

**2021 HOUSE APPROPRIATIONS**

**HB 1007**

**Department 406 - Department of Labor and Human Rights**  
**House Bill No. 1007**

**Executive Budget Comparison to Prior Biennium Appropriations**

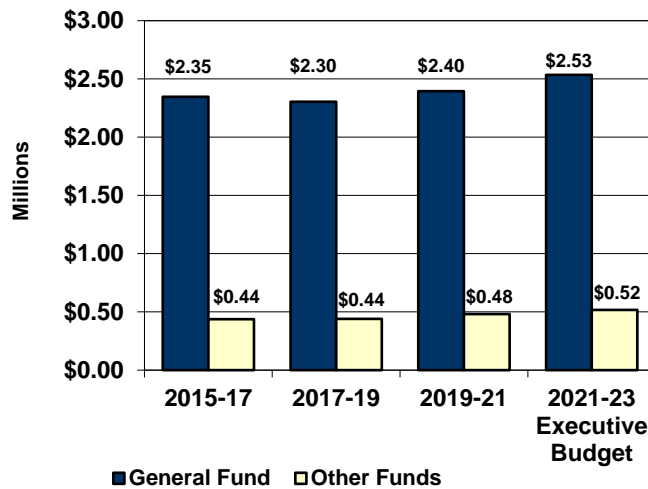
	FTE Positions	General Fund	Other Funds	Total
2021-23 Executive Budget	14.00	\$2,534,973	\$516,868	\$3,051,841
2019-21 Legislative Appropriations <sup>1</sup>	14.00	2,395,169	480,681	2,875,850
Increase (Decrease)	0.00	\$139,804	\$36,187	\$175,991

<sup>1</sup>The 2019-21 biennium agency appropriation amounts have not been adjusted for additional federal funds authority of \$49,000, resulting from Emergency Commission action during the 2019-21 biennium.

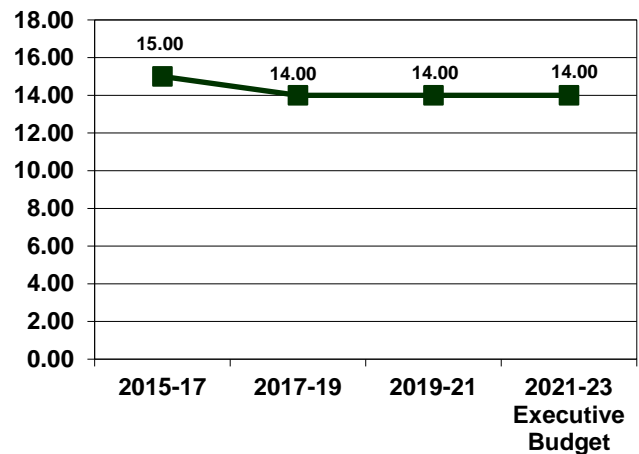
**Ongoing and One-Time General Fund Appropriations**

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2021-23 Executive Budget	\$2,387,256	\$147,717	\$2,534,973
2019-21 Legislative Appropriations	2,325,510	69,659	2,395,169
Increase (Decrease)	\$61,746	\$78,058	\$139,804

**Agency Funding**



**FTE Positions**



**Executive Budget Comparison to Base Level**

	General Fund	Other Funds	Total
2021-23 Executive Budget	\$2,534,973	\$516,868	\$3,051,841
2021-23 Base Level	2,325,510	480,681	2,806,191
Increase (Decrease)	\$209,463	\$36,187	\$245,650

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 \$62,262 is for salary increases, \$609 is for health insurance increases, and \$12,435 is for retirement contribution increases	\$75,306	\$0	\$75,306
2. Underfunds salaries	(\$113,400)	\$0	(\$113,400)
3. Adds funding for the state agency Capitol grounds rent proposal	\$95,529	\$0	\$95,529
4. Adds funding for Microsoft Office 365 license expenses	\$1,212	\$0	\$1,212
5. Adds funding for Information Technology Department (ITD) key customer management costs	\$6,720	\$0	\$6,720
6. Adds one-time funding to upgrade the department's paperless storage software	\$147,717	\$30,000	\$177,717

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

There are no other sections related to this agency.

**Continuing Appropriations**

There are no continuing appropriations for this agency.

**Significant Audit Findings**

The operational audit for the Department of Labor and Human Rights conducted by the State Auditor's office for the period ending June 30, 2019, identified no significant audit findings.

**Major Related Legislation**

At this time, no major related legislation has been introduced affecting this agency.

**Department of Labor and Human Rights - Budget No. 406**  
**House Bill No. 1007**  
**Base Level Funding Changes**

	<b>Executive Budget Recommendation</b>			
	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
<b>2021-23 Biennium Base Level</b>	14.00	\$2,325,510	\$480,681	\$2,806,191
<b>2021-23 Ongoing Funding Changes</b>				
Base payroll changes		(\$3,621)	\$6,187	\$2,566
Salary increase		62,262		62,262
Health insurance increase		609		609
Retirement contribution increase		12,435		12,435
Underfunds salaries		(113,400)		(113,400)
Adds funding for the state agency Capitol grounds rent proposal		95,529		95,529
Adds funding for Microsoft Office 365 license expenses		1,212		1,212
Adds funding for ITD key customer management costs		6,720		6,720
Total ongoing funding changes	0.00	\$61,746	\$6,187	\$67,933
<b>One-time funding items</b>				
Adds funding to upgrade paperless storage software		\$147,717	\$30,000	\$177,717
Total one-time funding changes	0.00	\$147,717	\$30,000	\$177,717
<b>Total Changes to Base Level Funding</b>	0.00	\$209,463	\$36,187	\$245,650
<b>2021-23 Total Funding</b>	14.00	\$2,534,973	\$516,868	\$3,051,841
<i>Total ongoing changes as a percentage of base level</i>	0.0%	2.7%	1.3%	2.4%
<i>Total changes as a percentage of base level</i>	0.0%	9.0%	7.5%	8.8%

**Other Sections in Department of Labor and Human Rights - Budget No. 406**

<b>Executive Budget Recommendation</b>
There are no other sections for this agency.

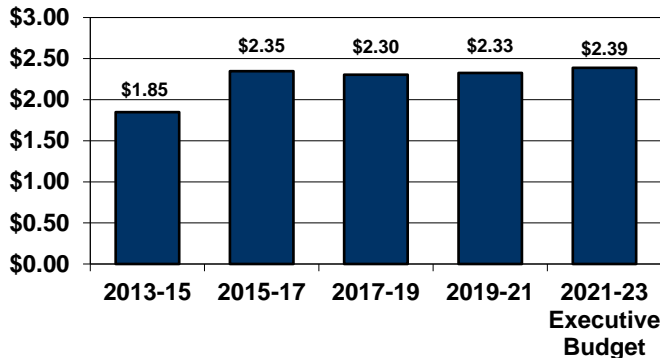


## Department 406 - Department of Labor and Human Rights

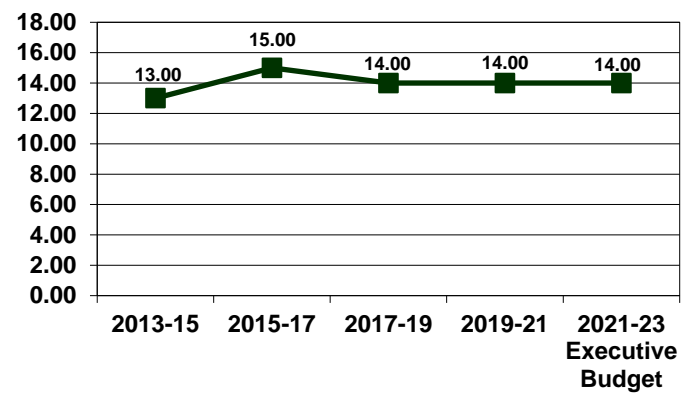
# Historical Appropriations Information

## Ongoing General Fund Appropriations Since 2013-15

Ongoing General Fund Appropriations (in Millions)



FTE Positions



Ongoing General Fund Appropriations					
	2013-15	2015-17	2017-19	2019-21	2021-23 Executive Budget
Ongoing general fund appropriations	\$1,847,425	\$2,347,241	\$2,303,986	\$2,325,510	\$2,387,256
Increase (decrease) from previous biennium	N/A	\$499,816	(\$43,255)	\$21,524	\$61,746
Percentage increase (decrease) from previous biennium	N/A	27.1%	(1.8%)	0.9%	2.7%
Cumulative percentage increase (decrease) from 2013-15 biennium	N/A	27.1%	24.7%	25.9%	29.2%

### Major Increases (Decreases) in Ongoing General Fund Appropriations

#### 2015-17 Biennium

- Added funding for 2 FTE compliance investigator positions and related funding \$364,109

#### 2017-19 Biennium

- Removed 1 FTE administrative assistant position and related funding of \$52,998 (Funding of \$42,794 was removed as part of the August 2016 budget reductions, resulting in a total reduction of \$95,792 for this position) (\$52,998)
- Reduced funding for operating expenses (\$32,409)

#### 2019-21 Biennium

- No major changes identified

#### 2021-23 Biennium (Executive Budget Recommendation)

- Underfunds salaries (\$113,400)
- Adds funding for the state agency Capitol grounds rent proposal \$95,529

**GOVERNOR'S RECOMMENDATION FOR THE  
DEPARTMENT OF LABOR AND HUMAN RIGHTS  
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 the department of labor and human rights for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2021, and ending June 30, 2023, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$2,475,765	(\$35,528)	\$2,440,237
Operating Expenses	<u>330,426</u>	<u>281,178</u>	<u>611,604</u>
Total All Funds	\$2,806,191	\$245,650	\$3,051,841
Less Estimated Income	<u>480,681</u>	<u>36,187</u>	<u>516,868</u>
Total General Fund	\$2,325,510	\$209,463	\$2,534,973
Full-time Equivalent Positions	14.00	0.00	14.00

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-EIGHTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty- sixth legislative assembly for the 2019-21 biennium and the 2021-23 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2019-21</u>	<u>2019-21</u>
Paperless Storage System	\$69,659	\$ 0
Phase 2 Software Upgrade	<u>0</u>	<u>177,717</u>
Total All Funds	\$69,659	\$177,717
Less Estimated Income	<u>0</u>	<u>30,000</u>
Total General Fund	\$69,659	\$147,717

The 2021-23 one-time funding amounts are not a part of the entity's base budget for the 2023-25 biennium. The department of labor and human rights shall report to the appropriations committees of the sixty-eighth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2021 and ending June 30, 2023.

