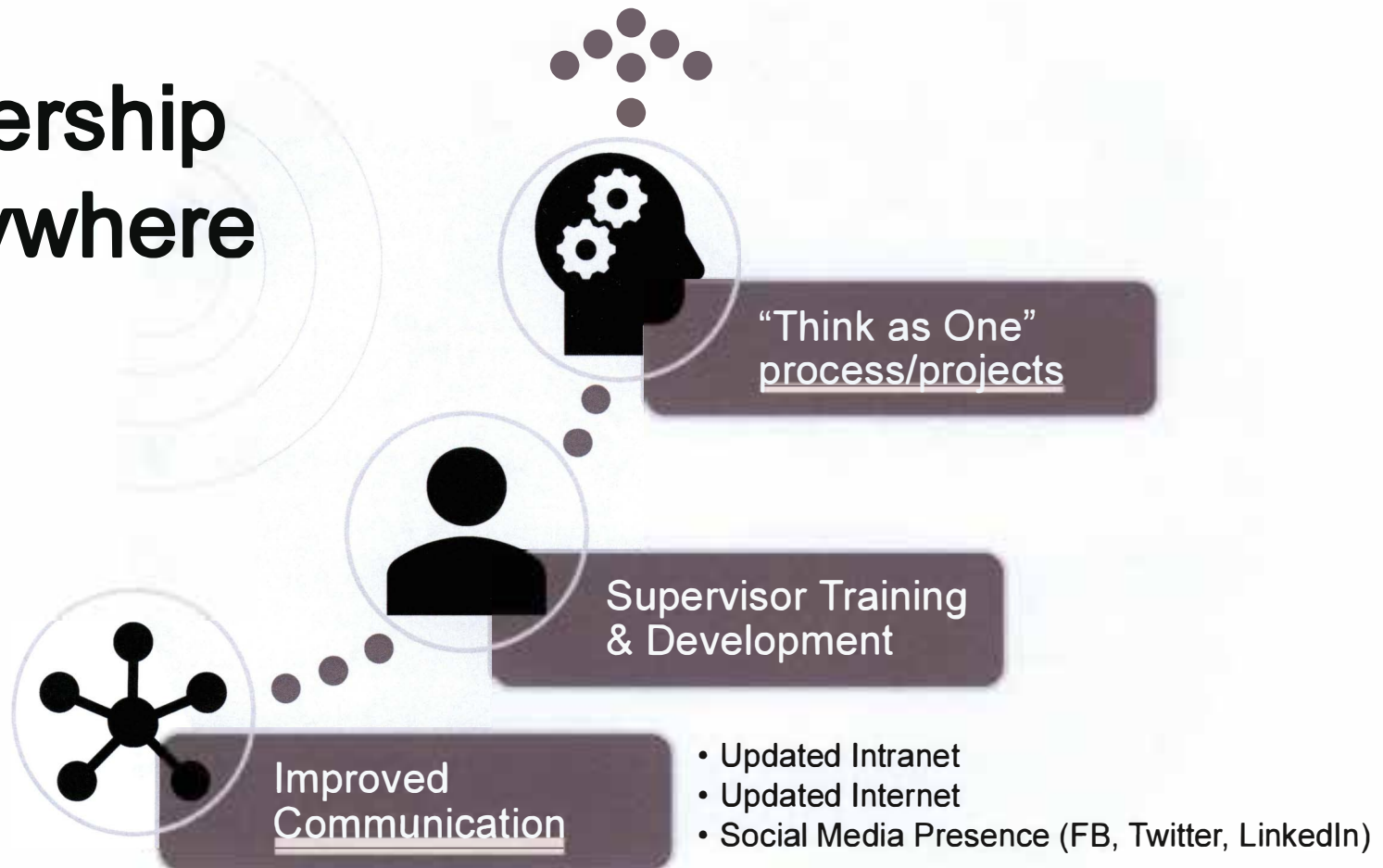
#1 HB 1016
2-27-19

Workforce Services Co-Location



#1 HB 1016
2-27-19

Leadership Everywhere



#1
H B 10/16
2-27-19

BASE BUDGET

2017-2019

23

#1
HB 1016
2-27-19

Base Level Funding

Biennium	09-11		11-13		13-15		15-17		17-19	
<i>Wagner Peyser</i>	\$5,302,783	\$5,302,783	\$5,292,177	\$5,282,176	\$5,005,887	\$5,005,890	\$4,992,444	\$5,111,188	\$5,021,310	\$5,001,345
<i>Workforce Investment Act</i>	5,294,922	5,104,054	4,446,938	4,438,612	4,207,404	4,464,523	4,535,464	4,896,212	5,010,316	5,125,806
<i>Unemployment Insurance Base</i>	6,117,771	6,316,983	6,729,310	6,372,004	6,534,481	5,975,768	6,413,040	6,585,016	6,919,384	6,699,120
<i>Unemployment Insurance Above Base</i>	947,363	494,607	319,479	576,560	616,343	1,123,952	1,751,963	390,095	106,649	150,000
<i>Labor Market Information</i>	947,317	928,392	938,958	865,457	873,675	872,971	847,502	863,004	873,198	871,289
<i>Other Federal Programs</i>	8,877,015	5,724,745	5,972,136	4,497,699	4,107,466	2,373,978	6,106,596	2,683,638	3,537,833	1,690,149
Total Federal Funding	27,487,171	23,871,564	23,698,998	22,032,508	21,345,256	19,817,082	24,647,009	20,529,153	21,468,690	19,537,709
	\$51,358,735		\$45,731,506		\$41,162,338		\$45,176,162		\$41,006,399	

/
HB1016
2-27-19

2017- 19 At- a- Glance

As of November 30, 2018

		Appropriation	Projected Expenditures	Remaining Appropriation
Sources:				
General Fund	0.98%	\$ 545,793	\$ 445,793	\$ 100,000
Federal Funds	97.14%	54,046,918	40,832,352	13,214,566
Special Funds	1.88%	<u>1,047,238</u>	<u>696,697</u>	<u>350,541</u>
Total Funds		\$55,639,949	\$41,974,842	\$13,665,107
Expenditures:				
Salaries/Wages		\$27,155,566	\$27,155,566	\$ 0
Operating Exp.		11,696,255	10,349,126	1,347,129
Capital Assets		120,000	20,000	100,000
Grants/Benefits/Claims		5,458,571	4,148,762	1,309,809
Reed Act*		<u>11,209,557</u>	<u>301,388</u>	<u>10,908,169</u>
Total		\$55,639,949	\$41,974,842	\$13,665,107

*One-time funding.

/ HB 1016
2-27-19

Reed Act

Appropriation	\$11,209,557
Projected Expenditure	<u>(301,388)</u>
Variance	\$ 10,908,169

- Reed Act funds were awarded by USDOL for an unemployment insurance technology modernization project.
- Joined Idaho and Vermont in a consortium to modernize our mainframe-based system.
- We are requesting that these funds be appropriated in the 2019-21 biennium.

#1
HB 1016
2-27-19

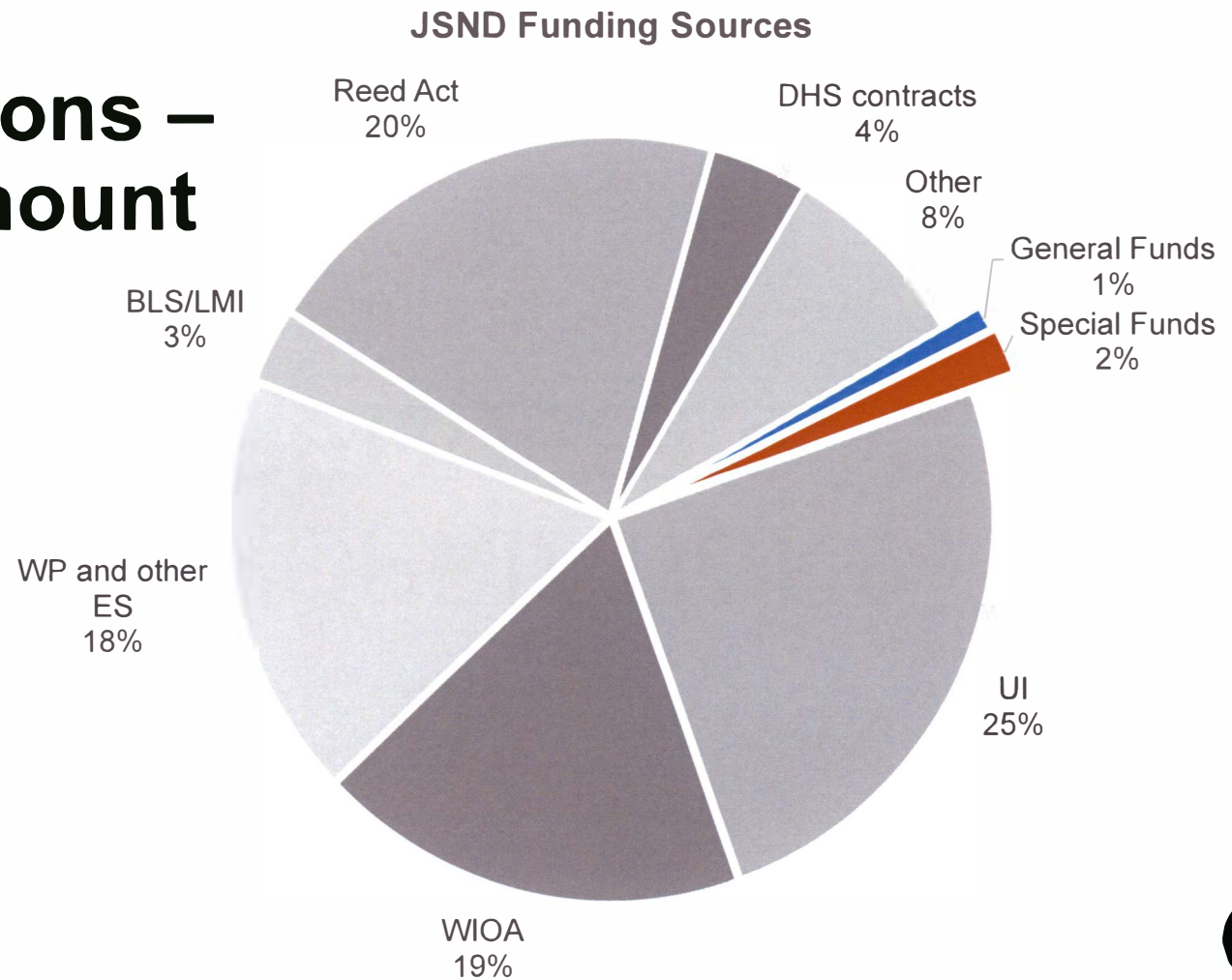
APPROPRIATIONS REQUEST

2019-2021

27

#1
HB 1016
2-27-19

Core Functions – Funding Amount



#1 MB 10/16
2-27-19

Special Funds: New Jobs Training

WHAT IS IT?

- State income tax withholdings are captured to repay loans, grants, or self-financing

FOR WHO?

- Helps new or expanding primary-sector businesses secure funding for worker education and training
- Employers may qualify if they create new, high-wage jobs by relocating to or expanding current operations in North Dakota

SEE HANDOUT

/ HB1016
3-27-19

General Funds: Job Spidering

Job spidering is an online tool that searches the Internet for job postings and automatically posts them to jobsnd.com.

75% of jobs posted on jobsnd.com are “spidered”

8.1M total views on jobsnd.com

Free of charge to employers and jobseekers

Critical to knowing # jobs open in ND

#1
HB 1016
8-27-2019

General Funds: Mobile Device - Friendly Services



**Get Applicants with
JobServiceND Mobile**



Instant
Jobs posted on jobsnd.com sync with
JobServiceND mobile

Convenient
Job seekers can search for jobs based
on their preferences

Accessible
The app is easy to use and can be
accessed almost anywhere

Software Developed by Geographic Solutions, INC., Palm Harbor, Florida, (727) 786-7955.
Job Service North Dakota is an equal opportunity employer/program provider.
Auxiliary aids and services are available upon request to individuals with disabilities

/ HB 1016
2-27-19

Proposed Reductions

▢ 5% FTE- 9 VACANT POSITIONS



- 5% GENERAL FUND (\$22K)
- 5% SPECIAL FUND (\$52K)

/ HB 1016
2-22-19

Requested Information

A listing of agency proposed budget reductions to meet Governor's 5% budget reduction guideline

- Replaced \$22,290 General Budget cut with Federal Wagner-Peyser funds

Governor's Recommendation

- Elimination of IT Staff for Unification decreases Salaries & Benefits by \$3,005,689, but increases IT Data Processing costs by \$4,100,420—an increase of \$1,094,731 to be funded by Unemployment
- Increase of \$77,619 in IT Data Processing costs for purchase of Office 365 to be funded \$72,962 by Unemployment and \$4,657 by the General fund
- Increased Compensation Package of \$1,700,661 to be funded by \$1,693,379 in Federal funds, \$3,103 General Fund, and \$4,179 by Special funds

#1 HB 1016
2-27-19

2019-21 Appropriation

	2019-21 Base Level <u>(HB1016)</u>	Change Packages & Governor's Recommendations <u>(HB1016)</u>	2019-21 Appropriation <u>(HB1016)</u>
Salaries/Wages	\$27,155,566	\$458,162	\$27,613,728
Operating Expenses	11,501,255	10,440,058	21,941,313
Capital Assets	20,000	0	20,000
Grants	5,458,571	707,541	6,166,112
Reed Act	<u>11,209,557</u>	<u>(122,591)</u>	<u>11,086,966</u>
Total	\$55,344,949	\$11,483,170	\$66,828,119
Less Est. Income	<u>54,899,156</u>	<u>11,497,700</u>	<u>66,396,856</u>
Total Gen. Fund	\$445,793	\$(14,530)	\$431,263
FTEs	181.61	(25.00)	156.61

#1 HB 1016
2-27-2019

Other Requested Information

No significant financial audit findings

No one-time funding requests for 2019-21 biennium

No known changes to federal funding levels, but trend is decreasing, and difficult to predict based tie to national trend

Unsustainable to replace general fund cuts with federal funding

#1 HB 1016
2-27-2019

Thank You !

#1 HB 1016
2-27-19

NORTH DAKOTA

JOB SERVICE NORTH DAKOTA

**OCCUPATIONAL LICENSING REVIEW
2018-2019**

The 2018 - 2019 Job Service North Dakota
Occupational Licensing Review was
sponsored by Job Service North Dakota and supported by
The Knee Center for the Study of Occupational Regulation
at Saint Francis University



The Knee Center for the Study of Occupational Regulation

Contents:

Introduction.....	pg. 1-2
Summary of Findings	
• Total Number of Licensing Boards, Commissions, and Agencies	pg. 3
• Certified Nurse Aide, CNA (Nursing Assistant).....	pg. 4-5
• Licensed Addiction Counselor, LAC.....	pg. 6-7
• Licensed Practical Nurse, LPN.....	pg. 8-9
• Nurse Licensure Compact.....	pg. 10
• Limited X-Ray Machine Operator.....	pg. 11-12
• Occupational Therapist Assistant, OTA.....	pg. 13-14
• Paraprofessional Certification / Teacher Aide.....	pg. 15-16
• Preschool Teacher (Except Special Education).....	pg. 17-18
• Physical Therapist Assistant, PTA.....	pg. 19-20
• Physical Therapy Compact Commission.....	pg. 21
• Criminal Justice Review	pg. 22
• Military Policy Review.....	pg. 23
• Notes Section.....	pg. 24
• Sources.....	pg. 25
• Military Policy Sources.....	pg. 26-27

Introduction:

pg. 1

If we focus on the headline statistic of the unemployment rate, it would appear that North Dakota continues to have one of the healthiest labor markets in the United States. According to the Bureau of Labor Statistics, the unemployment rate in North Dakota was 2.7% in September of 2018—a full percentage point lower than the national average. [i] The headline statistic does not tell the whole story, however. According to a recently completed statewide workforce survey, 28 percent of job openings go unfilled for longer than three months.[ii] In addition, almost half of all hiring managers see an inability to hire and retain workers as a barrier to business growth. [iii] What is keeping workers from entering North Dakota? The labor market institution of occupational licensing could be a contributing factor.

Occupational licensing laws require aspiring workers to complete minimum levels of training or education, pass exams, pay fees, and meet other requirements before they are permitted to work by law. The professions affected by occupational licensing range from doctors and dentists to massage therapists and barbers. Occupational licensing today is the most important labor market institution in the United States. It has gone from affecting 5% of the workforce in the 1950s to more than 20% today.[iv] In North Dakota in 2015, occupational licensing was estimated to directly affect 26.6% of the workforce—almost 5 percentage points higher than the national average.[v] By creating barriers to prospective job seekers, could occupational licensing be imposing a barrier for job seekers?

In the pages that follow, we compare the occupational licensing requirements for eight high-growth occupations in North Dakota. Our comparison group consists of: Colorado, Iowa, Idaho, Kansas, Minnesota, Montana, North Dakota, Nebraska, Nevada, Oklahoma, Oregon, South Dakota, Utah, Washington, Wisconsin, and Wyoming. The comparison states either border or are in close proximity to North Dakota or are members of the Western Governors Association. We excluded Arizona, California, and Texas since they contain large cities and urban populations. We excluded New Mexico as a result of large population of state and federal government workers in the state. Hawaii and Alaska were also excluded due to their differences with and distance from North Dakota.

Using four entry requirements of occupational licensing, we established a classification scheme for the burden occupational licensing places upon workers in North Dakota. The entry requirements used for the ranking were:

- 1) The number of required exams
- 2) Continuing education fees
- 3) Initial licensing fees
- 4) Renewal Fees

We compared North Dakota to the average of the sixteen comparison states. Our classification system is as follows:

- **"Red"** Above Average Burden": 3 or more of the 4 categories of occupational licensing requirements are higher in North Dakota than the average for the comparison group. North Dakota should strongly consider scaling back or removing licensing requirements to facilitate entry into the profession.
- **"Yellow"** Average Burden": 1 or 2 of the categories of occupational licensing requirements are higher in North Dakota than the average for the comparison group. North Dakota may consider scaling back or removing licensing requirements to facilitate entry into the profession.
- **"Green"** Below Average Burden": All categories of occupational licensing requirements are similar in North Dakota than the average for the comparison group. Occupational licensing requirements are likely not creating barriers to entry into the profession that are more burdensome than comparison states.

Our findings suggest that:

- 1) Licensing requirements for limited x-ray machine operators and occupational therapist assistants in North Dakota present an above average burden relative to comparison states.
- 2) Licensing requirements for licensed addiction counselors, licensed practical nurses (LPNs), physical therapists assistants, and preschool teachers are presenting barriers similar to comparison states.
- 3) Licensing requirements for certified nursing aides (CNAs) and paraprofessionals are less burdensome than comparison states.
- 4) North Dakota occupational licensing laws present more burdens to individuals with criminal records than bordering state Minnesota.
- 5.) North Dakota occupational licensing laws present more barriers to veterans than in five other states (Colorado, Idaho, Kansas, Minnesota, and Utah) within the comparison group.

Total Number of Licensing Boards, Commissions, and Agencies

1. Abstracters' Board of Examiners
2. Addiction Counseling Examiners Board
3. Attorney General's Office - North Dakota State Government
4. Board of Physical Therapy
5. Board of Barber Examiners
6. Board of Counselor Examiners
7. Board of Hearing Aid Specialists
8. Board of Massage
9. Board of Occupational Therapy Practice
10. Board of Podiatric Medicine
11. Commission of Combative Sports
12. Dietetic Practice Board
13. Education Standards And Practices Board
14. Game And Fish Advisory Board
15. Health Council
16. Milk Marketing Board
17. NDSU Agriculture and Extension
18. North Dakota Real Estate Appraise Qualifications And Ethics Board
19. North Dakota Aeronautics Commission
20. North Dakota Atmospheric Resource Board
21. North Dakota Board of Athletic Trainers
22. North Dakota Board of Clinical Laboratory Practice
23. North Dakota Board of Reflexology
24. North Dakota Board of Social Work Examiners
25. North Dakota Department of Health
26. North Dakota Department of Human Services
27. North Dakota Environmental Health Advisory Board /Association
28. North Dakota Geologic Survey - North Dakota Industrial Commission
29. North Dakota Marriage and Family Therapy Licensure Board
30. North Dakota Medical Imaging and Radiation Therapy Board of Examiners
31. North Dakota Real Estate Commission
32. North Dakota Secretary of State
33. North Dakota State Board of Law Examiners
34. North Dakota State Board of Optometry
35. Peace Officer Standards and Training Board
36. Private Investigative And Security Board
37. Racing Commission, North Dakota
38. State Banking Board
39. State Board of Accountancy



40. State Board of Animal Health
41. State Board of Architecture and Landscape Architecture
42. State Board of Chiropractic Examiners
43. State Board of Cosmetology
44. State Board of Dental Examiners
45. State Board of Examiners For Nursing Home Administrator
46. State Board of Examiners on Audiology And Speech-Language Pathology
47. State Board of Funeral Service
48. State Board of Integrative Health Care
49. State Board of Medicine
50. State Board of Nursing
51. State Board of Pharmacy
52. State Board of Plumbing
53. State Board of Psychologist Examiners
54. State Board of Registration for Professional Engineers and Land Surveyors
55. State Board of Registration for Professional Soil Classifiers
56. State Board of Board Respiratory Care
57. State Board of Board Veterinary Medical Examiners
58. State Board of Water Well Contractors
59. State Credit Union Board
60. State Electrical Board
61. The North Dakota Department of Agriculture's Livestock Development Division

2 HB 1016 2-27-19
pg 4

Comparison Data Section for the Eight Focus Target Occupations Selected by North Dakota

This comparison analysis includes **16** of the 50 U.S states The comparison states either border or are in close proximity to North Dakota or are members of the Western Governors Association.

Certified Nurse Aide, CNA (Nursing Assistant)

pg 5

Licensure Requirements

\$ \$25.00 Initial Fee



Postsecondary Non-Degree Training



2 Examinations

\$\$ No Renewal Fee



Continuing Education is not a requirement for license renewal

Low Burden
to Entry

Initial Licensing Fee: \$25.00 Initial Fee
Initial fee due with the application \$25.00

Degree Requirement: Postsecondary Non-Degree Training

Applicants must complete a department-approved certified nurse aide training program consisting of a minimum of seventy-five hours and a department-approved competency evaluation or a department-approved competency evaluation.

Examination Requirement: 2 Exams

Applicants must submit verification of passing scores on both the written and skills CNA tests.

Licensure Renewal Fee: No Renewal Fee.

There is NO FEE required for Certified Nurse Aide (CNA) renewal. Your expiration date will change with each renewal. Expiration dates are based on the last date worked, as verified by your employer, at the time of renewal. In order to renew your certification, you must have worked a total of 8 hours in North Dakota performing nursing or nursing related services within a continuous 24 month period, for pay, under the supervision of a licensed nurse. The time can be broken down into two 4 hour blocks, or four 2 hour blocks and so on.

Continuing Education: Individuals who have not performed at least eight (8) hours of nursing or nursing related services for pay within their current registration period (previous 24 consecutive months) are NOT eligible for renewal and must complete a new competency evaluation process to obtain current registration as a CNA.

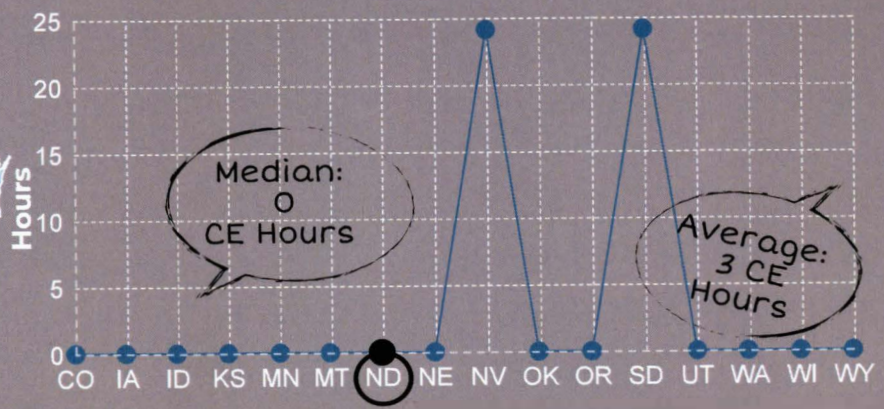
Licensure by Endorsement: Applicant must submit verification from the licensing authority in another state/jurisdiction that you are licensed in good standing.