# 2021 HOUSE STANDING COMMITTEE MINUTES

## Appropriations - Government Operations Division Brynhild Haugland Room, State Capitol

HB1007  
1/8/2021

A BILL for an Act to provide an appropriation for defraying the expenses of the department of labor and human rights.

09:00 **Chairman Vigesaa** brought the meeting to order. Members present: Chairman Vigesaa, Vice Chairman Brandenburg, Representative Kempenich, Representative Howe, Representative Meier, Representative Bellew and Representative Mock

### . **Discussion Topics:**

- Appropriation request for the 2021-2023 biennium budget.
- Department responsibilities.
- Outline of budget.

**Erica Thunder**, Commissioner, ND Department of Labor and Human Rights.  
Testimony #286.

09:59 **Chairman Vigesaa** adjourned the meeting.

*Sheri Lewis, Committee Clerk*

**Testimony on HB 1007  
Prepared for the  
House Appropriations Committee - Government Operations Division**

**January 8, 2021**

Good morning Chairman Vigesaa and members of the House Appropriations Committee - Government Operations Division, my name is Erica Thunder, and I am the Commissioner for the North Dakota Department of Labor and Human Rights.

**Department Responsibilities**

I would like to provide some background on the North Dakota Department of Labor and Human Rights (hereinafter "Department"). The Department has three primary areas of responsibility. The first is establishing and enforcing laws and regulations relating to the wages and working conditions of employees in North Dakota. This is our Wage and Hour Division. Second, the Department administers and enforces North Dakota's human rights and housing laws. This is our Human Rights Division. Finally, the Department is tasked with educating the public about all areas of the law for which it is responsible.

**Wage and Hour Division**

The Wage and Hour Division enforces minimum wage and overtime laws and regulations (N.D.C.C. ch. 34-06). In addition, the Division enforces North Dakota's laws and regulations dealing with equal pay for men and women, child labor, labor unions, employment agencies, and wage collection (N.D.C.C. chapters 34-06.1, 34-07, 34-12, 34-13, and 34-14). The Wage and Hour Division receives and investigates claims of unpaid wages or overtime, failure to pay minimum wage, misclassification of employees, and other general complaints that North Dakota's labor laws are not being followed. The Division also reviews requests to issue youth employment certificates for 14 and 15-year old workers.

Here are some of the Division's accomplishments so far in the current biennium:

July 1, 2019- December 31, 2020	Wage Claims Closed	Amount Collected for Claimants	Youth Employment Certificates
	568	\$609,951.08	1,433

### Human Rights Division

The Human Rights Division administers and enforces the North Dakota Human Rights Act (N.D.C.C. ch. 14-02.4) and the North Dakota Housing Discrimination Act (N.D.C.C. ch. 14-02.5). Under these anti-discrimination laws, the Department receives and investigates complaints alleging discrimination in employment, housing, public services, public accommodations, and credit transactions. As required by law, the Department emphasizes conciliation to resolve complaints, provides administrative hearings on complaints where there is probable cause to believe a discriminatory practice has occurred, and fosters prevention of discrimination through education about the rights and responsibilities provided under North Dakota's human rights and housing laws. Finally, the Human Rights Division handles complaints of retaliation under North Dakota's "whistleblower" law (N.D.C.C. § 34-01-20) and Public Employee Relations Act (N.D.C.C. § 34-11.1-04.1).

In addition to receiving and investigating complaints directly from individuals who believe they have been victims of unlawful discrimination under state anti-discrimination and whistleblower laws, the Department's Human Rights Division also investigates cases for the United States Department of Housing and Urban Development (HUD) and the Equal Employment Opportunity Commission (EEOC).

Here are some of the Division's accomplishments so far in the current biennium:

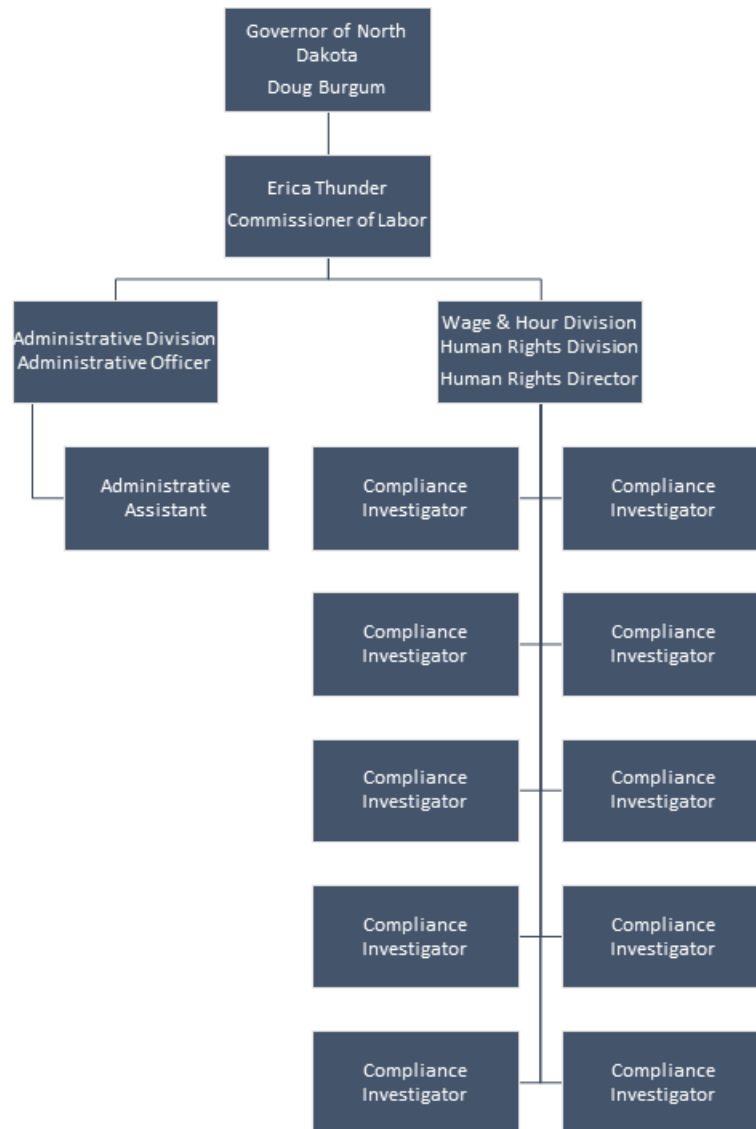
July 1, 2019- December 31, 2020	Employment	Retaliation	Housing	Public Service/Public Accommodation/Credit Transactions
Closed	278	53	51	17
Amount Collected	\$492,3381.17	\$118,240.00	\$31,673.50	\$500.00

### Public Education

In addition to the Department's enforcement duties, the Commissioner of Labor is required to "improve working conditions and living conditions of employees and advance their opportunities for profitable employment".... "foster, promote, and develop welfare of both wage earners and industries in N.D." . .... and "promote friendly and cooperative relations between employers and employees." To do this, the Department continues to broaden awareness of wage and hour issues and human rights protections through public education and outreach, working with groups representing human rights, business, labor, professional, and non-profit organizations. The Department continues to provide speakers and trainers for conferences, workshops, schools, employers, labor organizations,

businesses, landlord and tenant organizations, government agencies, and other community groups. The Department has made strides in educating the public and I am always looking for additional ways to provide information to both employers and employees in North Dakota. This last year particularly, has proved the Department's ability to still educate even in remote settings, which became a common practice.

### **Organizational Chart:**



### **Financial Audit Findings**

The Department's most recent financial audit, conducted and concluded in October 2019, resulted in a clean audit, with no outstanding financial findings.

### **FTEs**

The Department has no change in its request for FTEs. The Department has 14 total FTEs. Four positions are currently vacant. Two of these positions recently became vacant due to unexpected retirements, and the Department will be posting these positions to fill in 2021. The third vacant position is partially funded, while the fourth vacant position has remained unfunded. Due to uncertainty in workload, particularly due to COVID-19, the Department requests all FTE positions to remain the same.

### **Budget Request**

I will now focus on the Department's base budget, estimated 2021-2023 spending, one time expenditures, and the Department's Federal funds.

#### **Outline of Budget**

In the 2019-2021 biennium, the Department's total appropriation was \$2,875,850. Salary and wages total \$2,475,765, with operating expenses at \$400,085. The budget is a combination of general funds and \$480,681 in federal fund authority, through the partnerships with HUD and EEOC. The Department has one one-time spending item in its current budget.

The 2021-2023 recommendation includes \$2,440,237 for salaries and wages, and \$611,604 for operating expenses.

The 2021-2023 base budget changes total \$281,178. Included in the base budget changes are \$95,529 for the rent model change. Under the current model, general fund agencies do not pay rent. A standard rental rate is calculated based on actual costs, but agencies are only billed based on the percentage of payroll funded from non-general fund sources. Under the proposed model, all agencies receive rent funding based on their currently occupied square footage, at the standard rental rate. General fund agencies received additional funding in their budgets to cover this rental charge for 2021-23. In future budget periods, agencies will be able to reduce their footprint and redirect that funding for other purposes if they choose to do so. The outcome of this recommendation is for better decisions to be made regarding use of existing space, the amount of space occupied will be reduced, and we will better utilize limited state resources.

Also included in the 2021-2023 base budget changes is \$7,932 for the allocation of a Key Customer Manager (KCM) from North Dakota Information Technology (NDIT). This position is crucial to the agency, as our KCM play many roles for the Department, and was vital to the Department's ability to adapt to new technology, business process improvements, and assist the agency overall in our software and technology needs during this time wherein we are working remotely indefinitely.

The final piece of the 2021-2023 base budget changes will be talked about further in this testimony, but includes the \$177,717 for IT Contractual Services

and Repairs – which is for our one time expense to improve our current software, and what the Department is referring to as “Phase II” of our Power Dynamics system. This system has allowed us to go paperless, and create a case management system wherein we can continue to expand on a “smarter” system, creating faster and more efficient work for the citizens of North Dakota.