Certified Nurse Aide (Nursing Assistant) Peer Group Comparison

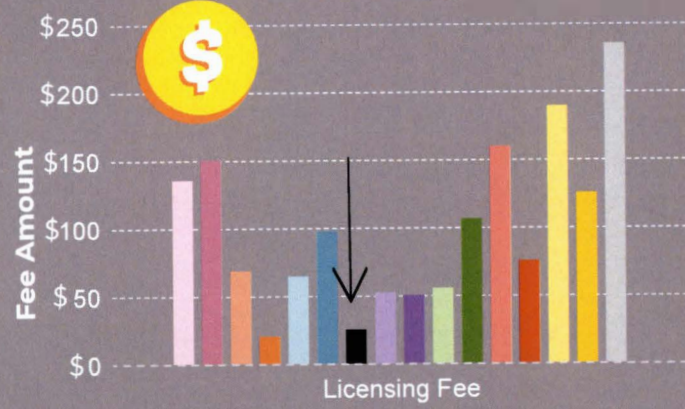
Continuing Education Requirement on a Biennial Scale



All 16 states out of the comparison group require 2 exams



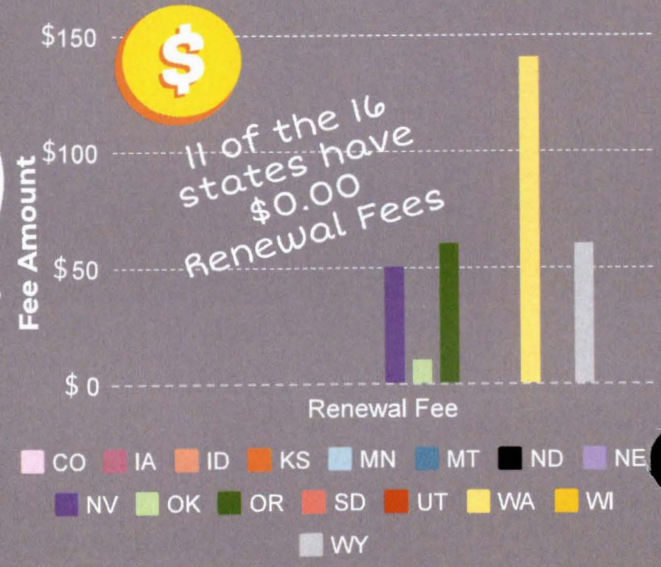
Initial Fees



North Dakota Fee: \$25.00
Fee Average: \$100.34
Fee Median: \$86.00

North Dakota Fee: \$0.00
Fee Average: \$20.00
Fee Median: \$0.00

Renewal Fees on a Biennial Scale



11 of the 16 states have \$0.00 Renewal Fees

Licensed Addiction Counselor, LAC

Licensure Requirements



\$100.00 - \$300.00 Initial Fee



Master's Degree



1 Examination



\$300.00 Biennial Renewal Fee



40 Hours of Continuing Education

Average Burden
to Entry

Initial Licensing Fee: \$100.00 - \$300.00 Initial Fee

License fee is based on date application was received by board office.

On or after January 1 (even year) and before July 1 (even year): \$300

On or after July 1 (even year) and before January 1 (odd year): \$250

On or after January 1 (odd year) and before July 1 (odd year): \$150

On or after July 1 (odd year) and before January 1 (even year): \$100

Degree Requirement: Master's Degree

Applicants must have a minimum of a Master's Degree in a behavioral science field from an accredited post secondary institution.

Examination Requirement: 1 Exam

Applicant must take and pass the master addiction counselor examination administered by the national association for alcoholism and drug abuse counselors.

Licensure Renewal Fee: \$300.00 Biennial Renewal Fee

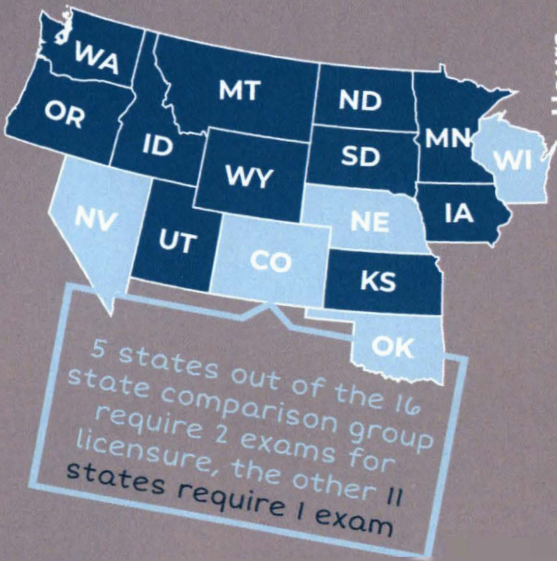
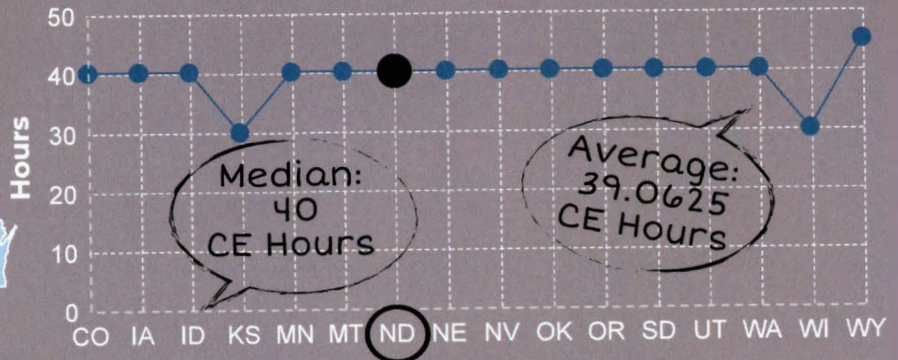
Continuing Education: 40 hours every 2 years

To maintain licensure, licensed addiction counselors, licensed clinical addiction counselors, and licensed master addiction counselors are required to complete forty hours of continuing education for the two-year licensing period, at least six hours of which must be on the topic of professional ethics.

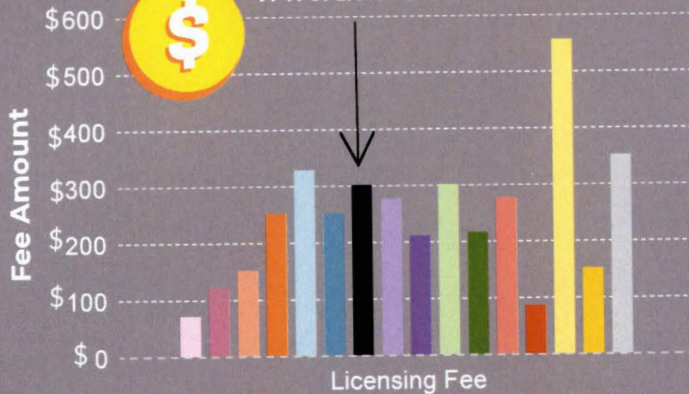
Licensure by Reciprocity: The board may grant reciprocity, on such terms and conditions as it may determine necessary, to an applicant for licensure who is in good standing as a licensed, approved, or certified addiction counselor, licensed clinical addiction counselor, or licensed master addiction counselor under the laws of another jurisdiction that imposes at least substantially the same requirements that are imposed under this chapter. For the purposes of reciprocity as set forth in subsection 2 of North Dakota Century Code section 43-45-05.1:

Licensed Addiction Counselor Peer Group Comparison

Continuing Education Requirement on a Biennial Scale



Initial Fees

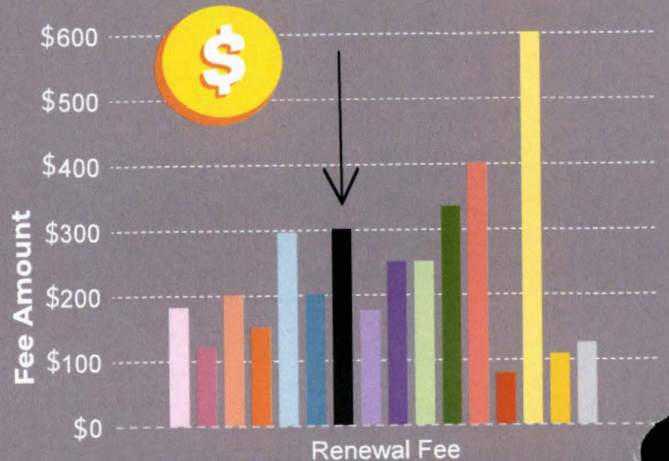


CO IA ID KS MN MT ND NE
NV OK OR SD UT WA WI WY

North Dakota Fee: \$300.00
Fee Average: \$242.63
Fee Median: \$250.00

North Dakota Fee: \$300.00
Fee Average: \$235.31
Fee Median: \$200.00

Renewal Fees on a Biennial Scale



CO IA ID KS MN MT ND NE
NV OK OR SD UT WA WI WY

Licensed Practical Nurse, LPN

#2 HB 1016
2-27-19
pg 9

Licensure Requirements



\$130.00 Initial Fee



Postsecondary Non-Degree Training



1 Examination



\$110.00 Biennial Renewal Fee



12 Hours of Continuing Education

Average Burden
to Entry

Initial Licensing Fee: \$130.00 Initial Fee

Initial license fee \$130.00

Degree Requirement: Postsecondary Non-Degree Training

All applicants must complete of a board-approved in-state nursing education program that prepares the graduate for the level of licensure sought; or submit an official transcript that verifies completion of an out-of-state nursing education program that is approved by the state board of nursing of the jurisdiction in which the program is headquartered and that prepares the graduate for the level of licensure sought.

Examination Requirement: 1 Exam

1. The National Council Licensure Examination for Practical Nurses (NCLEX-PN)

Licensure Renewal Fee: \$110.00 Biennial Renewal Fee

Continuing Education: 12 contact hours: The Board determined that continuing education for purposes of relicensure must meet or exceed twelve (12) contact hours within the preceding two (2) years.

Licensure by Endorsement: An applicant can apply for licensure through endorsement by submitting an application and appropriate proof of licensure in another United States state of territory.