The 2021-2023 budget recommendation totals \$3,051,841. This includes the above stated total for salaries and wages, along with operating expenses. The Department strongly urges the Committee to approve of this budget recommendation, as much thought, time, work, and consideration went into this total number. The Department’s goal with the proposed budget is to continue its good work, with an extremely talented team, and its focus on the North Dakota citizen.

### Federal Funding

The Department’s federal funding, which supplements the legislatively approved state general funding, is received through work-sharing/cooperative agreements with the EEOC and HUD. The Department’s current projected federal dollars that provide to our budget includes \$516,868. This dollar amount must be reiterated that we have to work for these funds. It helps us lower the Department’s State dollars in our budget. \$30,000 of those dollar have been set aside in order to provide for our “Phase II” funding for our major technology upgrade to our current system. Federal revenue is always speculative and uncertain, and we will continue to keep a close eye on how many cases we handle in an effort to ensure federal revenue matches projections. From the agreements with our federal partners, the Department receives a certain dollar amount from the EEOC and HUD for each case it closes. We believe and know to be true that this is fiscally responsible for us and the state of North Dakota.

### One Time Expense -- “Phase II Power Dynamics”

The Department’s proposed budget with its one time expense of \$177,717, is working to forward on its effort in performing as a more efficient agency. The Department has been extremely frugal in the work we do. This is a one time ask to make sure that we can expand on the current software we are working off of. While our recent upgrade has been tremendous movement for the Department it was not enough, as far as what is needed as a remote team looking for a “smart” system. I am happy to discuss this further in person, but I would like to say that, we worked very hard at vetting the system we are currently using, and know we can further our progress with “Phase II”. This system will allow the Department to become more efficient and reduce operating costs in the long term.

### **Conclusion**

This Commissioner is extremely proud of the Department and its members. The Department is always seeking ways to hold down costs, and this Commissioner believes we have done a very great job at continuing that work. The agency’s



long-term plan is for improving the efficiency and effectiveness of achieving its statutory duties continues. This includes our major efforts in improving our technology. Finally, we will continue to look for ways to train employees in the most efficient and effective manner, especially as we look towards onboarding future team members in a remote style. We please urge that our Department's budget will be approved, and thank you for your kind attention.

Thank you and I'd be happy to answer any questions you may have.

Erica Thunder  
Commissioner  
North Dakota Labor and Human Rights

# 2021 HOUSE STANDING COMMITTEE MINUTES

## Appropriations - Government Operations Division

Brynhild Haugland Room, State Capitol

HB1007  
1/27/2021

A BILL for an Act to provide an appropriation for defraying the expenses of the department of labor and human rights.

2:30 **Chairman Vigesaa** opened the meeting. Members present: Chairman Vigesaa, Representative Meier, Representative Bellew, Representative Howe, Representative Mock. Members absent: Vice Chairman Brandenburg, Representative Kempenich.

### Discussion Topics:

- Appropriation request for the 2021-2023 biennium budget.
- Green sheet.

**Chairman Vigesaa** testimony #3848 was handed out but not discussed.

2:43 **Chairman Vigesaa** adjourned the meeting.

*Sheri Lewis, Committee Clerk*

**Department of Labor and Human Rights - Budget No. 406**  
**House Bill No. 1007**  
**Base Level Funding Changes**

	Executive Budget Recommendation				House Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
<b>2021-23 Biennium Base Level</b>	14.00	\$2,325,510	\$480,681	\$2,806,191	14.00	\$2,325,510	\$480,681	\$2,806,191
<b>2021-23 Ongoing Funding Changes</b>								
Base payroll changes		(\$3,621)	\$6,187	\$2,566				\$0
Salary increase		62,262		62,262				0
Health insurance increase		609		609				0
Retirement contribution increase		12,435		12,435				0
Underfunds salaries		(113,400)		(113,400)				0
Adds funding for the state agency Capitol grounds rent proposal		95,529		95,529				0
Adds funding for Microsoft Office 365 license expenses		1,212		1,212				0
Adds funding for ITD key customer management costs		6,720		6,720				0
Total ongoing funding changes	0.00	\$61,746	\$6,187	\$67,933	0.00	\$0	\$0	\$0
<b>One-time funding items</b>								
Adds funding to upgrade paperless storage software		\$147,717	\$30,000	\$177,717				\$0
Total one-time funding changes	0.00	\$147,717	\$30,000	\$177,717	0.00	\$0	\$0	\$0
<b>Total Changes to Base Level Funding</b>	0.00	\$209,463	\$36,187	\$245,650	0.00	\$0	\$0	\$0
<b>2021-23 Total Funding</b>	14.00	\$2,534,973	\$516,868	\$3,051,841	14.00	\$2,325,510	\$480,681	\$2,806,191
<i>Total ongoing changes as a percentage of base level</i>	0.0%	2.7%	1.3%	2.4%	0.0%	0.0%	0.0%	0.0%
<i>Total changes as a percentage of base level</i>	0.0%	9.0%	7.5%	8.8%	0.0%	0.0%	0.0%	0.0%

**Other Sections in Department of Labor and Human Rights - Budget No. 406**

**Executive Budget Recommendation**

There are no other sections for this agency.

**House Version**

# 2021 HOUSE STANDING COMMITTEE MINUTES

## Appropriations - Government Operations Division

Brynhild Haugland Room, State Capitol

HB1007

2/8/2021 AM

A BILL for an Act to provide an appropriation for defraying the expenses of the department of labor and human rights.

10:43 **Chairman Vigesaa** brought the committee to order. Members present: Chairman Vigesaa, Vice Chairman Brandenburg, Representative Meier, Representative Bellew, Representative Mock, Representative Kempenich. Members absent: Representative Howe.

### Discussion Topics:

- Base level changes

10:43 **Representative Meier** explained the changes. Testimony #3848.

10:59 **Chairman Vigesaa** adjourned the meeting.

*Sheri Lewis, Committee Clerk*

**Department of Labor and Human Rights - Budget No. 406**  
**House Bill No. 1007**  
**Base Level Funding Changes**

	Executive Budget Recommendation				House Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
<b>2021-23 Biennium Base Level</b>	14.00	\$2,325,510	\$480,681	\$2,806,191	14.00	\$2,325,510	\$480,681	\$2,806,191
<b>2021-23 Ongoing Funding Changes</b>								
Base payroll changes		(\$3,621)	\$6,187	\$2,566				\$0
Salary increase		62,262		62,262				0
Health insurance increase		609		609				0
Retirement contribution increase		12,435		12,435				0
Underfunds salaries		(113,400)		(113,400)				0
Adds funding for the state agency Capitol grounds rent proposal		95,529		95,529				0
Adds funding for Microsoft Office 365 license expenses		1,212		1,212				0
Adds funding for ITD key customer management costs		6,720		6,720				0
Total ongoing funding changes	0.00	\$61,746	\$6,187	\$67,933	0.00	\$0	\$0	\$0
<b>One-time funding items</b>								
Adds funding to upgrade paperless storage software		\$147,717	\$30,000	\$177,717				\$0
Total one-time funding changes	0.00	\$147,717	\$30,000	\$177,717	0.00	\$0	\$0	\$0
<b>Total Changes to Base Level Funding</b>	0.00	\$209,463	\$36,187	\$245,650	0.00	\$0	\$0	\$0
<b>2021-23 Total Funding</b>	14.00	\$2,534,973	\$516,868	\$3,051,841	14.00	\$2,325,510	\$480,681	\$2,806,191
<i>Total ongoing changes as a percentage of base level</i>	0.0%	2.7%	1.3%	2.4%	0.0%	0.0%	0.0%	0.0%
<i>Total changes as a percentage of base level</i>	0.0%	9.0%	7.5%	8.8%	0.0%	0.0%	0.0%	0.0%

**Other Sections in Department of Labor and Human Rights - Budget No. 406**

**Executive Budget Recommendation**

There are no other sections for this agency.

**House Version**

# 2021 HOUSE STANDING COMMITTEE MINUTES

## Appropriations - Government Operations Division

Brynhild Haugland Room, State Capitol

HB1007

2/8/2021 PM

A BILL for an Act to provide an appropriation for defraying the expenses of the department of labor and human rights.

2:57 **Chairman Vigesaa** opened the meeting. Members present: Chairman Vigesaa, Vice Chairman Brandenburg, Representative Kempenich, Representative Howe, Representative Bellew, Representative Meier, Representative Mock.

### Discussion Topics:

- Federal grants
- Vacant positions
- IT Project funding

2:58 **Representative Meier** explained the funding for federal grants. Testimony #3848 and #6066.

3:21 **Representative Meier** made a motion to adopt the amendment. LC21.0266.01001.

3:22 **Vice Chairman Brandenburg** seconded the motion.

3:22 Voice vote.

3:22 Motion carried.

3:22 **Representative Meier** made a motion for a "Do Pass as Amended".

3:22 **Vice Chairman Brandenburg** seconded the motion.

3:22 Roll call vote. 7 Yeas 0 Nays 0 Absent.

<i>Representatives</i>	<b>Yes</b>	<b>No</b>
<i>Chairman Vigesaa</i>	X	
<i>Vice Chairman Brandenburg</i>	X	
<i>Representative Kempenich</i>	X	
<i>Representative Howe</i>	X	
<i>Representative Meier</i>	X	
<i>Representative Bellew</i>	X	
<i>Representative Mock</i>	X	

3:22 Motion carried.

3:23 **Chairman Vigesaa** closed the meeting.