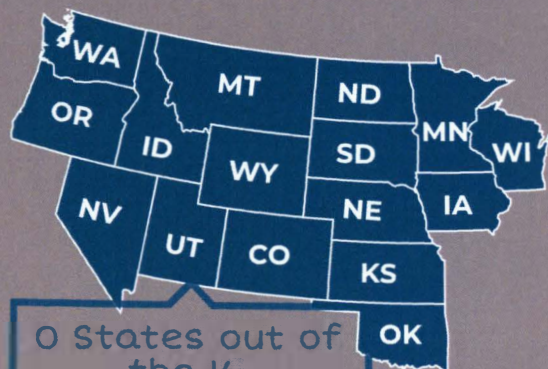
2

HB 1016
2-27-19

pg 10

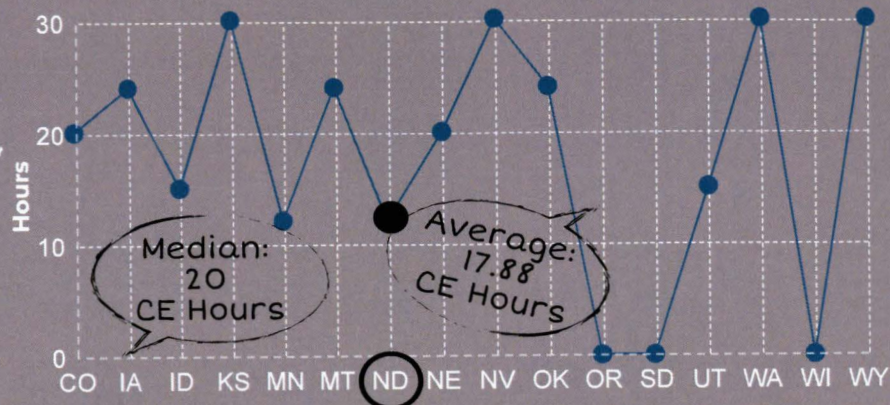
pg. 9

Licensed Practical Nurse Peer Group Comparison

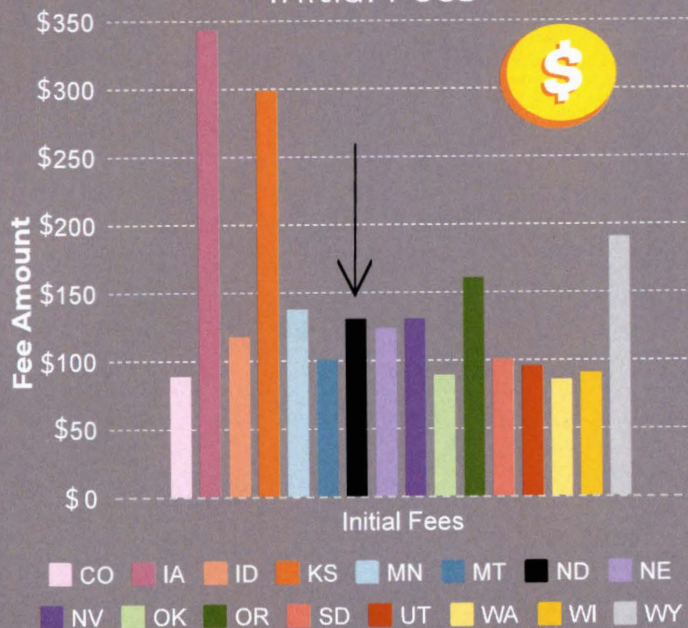


0 States out of the 16 comparison states require 2 exams, all require 1 exam

Continuing Education Requirement on a Biennial Scale



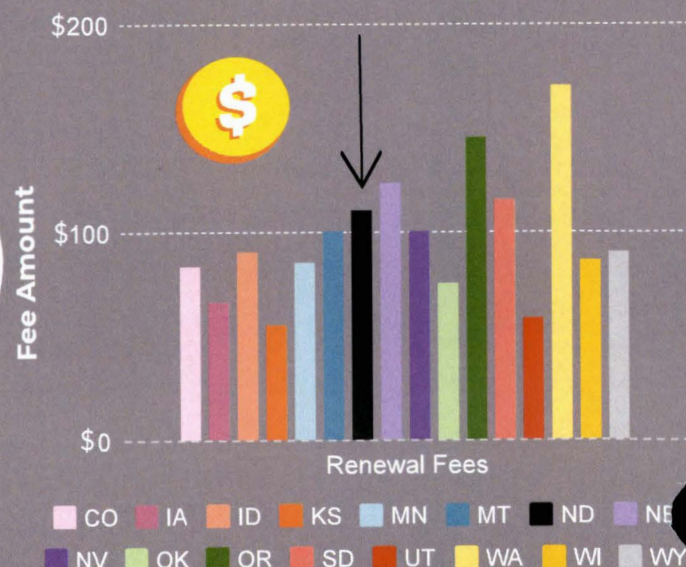
Initial Fees



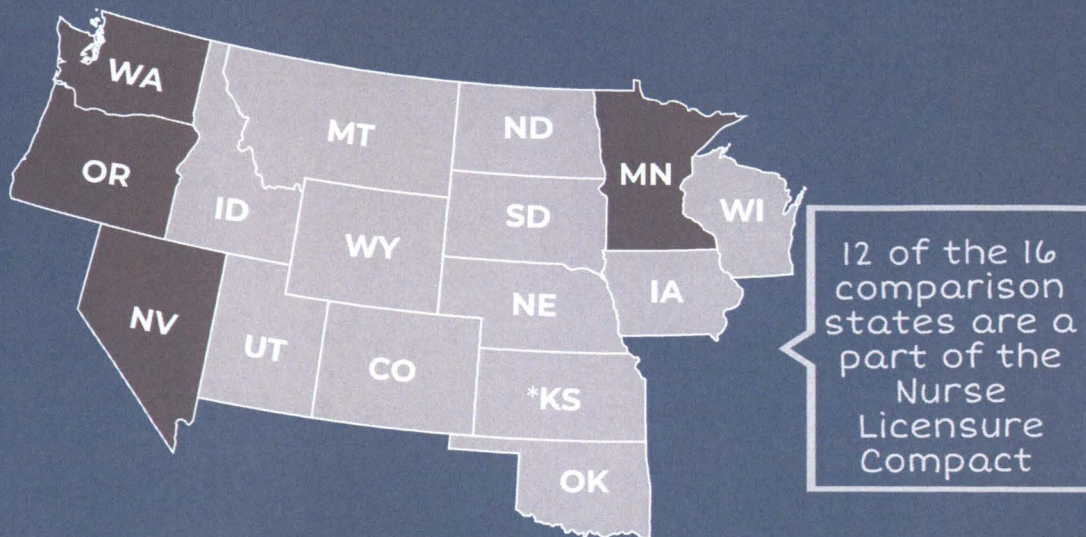
North Dakota Fee: \$130.00
Fee Average: \$142.16
Fee Median: \$120.00

North Dakota Fee: \$110.00
Fee Average: \$96.94
Fee Median: \$90.00

Renewal Fees on a Biennial Scale



Nurse Licensure Compact Peer Group Comparison



<https://www.ncsbn.org/nurse-licensure-compact.htm>

The Purpose of the Nurse Compact Agreement:

The general purposes of this compact are to:

- A. Facilitate the states' responsibility to protect the public's health and safety;
- B. Ensure and encourage the cooperation of party states in the areas of nurse licensure and regulation;
- C. Facilitate the exchange of information between party states in the areas of nurse regulation, investigation, and adverse actions;
- D. Promote compliance with the laws governing the practice of nursing in each jurisdiction;
- E. Invest all party states with the authority to hold a nurse accountable for meeting all state practice laws in the state in which the patient is located at the time care is rendered through the mutual recognition of party state licenses.

CHAPTER 43-12.4 NURSE LICENSURE COMPACT

Military Spouses who are Nurses Maintaining or changing a primary state of legal residency is at the discretion of the nurse. Should a nurse maintain legal residency in a NLC state and hold a multistate license and the military family is stationed in other NLC states, the nurse may practice under the home state multistate license in the other NLC states without obtaining additional licensure in those states.

* Kansas will be a member state starting July 1st 2019

#2 HB 1016
2.27.2019
Pg 12

Limited X-Ray Machine Operator

#2 AB 1016
2.27-2019
pg 13

Licensure Requirements

\$ \$100.00 Initial Fee



Postsecondary Non-Degree Training



1 Examination

\$\$ \$75.00 Biennial Renewal Fee



12 Hours of Continuing Education

Above Average
Burden to Entry

Initial Licensing Fee: \$100.00 Initial Fee

Degree Requirement: Postsecondary Non-Degree Training

Applicants must complete

1. Didactic requirements include the successful completion of 80-hour Department approved class. This must be a single training program providing didactic instruction in accordance with Part 1 of Appendix H of Chapter 33-10-06. A certificate of completion will be issued, which must be made available to the Department upon request.

2. Clinical Experience and Supervision: Individuals must complete the clinical experience section as outlined in Part 2 of Appendix H of Chapter 33-10-06 of the North Dakota Radiological Health Rules. The individual must complete three months of clinical training during which time they may perform X-ray examinations only under direct supervision. **OR** Individual must complete at least 120 hours of clinical training at a facility where there is routinely fifty or more limited scope x-ray examinations performed per week. During this time they may perform X-ray examinations only under direct supervision.

Examination Requirement: 1 Exam

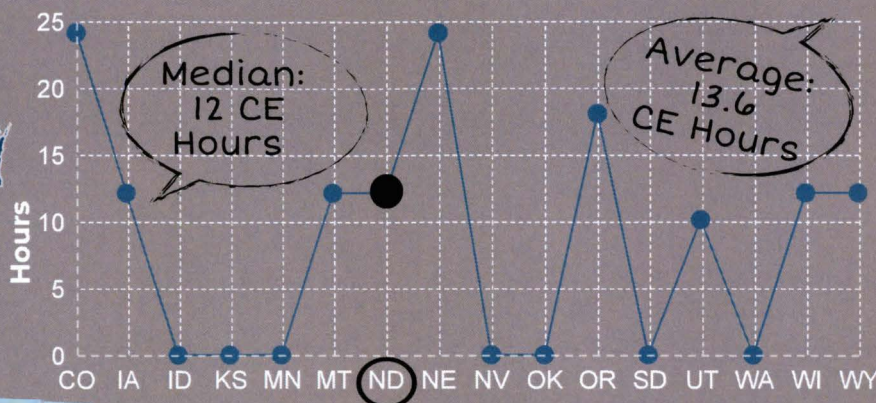
North Dakota applicants must pass the ARRT limited scope exam

Licensure Renewal Fee: \$75.00 Biennial Renewal Fee

Continuing Education: 12 continuing education hours are needed every 2 years for licensure renewal

Licensure by Endorsement: No Reciprocity or Endorsement Available

pg. 12



Out of the 16 state comparison group,
 5 States have no licensure,
 1 State has no exam requirement
 9 States have 1 exam requirement
 1 State 1-2 exam requirement

The chart shows the following approximate fee amounts for the different categories:

Licensing Fee Category	Fee Amount (Approximate)
Light Pink	\$60
Dark Pink	\$110
Light Blue	\$25
Dark Blue	\$100
Black (Licensing Fee)	\$100
Purple	\$145
Dark Green	\$125
Red	\$70
Yellow	\$105
Orange	\$90
Grey	\$160

North Dakota Fee: \$100.00
Fee Average: \$99.18
Fee Median: \$100.00

North Dakota Fee: \$75.00
Fee Average: \$88.70
Fee Median: \$81.00

Fee Amount

Renewal Fee

State	Fee Amount
CO	60
IA	50
ID	0
KS	0
MN	0
MT	120
ND	75
NE	145
NV	0
OK	0
OR	125
SD	0
UT	45
WA	105
WI	80
WY	80

Occupational Therapist Assistant, OTA

#2

HB 1016

2-27-2019

pg 15

Licensure Requirements

\$ \$105.00 - \$160.00 Initial Fee

Above Average
Burden to Entry



Associate's Degree



2 Examinations



\$110.00 Biennial Renewal Fee



20 Hours of Continuing Education

Initial Licensing Fee: \$ 160.00 Initial Fee

After 6/30 even year and before 7/1 odd year \$160.00

After 6/30 and on or before 12/31 odd year \$105.00

On or after 1/1 even year \$160.00

Degree Requirement: Associate's Degree

An applicant must be a graduate of an American Occupational Therapy Association (AOTA) accredited Associate's program.

Examination Requirement: 2 Exams

1. Applicants must submit verification of passing score on National Board for Certification in Occupational Therapy (NBCOT) examination.

2. Applicant also must pass a jurisprudence exam. This exam is for all new and reciprocity applicants ONLY. This is an exam over the laws and rules governing OT Practice in ND.

Licensure Renewal Fee: \$110.00 Biennial Renewal Fee (even-numbered years)

Continuing Education: 20 contact hours within the twenty-four months prior to the completed application, must be completed, for renewal of licensure.

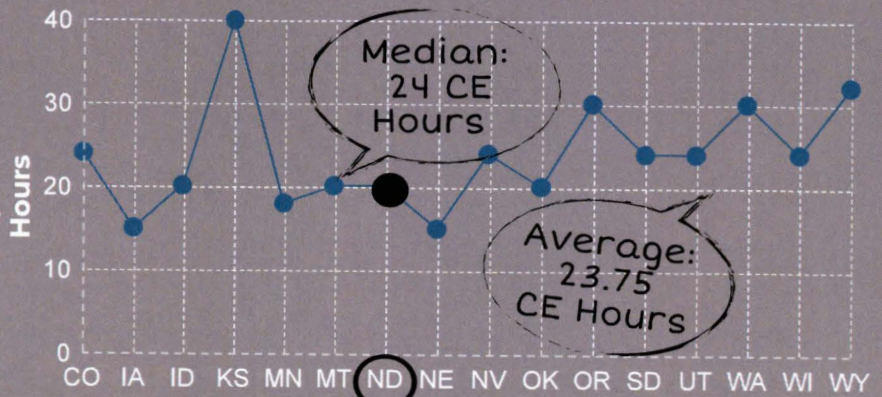
Licensure by Reciprocity: Applicant must submit verification from the licensing authority in another state/jurisdiction that you are licensed in good standing. You must request this from ALL states you have held licensure even if the license has expired.

Occupational Therapist Assistant Peer Group Comparison

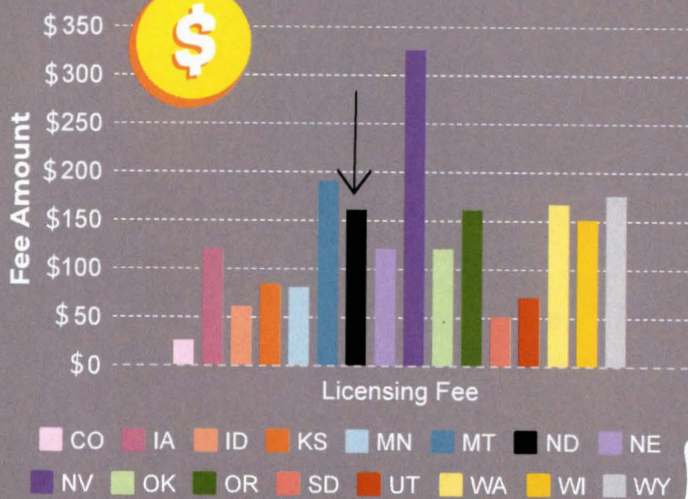
Continuing Education Requirement on a Biennial Scale



4 states out of the 16 state comparison group require 2 exams for licensure, the other 12 states require 1 exam



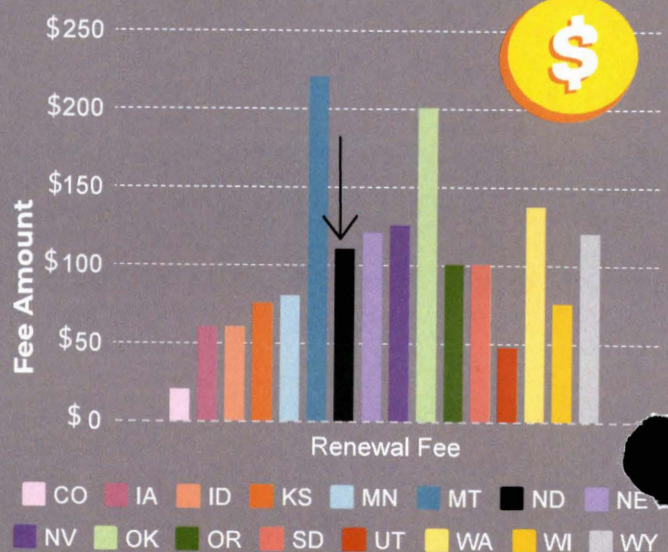
Initial Fees



North Dakota Fee: \$160.00
Fee Average: \$128.38
Fee Median: \$120.00

North Dakota Fee: \$110.00
Fee Average: \$103.06
Fee Median: \$100.00

Renewal Fees on a Biennial Scale



Paraprofessional Certification/Teacher Aide

#2 HB 1016
2-27-2019
pg 17

Licensure Requirements



\$0.00 Initial Fee



Postsecondary Non-Degree Training



0-1 Examination



No Renewal Fee



Continuing Education is not a requirement for license renewal

Low Burden
to Entry

Initial Licensing Fee: No initial licensing fee

Degree Requirement: Postsecondary Non-Degree Training

As part of the Every Student Succeeds Act (ESSA), Title I paraprofessionals must have a secondary school diploma or its recognized equivalent and meet one of the following three requirements to be employed in a Title I program:

- 1) Obtained a working knowledge in reading, mathematics, and writing by completing two years of study (48 semester hours) at an accredited institution of higher education
- 2) Obtained an associate's (or higher) degree
- 3) Met a rigorous and objective standard of quality, which includes a North Dakota approved assessment of skills in reading, mathematics, and writing.

Examination Requirement: 0-1 Exam

The North Dakota Department of Public Instruction (NDDPI) has approved five options for meeting the assessment requirement for paraprofessionals under the NCLB Act. Any paraprofessional without an Associates Degree or 48 semester hours of higher education must meet the qualifications by taking one of the state approved assessments. The applicant must complete and pass each assessment in reading, mathematics, and writing. The five options are The ParaPro Assessment test, The Praxis Core Academic Skills for Educator (CORE) test, The ACT WorkKeys test, The ParaEduat or PD Now test

Licensure Renewal Fee: No licensure renewal.

Continuing Education: No Continuing Education Requirement

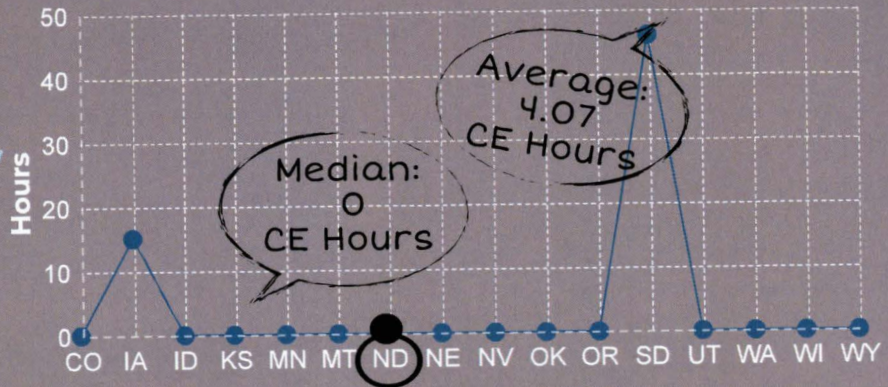
Licensure by Endorsement: No Reciprocity or Endorsement

Paraprofessional Certification/Teachers Aide Peer Group Comparison

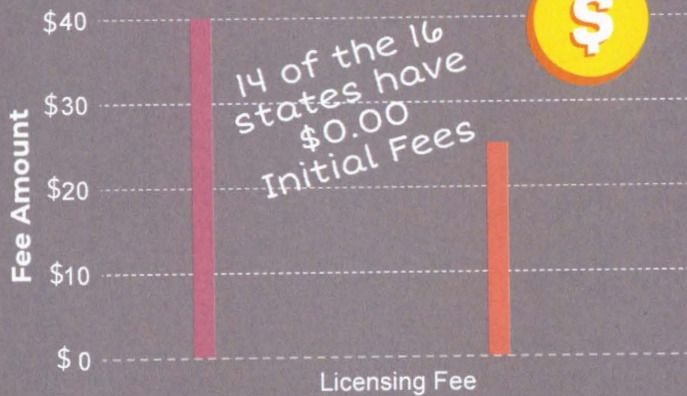
Continuing Education Requirement on a 5-Year Scale



All 16 states in the comparison group require O-I exam



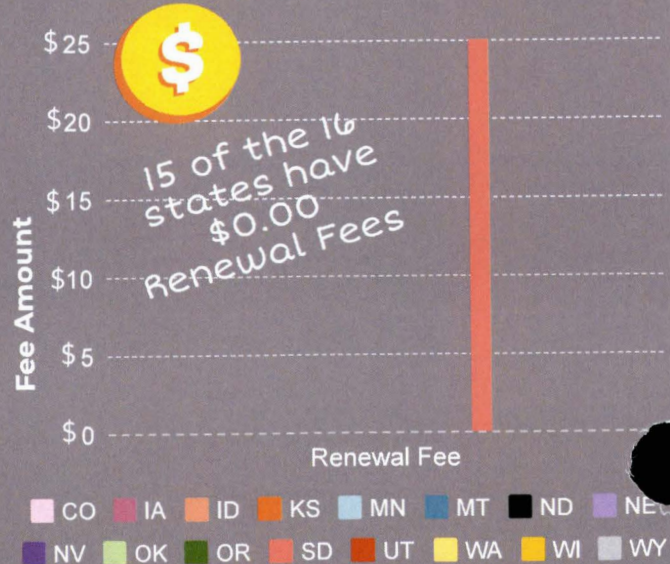
Initial Fees



North Dakota Fee: \$0.00
Fee Average: \$4.06
Fee Median: \$0.00

North Dakota Fee: \$0.00
Fee Average: \$1.56
Fee Median: \$0.00

Renewal Fees on a 5-Year Scale



Preschool Teacher (Except Special Education)

Licensure Requirements



\$144.50 Initial Fee



Bachelor's Degree



2 Examinations



\$50.00 Biennial Renewal Fee



Continuing Education is not a requirement for license renewal

Average Burden
to Entry

Initial Licensing Fee: Total initial fee of \$144.50 includes an initial application fee of \$30.00, a fingerprinting fee of \$44.50 and a licensing fee \$70.00

Degree Requirement: Bachelor's Degree

Applicants must complete a minimum of a four-year bachelor's degree from a state agency-approved teacher education program.

Examination Requirement: 2 Exams

Required Praxis I for all licensure, Required Praxis II for all core academic areas and elementary education.

Licensure Renewal Fee: \$50.00 Biennial Renewal Fee

Continuing Education: No Continuing Education Requirement. If you currently hold a 2 year license, no continuing education required, if you hold a 5 year license, the re-education requirement is 6 semester hours of college coursework.

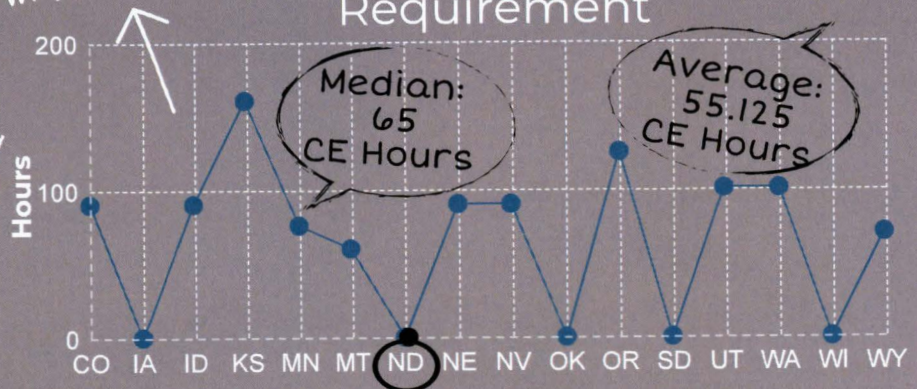
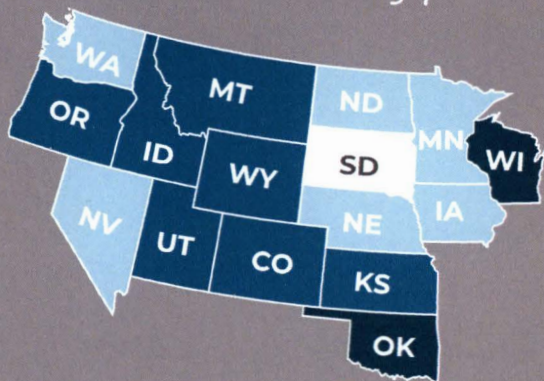
Licensure by Reciprocity: Out-of-State Reciprocal License (Two-Years): Issued to individuals who graduated from an out-of-state university but do not hold a teaching license in another state. A transcript analysis is completed and a plan of study is developed for each individual indicating the coursework and testing needed. This license can be issued twice, so the educator has a total of four years to complete all requirements.