*Sheri Lewis, Committee Clerk*

**PROPOSED AMENDMENTS TO HOUSE BILL NO. 1007**

Page 1, line 2, after "right" insert "; and to provide a report"

Page 1, replace lines 10 through 17 with:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$2,475,765	(\$79,715)	\$2,396,050
Operating expenses	<u>330,426</u>	<u>185,649</u>	<u>516,075</u>
Total all funds	\$2,806,191	\$105,934	\$2,912,125
Less estimated income	<u>480,681</u>	<u>95,046</u>	<u>575,727</u>
Total general fund	\$2,325,510	\$10,888	\$2,336,398
Full-time equivalent positions	14.00	(1.00)	13.00"

Page 1, line 18, after "FUNDING" insert "- EFFECT ON BASE BUDGET - REPORT TO SIXTY-EIGHTH LEGISLATIVE ASSEMBLY"

Page 1, line 19, after "biennium" insert "and the one-time funding items included in the appropriation in section 1 of this Act"

Page 1, replace lines 20 through 22 with:

<u>One-Time Funding Description</u>	<u>2019-21</u>	<u>2021-23</u>
Paperless storage system	\$69,659	\$0
Case management system	<u>0</u>	<u>177,717</u>
Total all funds	\$69,659	\$177,717
Less estimated income	<u>0</u>	<u>88,859</u>
Total general fund	\$69,659	\$88,858

The 2021-23 biennium one-time funding amounts are not a part of the entity's base budget for the 2023-25 biennium. The department of labor and human rights shall report to the appropriations committees of the sixty-eighth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2021, and ending June 30, 2023."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1007 - Labor Commissioner - House Action**

	<u>Base Budget</u>	<u>House Changes</u>	<u>House Version</u>
Salaries and wages	\$2,475,765	(\$79,715)	\$2,396,050
Operating expenses	<u>330,426</u>	<u>185,649</u>	<u>516,075</u>
Total all funds	\$2,806,191	\$105,934	\$2,912,125
Less estimated income	<u>480,681</u>	<u>95,046</u>	<u>575,727</u>
General fund	\$2,325,510	\$10,888	\$2,336,398
FTE	14.00	(1.00)	13.00



## Department 406 - Labor Commissioner - Detail of House Changes

	Adjusts Funding for Base Payroll Changes <sup>1</sup>	Adds Funding for Salary and Benefit Increases <sup>2</sup>	Unfunds 1 FTE Compliance Investigator II Position <sup>3</sup>	Removes 1 FTE Unfunded Vacant Position <sup>4</sup>	Adds Funding for Information Technology Expenses <sup>5</sup>	Adds One- Time Funding for Case Management System <sup>6</sup>
Salaries and wages	\$2,566	\$59,747	(\$142,028)			
Operating expenses					\$7,932	\$177,717
Total all funds	\$2,566	\$59,747	(\$142,028)	\$0	\$7,932	\$177,717
Less estimated income	6,187	0	0	0	0	88,859
General fund	(\$3,621)	\$59,747	(\$142,028)	\$0	\$7,932	\$88,858
FTE	0.00	0.00	0.00	(1.00)	0.00	0.00

	Total House Changes
Salaries and wages	(\$79,715)
Operating expenses	185,649
Total all funds	\$105,934
Less estimated income	95,046
General fund	\$10,888
FTE	(1.00)

<sup>1</sup> Funding is adjusted for base payroll changes.

<sup>2</sup> The following funding is added for 2021-23 biennium salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250; and increases in health insurance premiums from \$1,427 to \$1,429 per month:

	General Fund	Other Funds	Total
Salary increase	\$59,187	\$0	\$59,187
Health insurance increase	560	0	560
Total	\$59,747	\$0	\$59,747

<sup>3</sup> Funding from the general fund is removed for 1 vacant FTE compliance investigator II position, resulting in the position being unfunded.

<sup>4</sup> The authorization for 1 vacant FTE compliance investigator II position, which was unfunded in previous bienniums, is removed.

<sup>5</sup> Funding from the general fund is added for information technology expenses, of which \$1,212 is for Microsoft Office 365 license expenses and \$6,720 is for Information Technology Department key customer management costs.

<sup>6</sup> One-time funding of \$177,717 is added to upgrade the department's case management system, of which \$88,858 is from the general fund and \$88,859 is from federal funds.

The 2019 Legislative Assembly appropriated \$69,659 of one-time funding from the general fund for a paperless storage system. In March 2020, the Emergency Commission authorized the department to accept federal funds of \$49,000 to expand the paperless storage system to include replacement of the department's case management system. The total authority for information technology-related projects for the 2019-21 biennium is \$130,190, of which \$81,190 is from the general fund and \$49,000 is from federal funds. Of the general fund amount, \$69,659 is from the 2019-21 biennium one-time funding appropriated for the project and \$11,531 is from savings in the agency's operating expenses line item.

**Department of Labor and Human Rights - Budget No. 406**  
**House Bill No. 1007**  
**Base Level Funding Changes**

	Executive Budget Recommendation				House Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
<b>2021-23 Biennium Base Level</b>	14.00	\$2,325,510	\$480,681	\$2,806,191	14.00	\$2,325,510	\$480,681	\$2,806,191
<b>2021-23 Ongoing Funding Changes</b>								
Base payroll changes		(\$3,621)	\$6,187	\$2,566				\$0
Salary increase		62,262		62,262				0
Health insurance increase		609		609				0
Retirement contribution increase		12,435		12,435				0
Underfunds salaries		(113,400)		(113,400)				0
Adds funding for the state agency Capitol grounds rent proposal		95,529		95,529				0
Adds funding for Microsoft Office 365 license expenses		1,212		1,212				0
Adds funding for ITD key customer management costs		6,720		6,720				0
Total ongoing funding changes	0.00	\$61,746	\$6,187	\$67,933	0.00	\$0	\$0	\$0
<b>One-time funding items</b>								
Adds funding to upgrade paperless storage software		\$147,717	\$30,000	\$177,717				\$0
Total one-time funding changes	0.00	\$147,717	\$30,000	\$177,717	0.00	\$0	\$0	\$0
<b>Total Changes to Base Level Funding</b>	0.00	\$209,463	\$36,187	\$245,650	0.00	\$0	\$0	\$0
<b>2021-23 Total Funding</b>	14.00	\$2,534,973	\$516,868	\$3,051,841	14.00	\$2,325,510	\$480,681	\$2,806,191
<i>Total ongoing changes as a percentage of base level</i>	0.0%	2.7%	1.3%	2.4%	0.0%	0.0%	0.0%	0.0%
<i>Total changes as a percentage of base level</i>	0.0%	9.0%	7.5%	8.8%	0.0%	0.0%	0.0%	0.0%

**Other Sections in Department of Labor and Human Rights - Budget No. 406**

**Executive Budget Recommendation**

There are no other sections for this agency.

**House Version**

**Meier, Lisa M.**

---

**From:** Martin, Larry J.  
**Sent:** Monday, February 8, 2021 2:32 PM  
**To:** Vigesaa, Donald W.; Meier, Lisa M.  
**Cc:** Thunder, Erica G.; Kinnischtzke, Levi  
**Subject:** 1007 Department of Labor and Human Rights Draft

**Importance:** High

Good Afternoon,

I was asked to provide some information related to the Department of Labor budget.

- Position 28898 – This position is currently vacant and unfunded. The Department is asking to keep this position should future caseload require a higher staff level. The agency would have to go before the Emergency Commission or future Legislative sessions to get additional appropriation to fund this position if they could not find sufficient funds in their appropriation to cover the position.
- Position 26918 – This position is a Compliance Investigator II and is currently vacant. This position is partially funded at \$142,028.13 and is 100% general funded. The Department is requesting this position should their caseload increase and they would need to fill the vacancy quickly to prevent a back log in cases.
- The unfunded salary amount of \$113,400 was made by the Department to meet the 5% general fund budget reduction guidelines. This is a lump sum amount and not tied to any specific position. To fund this reduction the agency would rely on any vacancy savings and savings from any turnover. Being a small agency, the Department of Labor does not have a lot of flexibility in its appropriation to fund reductions. If position 26918 is unfunded and the \$113,400 reduction is kept, the agency would not be able to meet its salary obligations.
- IT Project Funding – When preparing the Departments budget request, we asked them to identify federal funds available to the project. The agency identified \$30,000 of federal funds that would be available for the project. However, this amount is really a maximum amount and given how the federal funds are earned by the agency, this amount may be pushing their limit. Adding additional federal funds to this project could be detrimental to the agency.

I apologize if missed any question or did not get the context of the questions correct. I additional information is required, please let me know. Erica can chime in if I have misspoke on anything.

Larry J. Martin, CPA  
Management & Fiscal Analyst

701.328.4931 • [lajmartin@nd.gov](mailto:lajmartin@nd.gov) • [www.nd.gov/omb](http://www.nd.gov/omb)

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# 2021 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee Brynhild Haugland Room, State Capitol

HB 1007  
2/16/2021

A BILL for an Act to provide an appropriation for defraying the expenses of the department of labor and human rights.

**9:17 Chairman Delzer-** Opened the meeting to HB 1007;

Attendance	P/A
Representative Jeff Delzer	P
Representative Keith Kempenich	P
Representative Bert Anderson	P
Representative Larry Bellew	P
Representative Tracy Boe	P
Representative Mike Brandenburg	P
Representative Michael Howe	P
Representative Gary Kreidt	P
Representative Bob Martinson	P
Representative Lisa Meier	P
Representative Alisa Mitskog	P
Representative Corey Mock	P
Representative David Monson	P
Representative Mike Nathe	P
Representative Jon O. Nelson	P
Representative Mark Sanford	P
Representative Mike Schatz	P
Representative Jim Schmidt	P
Representative Randy A. Schobinger	P
Representative Michelle Strinden	P
Representative Don Vigesaa	P

### Discussion Topics:

- Amendment
- 3.4% Budget Reduction

**9:18 Representative Meier** Explains the budget and the amendment 21.0266.01001

**9:21 Representative Meier-** Makes a motion to adopt amendment

**Representative Brandenburg-**Second

Further discussion

**9:22 Voice Vote Motion Carries**

**9:22 Representative Meier** Do Pass as Amended

**Representative Brandenburg-** Seconded the motion

Further discussion

**Roll Call Vote was Taken;**

<b>Representatives</b>	<b>Vote</b>
Representative Jeff Delzer	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Larry Bellew	Y
Representative Tracy Boe	Y
Representative Mike Brandenburg	Y
Representative Michael Howe	Y
Representative Gary Kreidt	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative Corey Mock	Y
Representative David Monson	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Mark Sanford	Y
Representative Mike Schatz	Y
Representative Jim Schmidt	Y
Representative Randy A. Schobinger	Y
Representative Michelle Strinden	Y
Representative Don Vigesaa	Y

**Motion Carries 21-0-0 Representative Meier will carry the bill**

**Additional written testimony:** No Written Testimony

**9:23 Chairman Delzer-** Closes the meeting for HB 1007

*Risa Berube,*

*House Appropriations Committee Clerk*



PROPOSED AMENDMENTS TO HOUSE BILL NO. 1007

Page 1, line 2, after "rights" insert "; and to provide a report"

Page 1, replace lines 10 through 17 with:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	\$2,475,765	(\$79,715)	\$2,396,050
Operating expenses	<u>330,426</u>	<u>185,649</u>	<u>516,075</u>
Total all funds	\$2,806,191	\$105,934	\$2,912,125
Less estimated income	<u>480,681</u>	<u>95,046</u>	<u>575,727</u>
Total general fund	\$2,325,510	\$10,888	\$2,336,398
Full-time equivalent positions	14.00	(1.00)	13.00"

Page 1, line 18, after "**FUNDING**" insert "**- EFFECT ON BASE BUDGET - REPORT TO SIXTY-EIGHTH LEGISLATIVE ASSEMBLY**"

Page 1, line 19, after "biennium" insert "and the one-time funding items included in the appropriation in section 1 of this Act"

Page 1, replace lines 20 through 22 with:

<u>One-Time Funding Description</u>	<u>2019-21</u>	<u>2021-23</u>
Paperless storage system	\$69,659	\$0
Case management system	<u>0</u>	<u>177,717</u>
Total all funds	\$69,659	\$177,717
Less estimated income	<u>0</u>	<u>88,859</u>
Total general fund	\$69,659	\$88,858

The 2021-23 biennium one-time funding amounts are not a part of the entity's base budget for the 2023-25 biennium. The department of labor and human rights shall report to the appropriations committees of the sixty-eighth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2021, and ending June 30, 2023."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1007 - Labor Commissioner - House Action**

	Base Budget	House Changes	House Version
Salaries and wages	\$2,475,765	(\$79,715)	\$2,396,050
Operating expenses	<u>330,426</u>	<u>185,649</u>	<u>516,075</u>
Total all funds	\$2,806,191	\$105,934	\$2,912,125
Less estimated income	<u>480,681</u>	<u>95,046</u>	<u>575,727</u>
General fund	\$2,325,510	\$10,888	\$2,336,398
FTE	14.00	(1.00)	13.00

DA 2/16/21  
2 of 2

## Department 406 - Labor Commissioner - Detail of House Changes

	Adjusts Funding for Base Payroll Changes <sup>1</sup>	Adds Funding for Salary and Benefit Increases <sup>2</sup>	Unfunds 1 FTE Compliance Investigator II Position <sup>3</sup>	Removes 1 FTE Unfunded Vacant Position <sup>4</sup>	Adds Funding for Information Technology Expenses <sup>5</sup>	Adds One- Time Funding for Case Management System <sup>6</sup>
Salaries and wages	\$2,566	\$59,747	(\$142,028)			
Operating expenses					\$7,932	\$177,717
Total all funds	\$2,566	\$59,747	(\$142,028)	\$0	\$7,932	\$177,717
Less estimated income	6,187	0	0	0	0	88,859
General fund	(\$3,621)	\$59,747	(\$142,028)	\$0	\$7,932	\$88,858
FTE	0.00	0.00	0.00	(1.00)	0.00	0.00

	Total House Changes
Salaries and wages	(\$79,715)
Operating expenses	185,649
Total all funds	\$105,934
Less estimated income	95,046
General fund	\$10,888
FTE	(1.00)

<sup>1</sup> Funding is adjusted for base payroll changes.

<sup>2</sup> The following funding is added for 2021-23 biennium salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250; and increases in health insurance premiums from \$1,427 to \$1,429 per month:

	General Fund	Other Funds	Total
Salary increase	\$59,187	\$0	\$59,187
Health insurance increase	560	0	560
Total	\$59,747	\$0	\$59,747

<sup>3</sup> Funding from the general fund is removed for 1 vacant FTE compliance investigator II position, resulting in the position being unfunded.

<sup>4</sup> The authorization for 1 vacant FTE compliance investigator II position, which was unfunded in previous bienniums, is removed.

<sup>5</sup> Funding from the general fund is added for information technology expenses, of which \$1,212 is for Microsoft Office 365 license expenses and \$6,720 is for Information Technology Department key customer management costs.

<sup>6</sup> One-time funding of \$177,717 is added to upgrade the department's case management system, of which \$88,858 is from the general fund and \$88,859 is from federal funds.

The 2019 Legislative Assembly appropriated \$69,659 of one-time funding from the general fund for a paperless storage system. In March 2020, the Emergency Commission authorized the department to accept federal funds of \$49,000 to expand the paperless storage system to include replacement of the department's case management system. The total authority for information technology-related projects for the 2019-21 biennium is \$130,190, of which \$81,190 is from the general fund and \$49,000 is from federal funds. Of the general fund amount, \$69,659 is from the 2019-21 biennium one-time funding appropriated for the project and \$11,531 is from savings in the agency's operating expenses line item.

**REPORT OF STANDING COMMITTEE**

**HB 1007: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (21 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1007 was placed on the Sixth order on the calendar.

Page 1, line 2, after "rights" insert "; and to provide a report"

Page 1, replace lines 10 through 17 with:

"		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$2,475,765	(\$79,715)	\$2,396,050
Operating expenses	330,426	185,649	516,075
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Less estimated income	480,681	95,046	575,727
Total general fund	\$2,325,510	\$10,888	\$2,336,398
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Total all funds		\$69,659	\$177,717
Less estimated income		0	88,859
Total general fund		\$69,659	\$88,858

The 2021-23 biennium one-time funding amounts are not a part of the entity's base budget for the 2023-25 biennium. The department of labor and human rights shall report to the appropriations committees of the sixty-eighth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2021, and ending June 30, 2023."

ReNUMBER accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1007 - Labor Commissioner - House Action**

	<u>Base Budget</u>	<u>House Changes</u>	<u>House Version</u>
Salaries and wages	\$2,475,765	(\$79,715)	\$2,396,050
Operating expenses	330,426	185,649	516,075
Total all funds	\$2,806,191	\$105,934	\$2,912,125
Less estimated income	480,681	95,046	575,727
General fund	\$2,325,510	\$10,888	\$2,336,398
FTE	14.00	(1.00)	13.00



**Department 406 - Labor Commissioner - Detail of House Changes**

	Adjusts Funding for Base Payroll Changes <sup>1</sup>	Adds Funding for Salary and Benefit Increases <sup>2</sup>	Unfunds 1 FTE Compliance Investigator II Position <sup>3</sup>	Removes 1 FTE Unfunded Vacant Position <sup>4</sup>	Adds Funding for Information Technology Expenses <sup>5</sup>	Adds One- Time Funding for Case Management System <sup>6</sup>
Salaries and wages	\$2,566	\$59,747	(\$142,028)			
Operating expenses					\$7,932	\$177,717
Total all funds	\$2,566	\$59,747	(\$142,028)	\$0	\$7,932	\$177,717
Less estimated income	6,187	0	0	0	0	88,859
General fund	(\$3,621)	\$59,747	(\$142,028)	\$0	\$7,932	\$88,858
FTE	0.00	0.00	0.00	(1.00)	0.00	0.00

	Total House Changes
Salaries and wages	(\$79,715)
Operating expenses	185,649
Total all funds	\$105,934
Less estimated income	95,046
General fund	\$10,888
FTE	(1.00)

<sup>1</sup> Funding is adjusted for base payroll changes.

<sup>2</sup> The following funding is added for 2021-23 biennium salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250; and increases in health insurance premiums from \$1,427 to \$1,429 per month:

	General Fund	Other Funds	Total
Salary increase	\$59,187	\$0	\$59,187
Health insurance increase	560	0	560
Total	\$59,747	\$0	\$59,747

<sup>3</sup> Funding from the general fund is removed for 1 vacant FTE compliance investigator II position, resulting in the position being unfunded.

<sup>4</sup> The authorization for 1 vacant FTE compliance investigator II position, which was unfunded in previous bienniums, is removed.

<sup>5</sup> Funding from the general fund is added for information technology expenses, of which \$1,212 is for Microsoft Office 365 license expenses and \$6,720 is for Information Technology Department key customer management costs.

<sup>6</sup> One-time funding of \$177,717 is added to upgrade the department's case management system, of which \$88,858 is from the general fund and \$88,859 is from federal funds.

The 2019 Legislative Assembly appropriated \$69,659 of one-time funding from the general fund for a paperless storage system. In March 2020, the Emergency Commission authorized the department to accept federal funds of \$49,000 to expand the paperless storage system to include replacement of the department's case management system. The total authority for information technology-related projects for the 2019-21 biennium is \$130,190, of which \$81,190 is from the general fund and \$49,000 is from federal funds. Of the general fund amount, \$69,659 is from the 2019-21 biennium one-time funding appropriated for the project and \$11,531 is from savings in the agency's operating expenses line item.

**2021 SENATE APPROPRIATIONS**

**HB 1007**

**Department 406 - Department of Labor and Human Rights**  
**House Bill No. 1007**

**Executive Budget Comparison to Prior Biennium Appropriations**

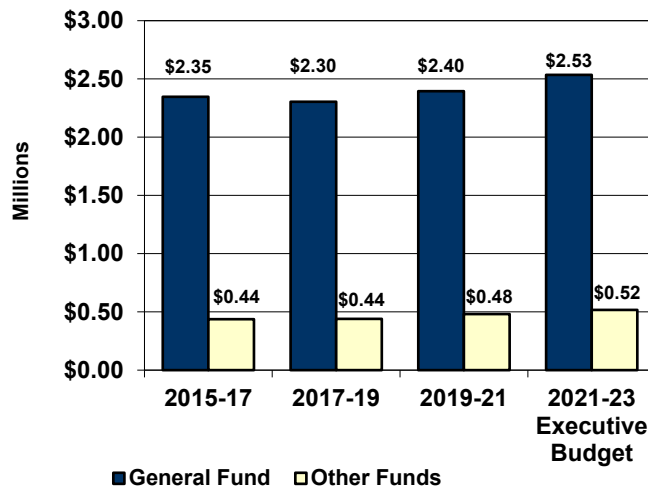
	FTE Positions	General Fund	Other Funds	Total
2021-23 Executive Budget	14.00	\$2,534,973	\$516,868	\$3,051,841
2019-21 Legislative Appropriations <sup>1</sup>	14.00	2,395,169	480,681	2,875,850
Increase (Decrease)	0.00	\$139,804	\$36,187	\$175,991

<sup>1</sup>The 2019-21 biennium agency appropriation amounts have not been adjusted for additional federal funds authority of \$49,000, resulting from Emergency Commission action during the 2019-21 biennium.