Preschool Teacher (Except Special Education)

#2 HB 1016
2-27-2019
pg 20

States CE Cycles
3 years: CO, MN and UT
5 years: ID, KS, MT, NE, NV, OR,
WA, and WY

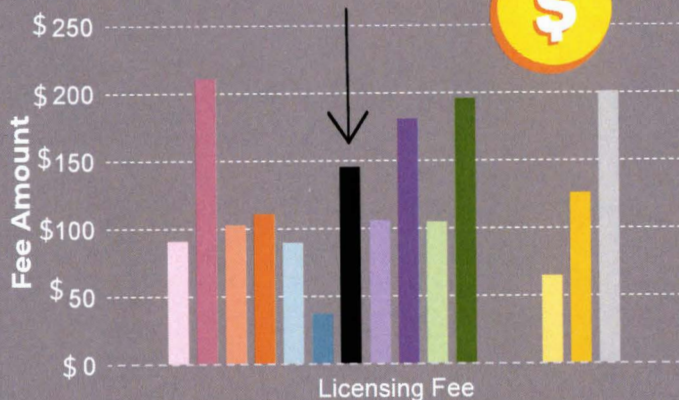
Continuing Education Requirement



Out of the 16 state comparison group,
1 state has no licensure,
7 states have 1 exam required
6 states 2 exam required
2 states have 3 exams required

North Dakota Fee: \$50.00
Fee Average: \$82.93
Fee Median: \$64.00

Initial Fees



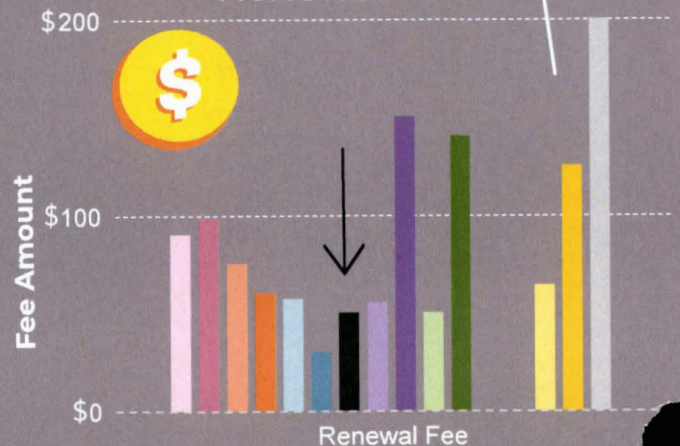
CO IA ID KS MN MT ND NE
NV OK OR SD UT WA WI WY

North Dakota Fee: \$144.50
Fee Average: \$116.96
Fee Median: \$105.00

States Renewal Cycles

2 years: ND and IA
3 years: CO and MN
5 years: ID, KS, MT, NE, NV, OK, OR,
WA, WI and WY

Renewal Fees



CO IA ID KS MN MT ND NE
NV OK OR SD UT WA WI WY

Physical Therapist Assistant, PTA

#2 HB 1016
2-27-2019
pg 21

Licensure Requirements

\$ \$240.00 Initial Fee



Associate's Degree



2 Examinations



\$60.00 Biennial Renewal Fee



25 Hours of Continuing Education

**Average Burden
to Entry**

Initial Licensing Fee: \$240.00 Initial Fee

Initial fee payment can be made online using a credit card or enclose a check for \$240 payable to the ND Board of PT, \$200 for the non-refundable application fee and \$40 for the criminal background check

Degree Requirement: Associate's Degree

An applicant must be a graduate of a Commission on Accreditation in Physical Therapy Education (CAPTE) accredited Associate's program.

Examination Requirement: 2 Exams

1. Applicants must submit verification of passing score on National Physical Therapy Exam (NPTE) examination.

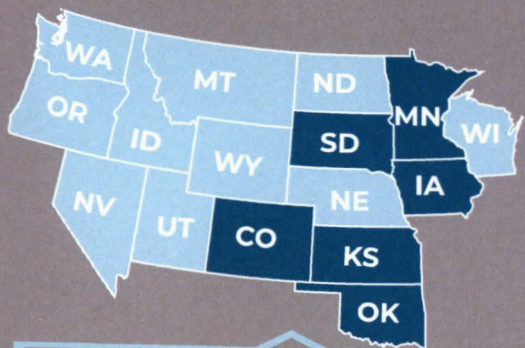
2. Applicant also must pass a juris-prudence exam. Juris-Prudence: This is an open book exam which can be completed by using up the Rules & Regulations and ND PT Practice Act.

Licensure Renewal Fee: \$60.00 Biennial Renewal Fee

Continuing Education: 25 contact hours within the twenty-four months prior to the completed application, must be completed, for renewal of licensure.

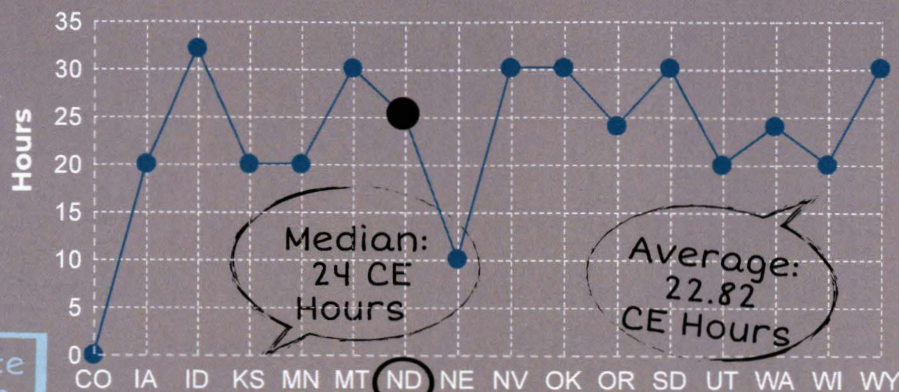
Licensure by Endorsement: CHAPTER 43-26.1 PHYSICAL THERAPISTS Section 43-26.1-06. Licensure by endorsement .The board shall issue a license to a physical therapist or physical therapist assistant who has a license in good standing from another jurisdiction that imposes requirements for obtaining and maintaining a license which are at least as stringent as the requirements imposed in this state.

Physical Therapist Assistant Peer Group Comparison

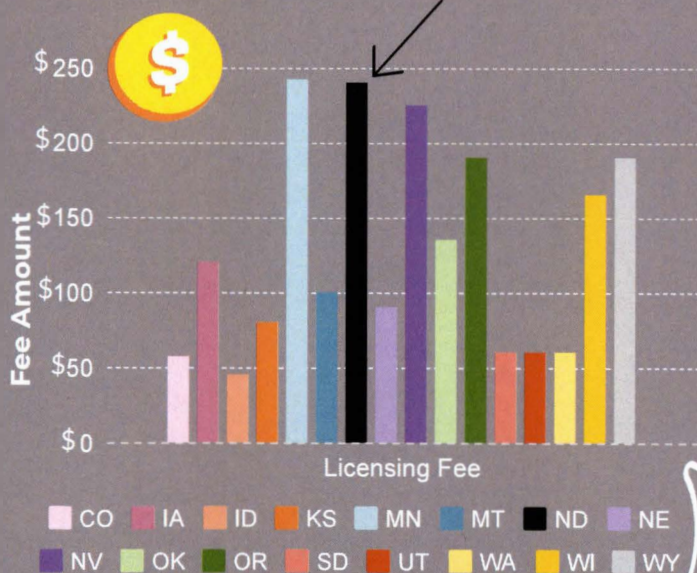


10 states out of the 16 state comparison group require 2 exams for licensure, the other 6 states require 1 exam

Continuing Education Requirement on a Biennial Scale



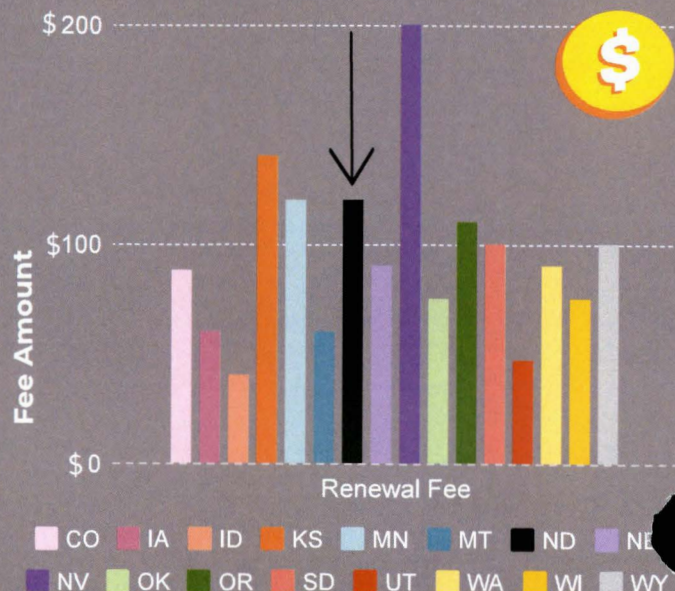
Initial Fees



North Dakota Fee: \$240.00
Fee Average: \$128.69
Fee Median: \$110.00

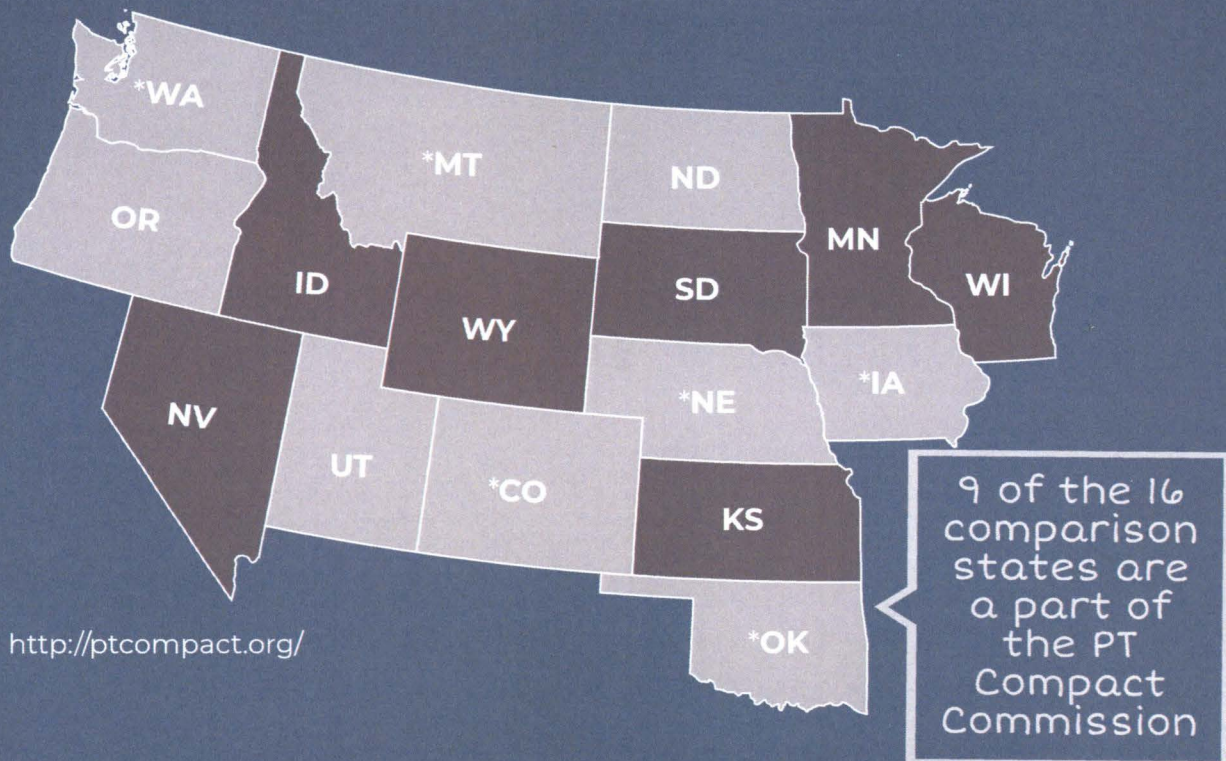
North Dakota Fee: \$60.00
Fee Average: \$94.69
Fee Median: \$90.00

Renewal Fees on a Biennial Scale



#2 HB1016 2-27-2019 pg. 21 pg 23

Physical Therapy Compact Commission Peer Group Comparison



What is the Physical Therapy Licensure Compact?

The Physical Therapy Licensure Compact (PTLC) is a state-based solution to the challenges of interstate licensure portability for physical therapists (PTs) and physical therapist assistants (PTAs).

It will improve patient access to physical therapy services by giving eligible licensees in participating states a faster, less expensive alternative to traditional licensure.

What Impact Does the PTLC have on Current Scope of Practice?

The PTLC is separate legislation from the Physical Therapy Practice Act and does not change the scope of practice of PTs and PTAs. Any PT or PTA must abide by the practice act in the state where he/she is practicing.