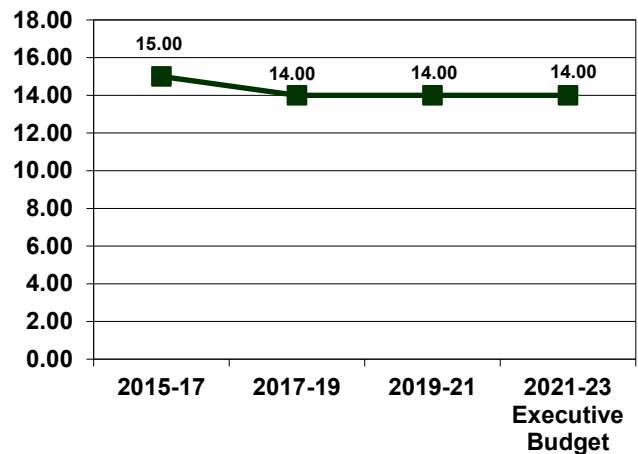
**Ongoing and One-Time General Fund Appropriations**

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2021-23 Executive Budget	\$2,387,256	\$147,717	\$2,534,973
2019-21 Legislative Appropriations	2,325,510	69,659	2,395,169
Increase (Decrease)	\$61,746	\$78,058	\$139,804

**Agency Funding**



**FTE Positions**



**Executive Budget Comparison to Base Level**

	General Fund	Other Funds	Total
2021-23 Executive Budget	\$2,534,973	\$516,868	\$3,051,841
2021-23 Base Level	2,325,510	480,681	2,806,191
Increase (Decrease)	\$209,463	\$36,187	\$245,650

**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)**

- Provides funding for state employee salary and benefit increases, of which \$62,262 is for salary increases, \$609 is for health insurance increases, and \$12,435 is for retirement contribution increases. **The House added funding for salary adjustments of 1.5 percent per year with a \$100 minimum and \$250 maximum monthly increase and increases in health insurance premiums from \$1,427 to \$1,429 per month. The House did not add funding for retirement contribution increases.**

General Fund	Other Funds	Total
\$75,306	\$0	\$75,306

2. Underfunds salaries. <b>The House removed \$142,028 from the general fund for 1 vacant FTE compliance investigator II position, resulting in the position being unfunded, and removed the authorization for 1 vacant FTE compliance investigator position that was unfunded in previous bienniums.</b>	(\$113,400)	\$0	(\$113,400)
3. Adds funding for the state agency Capitol grounds rent proposal. <b>The House did not add funding for this purpose.</b>	\$95,529	\$0	\$95,529
4. Adds funding for Microsoft Office 365 license expenses	\$1,212	\$0	\$1,212
5. Adds funding for Information Technology Department (ITD) key customer management costs	\$6,720	\$0	\$6,720
6. Adds one-time funding to upgrade the department's case management system. <b>The House changed the funding source and approved a total of \$177,717 for the project, of which \$88,858 is from the general fund and \$88,859 is from federal funds.</b>	\$147,717	\$30,000	\$177,717

#### **Other Sections in House Bill No. 1007**

There are no other sections related to this agency.

#### **Continuing Appropriations**

There are no continuing appropriations for this agency.

#### **Significant Audit Findings**

The operational audit for the Department of Labor and Human Rights conducted by the State Auditor's office for the period ending June 30, 2019, identified no significant audit findings.

#### **Major Related Legislation**

At this time, no major related legislation is under consideration affecting this agency.

# Department of Labor and Human Rights - Budget No. 406

## House Bill No. 1007

### Base Level Funding Changes

	Executive Budget Recommendation				House Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
<b>2021-23 Biennium Base Level</b>	14.00	\$2,325,510	\$480,681	\$2,806,191	14.00	\$2,325,510	\$480,681	\$2,806,191
<b>2021-23 Ongoing Funding Changes</b>								
Base payroll changes		(\$3,621)	\$6,187	\$2,566		(\$3,621)	\$6,187	\$2,566
Salary increase		62,262		62,262		59,187		59,187
Health insurance increase		609		609		560		560
Retirement contribution increase		12,435		12,435				0
Underfunds salaries		(113,400)		(113,400)				0
Unfunds 1 FTE compliance investigator II position				0		(142,028)		(142,028)
Removes 1 FTE unfunded vacant position				0	(1.00)			0
Adds funding for the state agency Capitol grounds rent proposal		95,529		95,529				0
Adds funding for Microsoft Office 365 license expenses		1,212		1,212		1,212		1,212
Adds funding for ITD key customer management costs		6,720		6,720		6,720		6,720
Total ongoing funding changes	0.00	\$61,746	\$6,187	\$67,933	(1.00)	(\$77,970)	\$6,187	(\$71,783)
<b>One-time funding items</b>								
Adds funding to upgrade case management system		\$147,717	\$30,000	\$177,717		\$88,858	\$88,859	\$177,717
Total one-time funding changes	0.00	\$147,717	\$30,000	\$177,717	0.00	\$88,858	\$88,859	\$177,717
<b>Total Changes to Base Level Funding</b>	0.00	\$209,463	\$36,187	\$245,650	(1.00)	\$10,888	\$95,046	\$105,934
<b>2021-23 Total Funding</b>	14.00	\$2,534,973	\$516,868	\$3,051,841	13.00	\$2,336,398	\$575,727	\$2,912,125
<i>Total ongoing changes as a percentage of base level</i>	0.0%	2.7%	1.3%	2.4%	(7.1%)	(3.4%)	1.3%	(2.6%)
<i>Total changes as a percentage of base level</i>	0.0%	9.0%	7.5%	8.8%	(7.1%)	0.5%	19.8%	3.8%

### Other Sections in Department of Labor and Human Rights - Budget No. 406

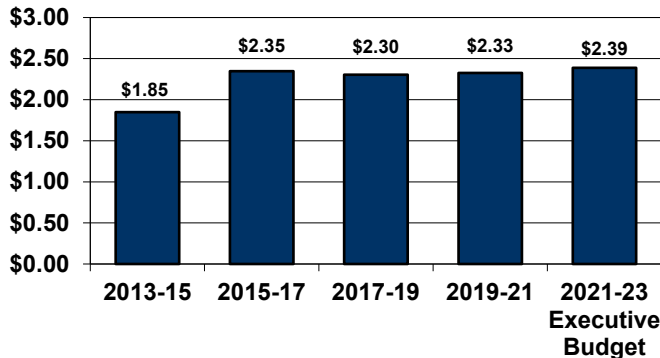
Executive Budget Recommendation	House Version
There are no other sections for this agency.	There are no other sections for this agency.

## Department 406 - Department of Labor and Human Rights

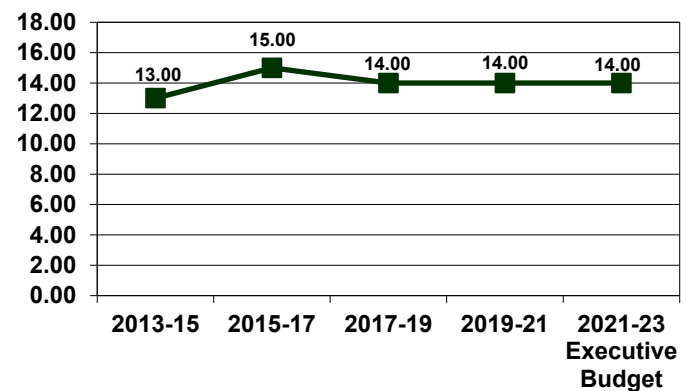
## Historical Appropriations Information

## Ongoing General Fund Appropriations Since 2013-15

Ongoing General Fund Appropriations (in Millions)



FTE Positions



Ongoing General Fund Appropriations					
	2013-15	2015-17	2017-19	2019-21	2021-23 Executive Budget
Ongoing general fund appropriations	\$1,847,425	\$2,347,241	\$2,303,986	\$2,325,510	\$2,387,256
Increase (decrease) from previous biennium	N/A	\$499,816	(\$43,255)	\$21,524	\$61,746
Percentage increase (decrease) from previous biennium	N/A	27.1%	(1.8%)	0.9%	2.7%
Cumulative percentage increase (decrease) from 2013-15 biennium	N/A	27.1%	24.7%	25.9%	29.2%

## Major Increases (Decreases) in Ongoing General Fund Appropriations

## 2015-17 Biennium

- Added funding for 2 FTE compliance investigator positions and related funding \$364,109

## 2017-19 Biennium

- Removed 1 FTE administrative assistant position and related funding of \$52,998 (Funding of \$42,794 was removed as part of the August 2016 budget reductions, resulting in a total reduction of \$95,792 for this position) (\$52,998)
- Reduced funding for operating expenses (\$32,409)

## 2019-21 Biennium

- No major changes identified

## 2021-23 Biennium (Executive Budget Recommendation)

- Underfunds salaries. **The House removed \$142,028 from the general fund for 1 vacant FTE compliance investigator II position, resulting in the position being unfunded, and removed the authorization for 1 vacant FTE compliance investigator position that was unfunded in previous bienniums.** (\$113,400)
- Adds funding for the state agency Capitol grounds rent proposal. **The House did not add funding for this purpose.** \$95,529

**GOVERNOR'S RECOMMENDATION FOR THE  
DEPARTMENT OF LABOR AND HUMAN RIGHTS  
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 the department of labor and human rights for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2021, and ending June 30, 2023, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$2,475,765	(\$35,528)	\$2,440,237
Operating Expenses	<u>330,426</u>	<u>281,178</u>	<u>611,604</u>
Total All Funds	\$2,806,191	\$245,650	\$3,051,841
Less Estimated Income	<u>480,681</u>	<u>36,187</u>	<u>516,868</u>
Total General Fund	\$2,325,510	\$209,463	\$2,534,973
Full-time Equivalent Positions	14.00	0.00	14.00

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-EIGHTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty- sixth legislative assembly for the 2019-21 biennium and the 2021-23 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2019-21</u>	<u>2019-21</u>
Paperless Storage System	\$69,659	\$ 0
Phase 2 Software Upgrade	<u>0</u>	<u>177,717</u>
Total All Funds	\$69,659	\$177,717
Less Estimated Income	<u>0</u>	<u>30,000</u>
Total General Fund	\$69,659	\$147,717

The 2021-23 one-time funding amounts are not a part of the entity's base budget for the 2023-25 biennium. The department of labor and human rights shall report to the appropriations committees of the sixty-eighth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2021 and ending June 30, 2023.

# 2021 SENATE STANDING COMMITTEE MINUTES

**Appropriations Committee**  
Roughrider Room, State Capitol

HB 1007  
3/19/2021  
Senate Appropriations Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the department of labor and human rights.
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**Senator Wanzek** opened the hearing at 8:31 AM.

Senators present: **Krebsbach, Wanzek, Bekkedahl, Poolman, Erbele, Dever, Oehlke, Rust, Davison, Hogue, Sorvaag, Mathern, and Heckaman.** **Senator Holmberg** was absent.

## **Discussion Topics:**

- House Changes to the budget
- Claims filed remotely or online
- Federal partner agreements
- Retaliation or whistleblower claims

**Erica Thunder, Commissioner, North Dakota Department of Labor and Human Rights**  
– testified in favor and submitted testimony #10073.

**Senator Wanzek** closed the hearing at 9:15 AM

*Rose Laning, Committee Clerk*



Testimony on HB 1007  
 Prepared for the Senate Appropriations Committee  
 Erica Thunder, Commissioner

March 19, 2021

Good morning, Chairman Holmberg and members of the Senate Appropriations Committee. My name is Erica Thunder, and I am the Commissioner for the North Dakota Department of Labor and Human Rights.

Department Responsibilities

I would like to provide some background on the North Dakota Department of Labor and Human Rights (hereinafter “Department”). The Department has three primary areas of responsibility. The first is establishing and enforcing laws and regulations relating to the wages and working conditions of employees in North Dakota. This is our Wage and Hour Division. Second, the Department administers and enforces North Dakota's human rights and housing laws. This is our Human Rights Division. Finally, the Department is tasked with educating the public about all areas of the law for which it is responsible.

Wage and Hour Division

The Wage and Hour Division enforces minimum wage and overtime laws and regulations (N.D.C.C. ch. 34-06). In addition, the Division enforces North Dakota's laws and regulations dealing with equal pay for men and women, child labor, labor unions, employment agencies, and wage collection (N.D.C.C. chapters 34-06.1, 34-07, 34-12, 34-13, and 34-14). The Wage and Hour Division receives and investigates claims of unpaid wages or overtime, failure to pay minimum wage, misclassification of employees, and other general complaints that North Dakota's labor laws are not being followed. The Division also reviews requests to issue youth employment certificates for 14 and 15-year old workers.

Here are some of the Division's accomplishments so far in the current biennium:

July 1, 2019- December 31, 2020	Wage Claims Closed	Amount Collected for Claimants	Youth Employment Certificates
	568	\$609,951.08	1,433

## Human Rights Division

The Human Rights Division administers and enforces the North Dakota Human Rights Act (N.D.C.C. ch. 14-02.4) and the North Dakota Housing Discrimination Act (N.D.C.C. ch. 14-02.5). Under these anti-discrimination laws, the Department receives and investigates complaints alleging discrimination in employment, housing, public services, public accommodations, and credit transactions. As required by law, the Department emphasizes conciliation to resolve complaints, provides administrative hearings on complaints where there is probable cause to believe a discriminatory practice has occurred, and fosters prevention of discrimination through education about the rights and responsibilities provided under North Dakota's human rights and housing laws. Finally, the Human Rights Division handles complaints of retaliation under North Dakota's "whistleblower" law (N.D.C.C. § 34-01-20) and Public Employee Relations Act (N.D.C.C. § 34-11.1-04.1).

In addition to receiving and investigating complaints directly from individuals who believe they have been victims of unlawful discrimination under state anti-discrimination and whistleblower laws, the Department's Human Rights Division also investigates cases for the United States Department of Housing and Urban Development (HUD) and the Equal Employment Opportunity Commission (EEOC).

Here are some of the Division's accomplishments so far in the current biennium:

July 1, 2019- December 31, 2020	Employment	Retaliation	Housing	Public Service/Public Accommodation/Credit Transactions
Closed	278	53	51	17
Amount Collected	\$492,3381.17	\$118,240.00	\$31,673.50	\$500.00

## Public Education

In addition to the Department's enforcement duties, the Commissioner of Labor is required to "improve working conditions and living conditions of employees and advance their opportunities for profitable employment".... "foster, promote, and develop welfare of both wage earners and industries in N.D." . .... and "promote friendly and cooperative relations between employers and employees." To do this, the Department continues to broaden awareness of wage and hour issues and human rights protections through public education and outreach, working with groups representing human rights, business, labor, professional, and non-profit organizations. The Department continues to provide speakers and trainers for conferences, workshops, schools, employers, labor organizations, businesses, landlord and tenant organizations, government agencies, and other community groups. The Department has made strides in educating the public and I am always looking for additional ways to provide information to both employers and employees in North Dakota. This last year particularly, has proved the Department's ability to still educate even in remote settings, which became a common practice.

### Organizational Chart:



### Financial Audit Findings

The Department's most recent financial audit, conducted and concluded in October 2019, resulted in a clean audit, with no outstanding financial findings.

### FTEs

The Department began this session with no change in its request for FTEs. The Department currently has fourteen total FTEs. Four positions are currently vacant. One of those FTE positions is completely unfunded, and one is partially funded. The third and fourth positions are currently in the process of being filled, with one already posted and a

hire predicted to fill that FTE position in April 2021. Due to uncertainty in workload, particularly due to COVID-19, the Department had requested during its House Appropriations testimony, that all FTE positions should remain the same and we had no changes. After HB 1007 was heard, the House Appropriations Committee made two changes that we were able to make a compromise on: 1) the unfunded FTE position would be removed, and 2) the partially funded FTE position would be kept, but would become fully unfunded. Again, we were able to make this compromise, and the Department asks this Committee to keep that compromise as is, bringing down the total FTEs to thirteen, with one completely unfunded. Thus, the Department would now be down to twelve full-time FTEs. We believe this is fair.

### Budget Request

I will now focus on the Department's base budget, estimated 2021-2023 spending, one time expenditures, and the Department's Federal funds.

### Outline of Budget

In the 2019-2021 biennium, the Department's total appropriation was \$2,875,850. Salary and wages total \$2,475,765, with operating expenses at \$400,085. The budget is a combination of general funds and \$480,681 in federal fund authority, through the partnerships with HUD and EEOC. The Department has one one-time spending item in its current budget.

The 2021-2023 Executive Budget Recommendation includes \$2,440,237 for salaries and wages, and \$611,604 for operating expenses, this totals \$3,051,841.

The 2021-2023 base budget changes had totaled \$281,178. This included \$95,529 for the rent model change. However, because the rent model change has now turned into a study, the 2021-2023 base budget for the Department totals \$185,649.

Also included in the 2021-2023 base budget changes is \$7,932 for the allocation of a Key Customer Manager (KCM) from North Dakota Information Technology (NDIT), as well as the Office 365 software. Broken down, the KCM's cost in the budget is \$6,720, while the Office 365 software accounts for \$1,212 of the budget.

This KCM position is crucial to the agency, as our KCM play many roles for the Department, and was vital to the Department's ability to adapt to new technology, business process improvements, and assist the agency overall in our software and technology needs during this time wherein we are working remotely indefinitely.

The Office 365 is absolutely a necessary item for the Department, as its tools, including Outlook, Microsoft Word, Microsoft teams, etc., are software items we need in order to conduct business.

The final piece of the 2021-2023 base budget changes includes the \$177,717 for IT Contractual Services and Repairs – which is for a one-time expense to improve the Department's current case management software, and what is the "Phase II" of the Power

Dynamics system. This system has allowed us to go completely paperless and create a case management system wherein we can continue to expand on a “smarter” system, creating faster and more efficient work for the citizens of North Dakota. One of the reasons the Department is able to make the compromise in FTEs is because we believe that with this improved software, we can work efficiently without the need for a larger Department.

Again, the 2021-2023 Executive Budget Recommendation totals \$3,051,841. This includes the above stated total for salaries and wages, along with operating expenses. The Department strongly urges the Committee to approve of this budget recommendation, as much thought, time, work, and consideration went into this total number. The Department’s goal with the proposed budget is to continue its good work, with an extremely talented team, and its focus on a better experience for the North Dakota citizen who will use our services.

#### Federal Funding

The Department’s federal funding, which supplements the legislatively approved state general funding, is received through work-sharing/cooperative agreements with the EEOC and HUD. The Department’s current projected federal dollars that provide to our budget includes \$516,868. This dollar amount must be reiterated that we have to work for these funds. It helps us lower the Department’s State dollars in our budget. \$30,000 of those dollars have been set aside in order to provide for our “Phase II” funding for our major technology upgrade to our current system. It is vital to note that we cannot make a compromise on any changes proffered based on this Federal dollar amount. The House Appropriations Committee made the change to expand Federal dollars to be put towards the Phase II upgrade, however, \$30,000 is the most we are allowed to spend on this upgrade. This is because of the types of dollars our Federal partners will allow us to use for upgrades. Federal revenue is always speculative and uncertain, and because we are contracted by our Federal partners to conduct a certain amount of work, we cannot budge on this dollar amount. This is because the Department receives a certain dollar amount from the EEOC and HUD for each case it closes. Our ask today is for the Senate Appropriations Committee to reverse and restore our original budget amount set aside for the Phase II Power Dynamics software upgrade, leaving \$30,000 to come from our Federal fund budget, and \$147,717 from General Funds.