* Enacted Legislation – Not Yet Issuing or Accepting Compact Privileges

#2 HB 1016 2-27-19 pg 24

Criminal Justice Review

Effectiveness

Most Effective

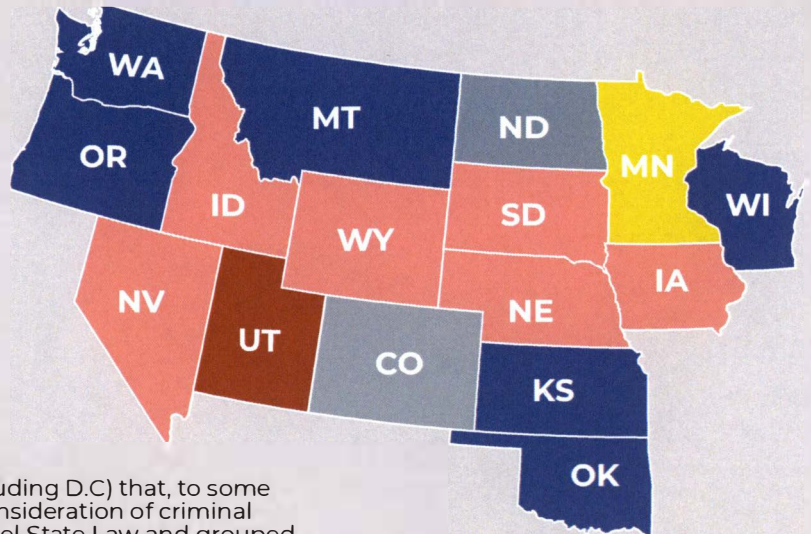
Satisfactory

Needs Improvement

Minimal

Unsatisfactory

No Overarching Law

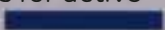



NELP graded 40 overall state licensing laws (including D.C.) that, to some degree, restrict occupational licensing boards consideration of criminal records. The laws are graded against NELP's Model State Law and grouped into five tiers, from best ("Most Effective") to worst ("Unsatisfactory")

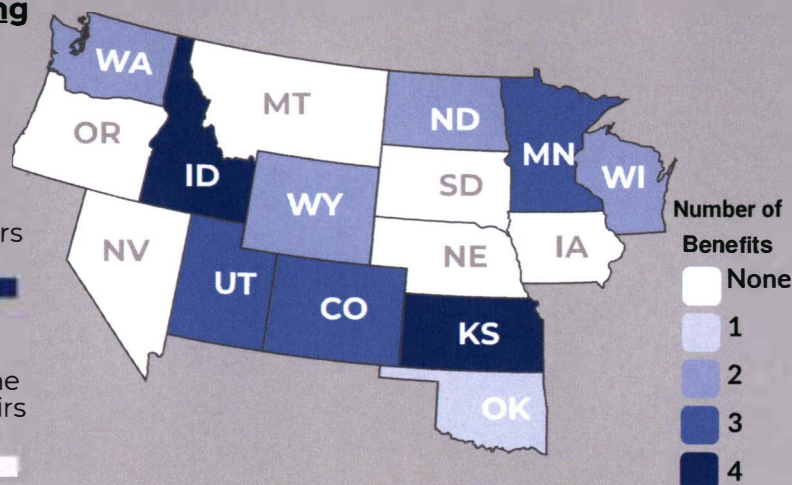
North Dakota is one of two states in our comparison group (including Colorado) to be classified by the National Employment Law Project (NELP) as "needs improvement." According to the report, North Dakota law prevents blanket bans based on conviction and receives a high grade for this statutory language. NELP recommends, however, that North Dakota adds explicit prohibition of: 1) denying occupational licensing for unrelated convictions; 2) considering lesser offenses and older offenses; and 3) denying licenses for rehabilitated applicants. By contrast, North Dakota's eastern neighbor Minnesota receives NELP's highest grade and already meets most of the recommended prohibitions recommended to North Dakota. Minnesota is used by NELP as a model for reform of occupational licensing laws to make sure that individuals with criminal records do not face unnecessary barriers to employment.

Military Policy Review

States with and without Overarching Licensure Policy Impacting Active Military, Veterans and Spouses:

States **with** overarching policy from the General Assembly or Veteran/Military Affairs impacting the licensure process for active military, veterans and spouses. 

States **without** overarching policy from the General Assembly or Veteran/Military Affairs impacting the licensure process for active military, veterans and spouses. 



From the above comparison group, ten states have overarching laws with policies designed to benefit military personnel and their spouses.

There are five benefits that these states offer to veterans, active military, and their spouses through these overarching policies:

1. Waiving renewal fees and continuing education for license holders on active duty
2. Allowing reciprocity or waving requirements for military spouses
3. Allowing applicants to use relevant military training in place of education
4. Reducing licensing fees for active military and recent veterans
5. Expediting the applications of active military and recent veterans

Currently, North Dakota has laws encourage licensing boards to offer two of the five benefits:

- Waiving renewal fees and continuing education requirements for active military personnel
- Allowing reciprocity or granting exceptions to licensing requirements for military spouses

*Idaho and Kansas have the highest number of benefits offered through their military licensing policy. They have four of the five possible military benefits excluding reducing licensing fees.

Notes Section:

Certified Nurse Assistants, CNA Notes:

1. Oklahoma: There is no fee for Long Term Care (LTC) renewal. Home Health Aide (HHA), Developmentally Disabled Direct Care Aide (DDCA), Residential Care Aide (RCA), Adult Day Care Aide (ADCA), or Certified Medication Aide (CMA) all require a \$10.00 renewal fee, the renewal cycle is every 2 years
2. Certified Medication Aides must complete at least eight (8) hours of continuing education units (CEUs) within the last twelve (12) months of your certification, excluding the first year renewal of certification. All other nurse aides must provide documentation of at least eight (8) hours of nursing or health related services for compensation (paid work) during the preceding 24 months of your certification.
3. Washington's renewal cycle is annual with a \$70.00.
4. South Dakota's continuing education cycle is annual at a 12 hour requirement

Licensed Addiction Counselor, LAC Notes:

1. Idaho, Iowa and Oregon only issue Professional Counselors or Mental Health Counselor licenses. The data in this report are on those occupations.
2. Idaho, Montana, Oklahoma, Oregon, South Dakota, and Washington's renewal cycles are on an annual scale. The fees presented in the renewal fee table are multiplied by 2 to reflect a biennial renewal cycle.
3. Idaho, Montana and Oklahoma have annual submissions of continuing education. The hours of continuing education table are multiplied by 2.

Licensed Practical Nurse, LPS Notes:

1. Iowa is on a triennial renewal cycle: Original Renewal Fee: \$99.00.
2. Iowa's Continuing Education requirement is 36 hours every three years
3. Washington is on an annual renewal cycle: Original Renewal Fee: \$85.00.
4. Washington's Continuing Education is submitted every three years with 45 hours of CE needed every three years.

Nursing Licensure Compact Notes:

1. This map does not reflect all 50 states plus D.C.

Limited X-Ray Operators Notes:

1. Montana's renewal cycle is annual with a fee of \$60.00
2. Wyoming's renewal cycle is annual with a fee of \$40.00
3. Montana's continuing education cycle is annual, with a requirement of 6 hours per year
4. Wyoming's continuing education cycle is annual, with a requirement of 6 hours per year

Occupational Therapist Assistant, OTA Notes:

1. Idaho is on an annual renewal cycle: Original Renewal Fee \$30.00
2. Montana is on an annual renewal cycle: Original Renewal Fee \$110.00
3. Oklahoma is on an annual renewal cycle: Original Renewal Fee \$100.00
4. South Dakota is on an annual renewal cycle: Original Renewal Fee \$50.00
5. Wyoming is on an annual renewal cycle: Original Renewal Fee \$60.00

Preschool Teacher Notes:

1. Oregon's first initial renewal of licensure is after 3 year and then every 5 years after the first initial renewal.
2. For first initial renewal of license 75 hours of continuing education is required, then for every 5 years 125 hours of continuing education is required.

Physical Therapist Assistant, PTA Notes:

1. Idaho is on an annual renewal cycle, Original Renewal Fee is \$20.00
2. Kansas is on an annual renewal cycle, Original Renewal Fee is \$70.00
3. Minnesota is on an annual renewal cycle, Original Renewal Fee is \$60.00
4. Nevada is on an annual renewal cycle, Original Renewal Fee is 100.00
5. South Dakota is on an annual renewal cycle, Original Renewal Fee is \$50.00
6. Washington is on an annual renewal cycle, Original Renewal Fee \$45.00
7. Wyoming is on an annual renewal cycle, Original Renewal Fee is \$50.00
8. North Dakota's is on an annual renewal cycle: Original Renewal Fee: \$60.00.
9. Oklahoma is on an annual renewal cycle: Original Renewal Fee: \$35.00.

#2 HB 1016 2-27-2019 pg. 27

pg. 25

Sources:

- North Dakota Public Data Access, 2018, www.ndcourts.gov/court/committees/barbd/Information.htm.
- "Boards and Commissions." Burgum Signs "Constitutional Carry" Bill into Law | North Dakota Office of the Governor, 2018, www.governor.nd.gov/boards/.
- "CSOR The Knee Center for the Study of Occupational Regulation Database." CSORSFU, 2018, www.csorsfu.com/.
- "Licensing." Attorney General, 2018, attorneygeneral.nd.gov/licensing-and-gaming/licensing.
- "Livestock Licensing." Nd.gov - The Official Portal for North Dakota State Government, 2018, www.nd.gov/ndda/livestock-development-division/livestock-licensing.
- Rodriguez, Michelle Natividad, and Beth Avery. "UNLICENSED & UNTAPPED: REMOVING BARRIERS TO STATE OCCUPATIONAL LICENSES FOR PEOPLE WITH RECORDS." National Employment Law Project, 2016, www.nelp.org/publication/unlicensed-untapped-removing-barriers-state-occupational-licenses/.
- "Secretary of State |." Secretary of State |, 2018, sos.nd.gov/.
- "North Dakota POST." - North Dakota Peace Officer Standards and Training Home Page, 2018, www.post.nd.gov/.

North Dakota Occupational Licensure Sources

- **Certified Nurse Aide, CNA (Nursing Assistant)**
https://www.ndhealth.gov/hf/North_Dakota_certified_nurse_aide.htm
- **Licensed Addiction Counselor, LAC**
<http://www.ndbace.org/laws-and-rules.html>
- **Licensed Practical Nurse, LPN**
<https://www.ndbon.org/>
- **Nurse Licensure Compact**
<https://www.ndbon.org/Compact/Overview.aspx><https://www.ncsbn.org/nurse-licensure-compact.htm>
- **Limited X-Ray Machine Operator**
https://deq.nd.gov/aq/radiation/Limited_Scope.aspx
- **Occupational Therapist Assistant, OTA**
<https://www.ndotboard.com/licenserequirements.asp>
- **Paraprofessional Certification / Teacher Aide**
<https://www.nd.gov/dpi/SchoolStaff/FTP/TitleI/Para/>
- **Preschool Teacher (Except Special Education)**
<https://www.nd.gov/espb/licensure/license-information/types-licenses>
- **Physical Therapist Assistant, PTA**
<https://www.ndbpt.org/compact.asp>
<http://ptcompact.org/>

For more information or data on a particular occupation or state
please visit
www.CSORSFU.com

Military Policy Sources:

Colorado:

- H.B 16-1197, 2016 Reg. Sess. (CO. 2016)
<http://leg.colorado.gov/bills/hb16-1197>
- H.B 11-1100, 2011 Reg. Sess (CO 2011)
<http://www.leg.state.co.us/CLICS/CLICS2011A/csl.nsf/StatusAll?OpenFrameSet>
- Home Page
<https://www.colorado.gov/pacific/dora-military/career-pathways-0>

Idaho:

- Title 67, Chpt 26, Sec 67-2601-2620 (ID 2012)
<https://legislature.idaho.gov/statutesrules/idstat/Title67/T67CH26/>

Kansas:

- Kansas Statutes. Chpt 48, Art 34, Sec 1-8 (KS 2018)
https://www.ksrevisor.org/statutes/ksa_ch48.html

Minnesota:

- Minnesota Statutes Chpt 326 Sec 55-66 (MN 2018)
<https://www.revisor.mn.gov/statutes/cite/326>
- Minnesota Statutes Chpt 197, Sec 4552 (MN 2018)
https://www.revisor.mn.gov/statutes/2018/cite/197.4552?keyword_type=all&keyword=military+licensing

North Dakota:

- North Dakota Chpt 43-51 PROFESSIONAL AND OCCUPATIONAL LICENSING
<https://www.nd.gov/veterans/laws/professional-and-occupational-licensing>

Oklahoma:

- Oklahoma Title 59, Sec 4100.5. (OK 2014)
<http://www.oklegislature.gov/osstatuestitle.html>

Utah:

- S.B. 227, 2018 Reg Sess, (UT 2018)
<https://le.utah.gov/~2018/bills/static/SB0227.html>

Washington:

- S.B 6290 Chpt 45, 62nd Leg, 2012 Reg Sess (WA 2012)
<http://lawfilesexternal.wa.gov/biennium/2011-12/Pdf/Bills/Session%20Laws/Senate/6290.SL.pdf>
- S.B 5359, Chapt 184, 65th Leg, 2017 Reg Sess (WA 2017)
https://custom.statenet.com/public/resources.cgi?id=ID:bill:WA201700055359&ciq=ncsl&client_md=3b0a7533ca7848998a8038d31035f3f8&mode=current_text

Wisconsin

- S.B 338, 2011 W.A 209, 100th Leg, 2011 Reg Sess (WI 2011)
<http://docs.legis.wisconsin.gov/2011/related/acts/209>
- Home Page:
<https://dva.wi.gov/Pages/educationEmployment/FeeWaiver.aspx>

Wyoming:

- WY Tittle 33, Chpt 1, Art 1, (WY 2018)
<https://www.wyoleg.gov/StateStatutes/StatutesDownload>

Job Service North Dakota **Base Level Funding**

Biennium	09-11		11-13		13-15		15-17		17-19	
<i>Wagner Peyser</i>	\$5,302,783	\$5,302,783	\$5,292,177	\$5,282,176	\$5,005,887	\$5,005,890	\$4,992,444	\$5,111,188	\$5,021,310	\$5,001,345
<i>Workforce Investment Act</i>	5,294,922	5,104,054	4,446,938	4,438,612	4,207,404	4,464,523	4,535,464	4,896,212	5,010,316	5,125,806
<i>Unemployment Insurance Base</i>	6,117,771	6,316,983	6,729,310	6,372,004	6,534,481	5,975,768	6,413,040	6,585,016	6,919,384	6,699,120
<i>Unemployment Insurance Above Base</i>	947,363	494,607	319,479	576,560	616,343	1,123,952	1,751,963	390,095	106,649	150,000
<i>Labor Market Information</i>	947,317	928,392	938,958	865,457	873,675	872,971	847,502	863,004	873,198	871,289
<i>Other Federal Programs</i>	8,877,015	5,724,745	5,972,136	4,497,699	4,107,466	2,373,978	6,106,596	2,683,638	3,537,833	1,690,149
Total Federal Funding	27,487,171	23,871,564	23,698,998	22,032,508	21,345,256	19,817,082	24,647,009	20,529,153	21,468,690	19,537,709
	\$51,358,735		\$45,731,506		\$41,162,338		\$45,176,162		\$41,006,399	

3
 HB 1016
 2-27-2019
 pg 1

4

HB 1016
2-27-2019

pg 1

NORTH DAKOTA

New Jobs Training Program

Job Training for New and
Expanding Businesses

**JOB
SERVICE**
North Dakota
jobsnd.com

The logo graphic consists of three horizontal, wavy lines of increasing length, stacked vertically, resembling a stylized flag or a series of steps.

4

HB 1016
2-27-2019

192

Introduction

Job Service North Dakota administers the North Dakota New Jobs Training Program. The New Jobs Training Program provides incentives to primary-sector businesses and industries that are creating new employment opportunities through business expansion or relocation to North Dakota. The program provides a mechanism for businesses to secure funding to help offset the cost of training new employees.

Funding Assistance

New Jobs Training Program funds are made available through the capture of state income tax withholding generated from the newly-created, permanent, full-time positions.

Under the New Jobs Training Program, a business obtains funds in the form of a loan, grant, or self-financing option.

- A loan may be obtained from a commercial lender, local development corporation, the Bank of North Dakota, or other qualified lender. Reimbursements to repay the loan (plus interest) are made directly to the lender.
- A grant may be obtained from the state, a city, or a local economic development corporation. Reimbursements for a grant are made directly to the granting community or local economic development corporation.
- Under the self-financing option, 60 percent of the allowable state income tax withholding can be reimbursed directly to the participating business.

State income tax withholding can be captured for up to a ten-year period or until the loan is repaid, or the self-financing or grant obligations have been met, whichever comes first.

Business Eligibility

A business must be a primary-sector business in order to be eligible for New Jobs Training Program benefits. "*Primary-sector business*" is defined as an individual, corporation, limited liability company, partnership, or association through which the employment of knowledge or labor adds value to a product, process, or service that results in the creation of new wealth. This term includes tourism, but does not include production agriculture.

Other qualifying criteria include:

- A new employer locating in North Dakota must create a minimum of five new jobs.
- Expanding businesses must increase their base employment level by a minimum of one new job.
- A business must not be closing or reducing its operation in one area of the state and relocating substantially the same operation to another area of the state.
- Employees in eligible new positions must be paid a minimum of \$10 per hour plus benefits by the end of the first year of employment in the new job position created.

#4 HB1016
2-27-2019
Pg 3

Calculation of State Income Tax Withholding Credit

The amount of state income tax withholding available to a project is based on the following criteria:

- The number of permanent, full-time new positions created.
- The wage rate paid to individuals filling the new positions.
- A withholding formula provided by the North Dakota State Tax Department which is applied to the actual annual salary of the new jobs being created.
 - The formula considers the individual's average tax liability using a varying number of exemptions.
 - The formula is applied to the annual gross wages of the new jobs created, and is then multiplied by the number of new positions in each pay category.
 - This figure is then multiplied by ten (the maximum number of years of the program) to establish the maximum state income tax withholding available under the North Dakota New Jobs Training Program.

Determining the Loan, Grant, or Self-Financing Amount

The business provides the lender with the amount of state income tax withholding available.

- Based on the interest rate charged and draw-down schedule established by the business, the lender amortizes the total amount of state income tax withholding to determine the loan amount.
- Under the self-financing option, 60 percent of the allowable quarterly withholding will be reimbursed directly to the business up to the maximum available withholding identified in a program agreement.
- A grant is based upon the amount of state income tax withholding available.

Length of Reimbursement

Most loans, grants, and self-financing options will be reimbursed in less than the ten-year program period if the business creates the number of new jobs identified in the North Dakota New Jobs Training Program agreement at the wage rates projected.

Early reimbursement takes place when:

- *Average* tax liabilities are used to calculate the amount of state income tax withholding credit available, but the *actual* withholding reported is used to credit reimbursements.
- Most individuals have more state income tax withheld than their actual tax liability.
- The agreement does not build in salary increases during the ten-year period, resulting in larger withholdings.

4

HB 1016

2-27-2019

pg 4

Loan, Grant, and Self-Finance Proceeds

Funding received by loan, grant or through self-financing options is intended to be used for training the individuals hired in the newly-created jobs. The program will be monitored to insure that the number of new positions agreed to in the final agreement are actually created, and that these new positions are paid at least the wage specified in the agreement.

Administration Fees

A five percent administration fee is due and payable to Job Service North Dakota when the final agreement has been signed. This is a one-time fee, based on the projected amount of the agreement over the ten-year period.

Application Process

Job Service North Dakota (JSND), North Dakota Department of Commerce, and local development corporations can create a preliminary proposal prior to the completion of a final agreement. The preliminary proposal is an estimate of the amount available upon entering into the final agreement.

Apply for a Final Agreement — Primary-sector businesses may apply for a new agreement through the JSND New Jobs Training Program. The application will provide information on the business, the finance option selected, lender (if applicable), number and title of new job positions to be created, and the training start date.

Create a New Proposal or Apply for a New Agreement at <https://apps.nd.gov/jsnd/njtp/login>

A State of North Dakota Login is required. Register for a State of North Dakota Login at <https://apps.nd.gov/itd/ldap/registration.htm?rp=/jsnd/njtp/main/>

The *Application for Certification as a Primary-Sector Business in the State of North Dakota* is available on the ND Department of Commerce website at <https://www.business.nd.gov/uploads/7/primarysectorcertification2018new2.pdf>

Submit questions and forms to:

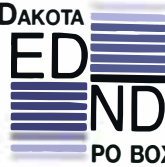
Workforce Programs
Job Service North Dakota
P.O. Box 5507
Bismarck, ND 58506-5507

Phone: 701-328-2812
Fax: 701-328-4894
TTY: 800-366-6888
E-Mail: jsnjt@nd.gov



WORKFORCE PROGRAMS
JSND-6063 (R.1.2019)

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



5 HB 1016
2-27-2019
A1

Testimony of Mason Sisk
Economic Development Association of North Dakota
In Support of HB 1016
February 27, 2019

Chairman Holmberg and members of the Senate Appropriations Committee:

EDND represents large and small and rural and urban economic development organizations on the front line of growing businesses and communities in North Dakota. The primary purpose of the organization is to promote the creation of new wealth throughout North Dakota to develop more vibrant communities and improve quality of life. It is for these reasons our organization and its members want to express support for HB 1016, the Job Service North Dakota appropriation bill.

EDND recognizes the importance of connecting businesses and education through expanded career counseling, career and technical education, and post-secondary education and training programs that support the state's most critical occupational needs.

Job Service provides many essential services for economic developers, including regional and company-specific job fairs, and is also a great resource for wage-related information for economic developers and businesses. We see the agency as the state's premier job source organization. Workforce 20/20 is currently unappropriated but remains in statute and EDND encourages its funding. The program helps North Dakota's employers keep up with technical advances, global competition and new work methods and is a valuable tool in retaining employees. Statistics show 95 percent of Workforce 20/20 trainees stay in North Dakota. New Jobs Training provides worker education and training specifically required for jobs in new and expanding primary-sector businesses and encourages employers to create new high-wage jobs in our state. Both of these programs provide a strong incentive in attracting new employers and employees to North Dakota.

Workforce availability is one of the most significant challenges facing North Dakota businesses, impacting the growth potential of the state's economy. EDND supports the development of workforce attraction, development and training strategies that address the needs of the state's companies. The investments included in this bill will continue to help grow and diversify our state's economy.

Thank you for this opportunity to address your committee and express our support for HB 1016.

HB1016 4-3-19

1

PI

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1016

Page 1, replace lines 12 through 21 with:

"Salaries and wages	\$27,155,566	\$3,416,655	\$30,572,221
Operating expenses	11,501,255	6,339,640	17,840,895
Capital assets	20,000	0	20,000
Grants	5,458,571	707,541	6,166,112
Reed Act - unemployment insurance	11,209,557	(122,591)	11,086,966
computer modernization			
Total all funds	\$55,344,949	\$10,341,245	\$65,686,194
Less estimated income	54,899,156	10,356,414	65,255,570
Total general fund	\$445,793	(\$15,169)	\$430,624
Full-time equivalent positions	181.61	(9.00)	172.61"

Page 2, after line 19, insert:

"SECTION 4. APPROPRIATION. All federal funds received by job service North Dakota in excess of those funds appropriated in section 1 of this Act are appropriated for the biennium beginning July 1, 2019, and ending June 30, 2021."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1016 - Job Service North Dakota - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$27,155,566	\$30,352,222	\$219,999	\$30,572,221
Operating expenses	11,501,255	17,840,895		17,840,895
Capital assets	20,000	20,000		20,000
Grants	5,458,571	6,166,112		6,166,112
Reed Act - Computer modernization	11,209,557	11,086,966		11,086,966
Total all funds	\$55,344,949	\$65,466,195	\$219,999	\$65,686,194
Less estimated income	54,899,156	65,035,774	219,796	65,255,570
General fund	\$445,793	\$430,421	\$203	\$430,624
FTE	181.61	172.61	0.00	172.61

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

	Adds Funding for Salary and Benefit Increases ¹	Total Senate Changes
Salaries and wages	\$219,999	\$219,999
Operating expenses		
Capital assets		
Grants		
Reed Act - Computer modernization		
Total all funds	\$219,999	\$219,999
Less estimated income	219,796	219,796
General fund	\$203	\$203
FTE	0.00	0.00

¹ Funding of \$219,999, of which \$203 is from the general fund and \$219,796 is from federal funds, is added for 2019-21 biennium salary increases of 2 percent with a minimum monthly increase of \$120 and a maximum monthly increase of \$200 on July 1, 2019, and 2.5 percent on July 1, 2020 to provide a total of \$893,168 for state employee salary increases. The House approved 2019-21 biennium salary increases of 2 percent per year to provide a total of \$673,169 for state employee salary increases.

This amendment also adds a section appropriating all federal funds received by Job Service North Dakota in excess of those funds appropriated in section 1 for the 2019-21 biennium.