#### One Time Expense -- “Phase II Power Dynamics”

The Department's Phase II Power Dynamics software system is a necessity for the Department. As mentioned earlier in this testimony, its total cost is \$177,717. The very shortened purpose its importance is so that the Department can continue forward in its effort in performing as a more efficient agency. Looking back at the Department’s previous budgets and requests, the Department has always been incredibly frugal, and proudly continues to act in a way that benefits the taxpayer. This one-time ask to make sure that the Department can expand and finish the current software upgrade we began in April 2020, and finished on July 6<sup>th</sup>, 2020. Our 2020 upgrade has made a tremendous improvement for the Department in our goals for upgrading an outdated case

management system, finally going paperless after more than a decade of planning, and turned out to be the best investment we could have made, while not knowing we were about to be a remote Department. While we started the project in April 2020, it was actually in September 2019, that the Department started to negotiate with Power Objects, and begin to put together a Statement of Work. At that time, we would have never imagined that 2020 would turn into the year it did. The expansion in Phase II is to directly address many of the items we never thought to include in its first phase, most of which involve our remote work style. Outside of just improvements made for working remotely, the Department has been able to utilize our new system long enough to know that there are still improvements to be made to make it a “smart” system, one that uses predictive elements in order to assist us in our daily work, and also trend forecasting. I am happy to discuss this further, as there are many technical areas I may not be able to address fully today. In sum, system will allow the Department to become more efficient and reduce operating costs in the long term.

### Conclusion

This Commissioner is extremely proud of the Department and its members. The Department is always seeking ways to hold down costs, and this Commissioner believes we have done a very great job at continuing that work. The agency’s long-term plan is for improving the efficiency and effectiveness of achieving its statutory duties continues. This includes our major efforts in improving our technology. Finally, we will continue to look for ways to train employees in the most efficient and effective manner, especially as we look towards onboarding future team members in a remote style. We please urge that the changes outlined in this Testimony be supported, and the Department thanks the Committee for your kind attention.

Thank you and I’d be happy to answer any questions you may have.

*Erica Thunder*

Erica Thunder, JD  
Commissioner  
North Dakota Labor and Human Rights

# 2021 SENATE STANDING COMMITTEE MINUTES

## Appropriations Committee Roughrider Room, State Capitol

HB 1007  
3/23/2021  
Senate Appropriations Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the department of labor and human rights.

**Senator Holmberg** opened the hearing at 8:51 AM.

Senators present: **Holmberg, Krebsbach, Wanzek, Poolman, Erbele, Dever, Oehlke, Rust, Davison, Hogue, Sorvaag, Mathern, and Heckaman.** **Senator Bekkedahl** was absent.

**Senator Poolman** moved adoption of amendment [LC 21.0266.02001] - #10492.  
**Senator Davison** second.

<i>Senators</i>		<i>Senators</i>	
<i>Senator Holmberg</i>	Y	<i>Senator Hogue</i>	Y
<i>Senator Krebsbach</i>	Y	<i>Senator Oehlke</i>	Y
<i>Senator Wanzek</i>	Y	<i>Senator Poolman</i>	Y
<i>Senator Bekkedahl</i>	A	<i>Senator Rust</i>	Y
<i>Senator Davison</i>	Y	<i>Senator Sorvaag</i>	Y
<i>Senator Dever</i>	Y	<i>Senator Heckaman</i>	Y
<i>Senator Erbele</i>	Y	<i>Senator Mathern</i>	Y

Roll Call vote 13-0-1  
Motion passed.

**Senator Poolman** moved Do Pass as Amended on HB 1007.  
**Senator Rust** second.

<i>Senators</i>		<i>Senators</i>	
<i>Senator Holmberg</i>	Y	<i>Senator Hogue</i>	Y
<i>Senator Krebsbach</i>	Y	<i>Senator Oehlke</i>	Y
<i>Senator Wanzek</i>	Y	<i>Senator Poolman</i>	Y
<i>Senator Bekkedahl</i>	A	<i>Senator Rust</i>	Y
<i>Senator Davison</i>	Y	<i>Senator Sorvaag</i>	Y
<i>Senator Dever</i>	Y	<i>Senator Heckaman</i>	Y
<i>Senator Erbele</i>	Y	<i>Senator Mathern</i>	Y

Roll Call vote 13-0-1  
Motion passed. **Senator Poolman** will carry the bill.

**Senator Holmberg** closed the hearing at 8:54 AM.

*Rose Laning, Committee Clerk*

March 22, 2021

SK  
3/23  
180

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1007

Page 1, replace lines 12 through 17 with:

"Salaries and wages	\$2,475,765	(\$80,786)	\$2,394,979
Operating expenses	<u>330,426</u>	<u>185,649</u>	<u>516,075</u>
Total all funds	\$2,806,191	\$104,863	\$2,911,054
Less estimated income	<u>480,681</u>	<u>36,187</u>	<u>516,868</u>
Total general fund	\$2,325,510	\$68,676	\$2,394,186
Full-time equivalent positions	14.00	(1.00)	13.00"

Page 2, replace lines 2 and 3 with:

"Less estimated income	<u>0</u>	<u>30,000</u>
Total general fund	\$69,659	\$147,717"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1007 - Labor Commissioner - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$2,475,765	\$2,396,050	(\$1,071)	\$2,394,979
Operating expenses	<u>330,426</u>	<u>516,075</u>		<u>516,075</u>
Total all funds	\$2,806,191	\$2,912,125	(\$1,071)	\$2,911,054
Less estimated income	<u>480,681</u>	<u>575,727</u>	(58,859)	<u>516,868</u>
General fund	\$2,325,510	\$2,336,398	\$57,788	\$2,394,186
FTE	14.00	13.00	0.00	13.00

Department 406 - Labor Commissioner - Detail of Senate Changes

	Adjusts Funding for Salary and Benefit Increases <sup>1</sup>	Adjusts One-Time Funding for Case Management System <sup>2</sup>	Total Senate Changes
Salaries and wages	(\$1,071)		(\$1,071)
Operating expenses			
Total all funds	(\$1,071)	\$0	(\$1,071)
Less estimated income	<u>0</u>	<u>(58,859)</u>	<u>(58,859)</u>
General fund	(\$1,071)	\$58,859	\$57,788
FTE	0.00	0.00	0.00

<sup>1</sup> Salaries and wages funding is adjusted for 2021-23 biennium salary adjustments of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100 and 2 percent on July 1, 2022. The House provided salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250.

<sup>2</sup> One-time funding to upgrade the department's case management system is adjusted by adding \$58,859 from the general fund and reducing \$58,859 from federal funds, to provide a total of \$177,717, of which \$147,717 is from the general fund and \$30,000 is from federal funds. The House provided one-time funding of \$177,717, of which \$88,858 was from the general fund and \$88,859 was from federal funds.



**REPORT OF STANDING COMMITTEE**

**HB 1007, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman)**  
recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends  
**DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1007  
was placed on the Sixth order on the calendar.

Page 1, replace lines 12 through 17 with:

"Salaries and wages	\$2,475,765	(\$80,786)	\$2,394,979
Operating expenses	<u>330,426</u>	<u>185,649</u>	<u>516,075</u>
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Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1007 - Labor Commissioner - Senate Action**

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$2,475,765	\$2,396,050	(\$1,071)	\$2,394,979
Operating expenses	<u>330,426</u>	<u>516,075</u>		<u>516,075</u>
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**Department 406 - Labor Commissioner - Detail of Senate Changes**

	Adjusts Funding for Salary and Benefit Increases <sup>1</sup>	Adjusts One-Time Funding for Case Management System <sup>2</sup>	Total Senate Changes
Salaries and wages	(\$1,071)		(\$1,071)
Operating expenses			
Total all funds	(\$1,071)	\$0	(\$1,071)
Less estimated income	<u>0</u>	(58,859)	(58,859)
General fund	(\$1,071)	\$58,859	\$57,788
FTE	0.00	0.00	0.00

<sup>1</sup> Salaries and wages funding is adjusted for 2021-23 biennium salary adjustments of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100 and 2 percent on July 1, 2022. The House provided salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250.

<sup>2</sup> One-time funding to upgrade the department's case management system is adjusted by adding \$58,859 from the general fund and reducing \$58,859 from federal funds, to provide a total of \$177,717, of which \$147,717 is from the general fund and \$30,000 is from federal funds. The House provided one-time funding of \$177,717, of which \$88,858 was from the general fund and \$88,859 was from federal funds.

21.0266.02001  
Title.  
Fiscal No. 1

Prepared by the Legislative Council staff for  
Senator Poolman  
March 22, 2021

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1007

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**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1007 - Labor Commissioner - Senate Action**

	Base Budget	House Version	Senate Changes	Senate Version
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Total all funds	\$2,806,191	\$2,912,125	(\$1,071)	\$2,911,054
Less estimated income	<u>480,681</u>	<u>575,727</u>	<u>(58,859)</u>	<u>516,868</u>
General fund	\$2,325,510	\$2,336,398	\$57,788	\$2,394,186
FTE	14.00	13.00	0.00	13.00

**Department 406 - Labor Commissioner - Detail of Senate Changes**

	Adjusts Funding for Salary and Benefit Increases <sup>1</sup>	Adjusts One-Time Funding for Case Management System <sup>2</sup>	Total Senate Changes
Salaries and wages	(\$1,071)		(\$1,071)
Operating expenses			
Total all funds	(\$1,071)	\$0	(\$1,071)
Less estimated income	<u>0</u>	<u>(58,859)</u>	<u>(58,859)</u>
General fund	(\$1,071)	\$58,859	\$57,788
FTE	0.00	0.00	0.00

<sup>1</sup> Salaries and wages funding is adjusted for 2021-23 biennium salary adjustments of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100 and 2 percent on July 1, 2022. The House provided salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250.

<sup>2</sup> One-time funding to upgrade the department's case management system is adjusted by adding \$58,859 from the general fund and reducing \$58,859 from federal funds, to provide a total of \$177,717, of which \$147,717 is from the general fund and \$30,000 is from federal funds. The House provided one-time funding of \$177,717, of which \$88,858 was from the general fund and \$88,859 was from federal funds.