

2023 SENATE APPROPRIATIONS

SB 2007

Department 406 - Department of Labor and Human Rights
Senate Bill No. 2007

Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2023-25 Executive Budget	\$2,794,259	\$517,174	\$3,311,433
2023-25 Base Level	2,246,469	486,868	2,733,337
Increase (Decrease)	\$547,790	\$30,306	\$578,096

Selected Budget Changes Recommended in the Executive Budget

	General Fund	Other Funds	Total
1. Adds funding for state employee salary and benefit increases, of which \$182,806 is for salary increases and \$51,426 is for health insurance increases	\$192,828	\$41,404	\$234,232
2. Adds funding for a FTE wage and hour division director position. The department will reclassify an existing unfunded FTE compliance investigator II position for this position.	\$264,232	\$46,630	\$310,862
3. Reduces federal funding for fringe benefits (\$23,510) and operating expenses, primarily related to travel (\$10,000), operating fees and services (\$8,200), postage (\$6,926), and office supplies (\$4,000)	\$0	(\$57,728)	(\$57,728)
4. Adds funding for the proposed Capitol grounds state agency rent model change	\$74,267	\$0	\$74,267

A summary of the executive budget changes to the agency's base level appropriations is attached as an appendix.

A copy of the draft appropriations bill containing the executive budget recommendations is attached as an appendix.

Selected Bill Sections Recommended in the Executive Budget

There are no additional sections recommended for this agency.

Continuing Appropriations

There are no continuing appropriations for this agency.

Deficiency Appropriations

There are no deficiency 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, 2021, identified no significant audit findings.

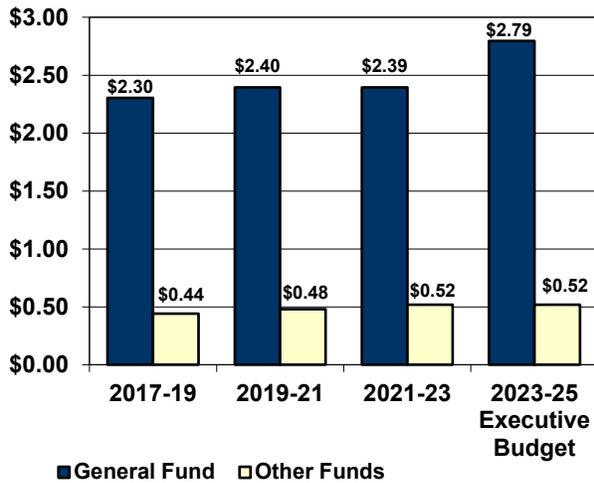
Major Related Legislation

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

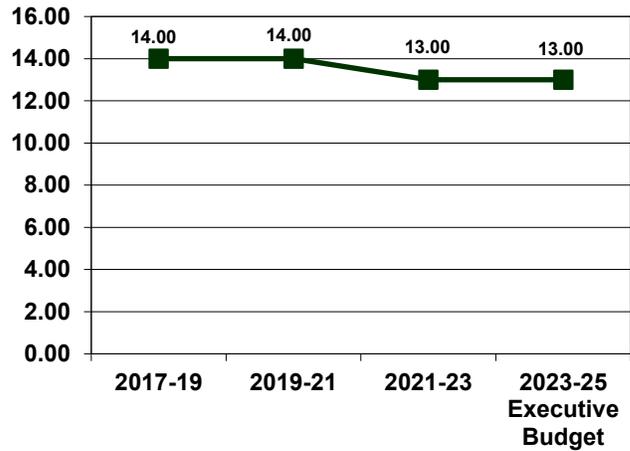
Historical Appropriations Information

Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



Ongoing General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
Ongoing general fund appropriations	\$2,347,241	\$2,303,986	\$2,325,510	\$2,246,469	\$2,794,259
Increase (decrease) from previous biennium	N/A	(\$43,255)	\$21,524	(\$79,041)	\$547,790
Percentage increase (decrease) from previous biennium	N/A	(1.8%)	0.9%	(3.4%)	24.4%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	(1.8%)	(0.9%)	(4.3%)	19.0%

Major Increases (Decreases) in Ongoing General Fund Appropriations

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

- None \$0

2021-23 Biennium

- Removed funding for 1 vacant FTE compliance investigator II position, resulting in the position being unfunded (\$142,028)

2023-25 Biennium (Executive Budget Recommendation)

- Adds funding for a FTE wage and hour division director position. The department will reclassify an existing unfunded FTE compliance investigator II position for this position. Total funding for the position is \$310,862, of which \$264,232 is from the general fund and \$46,630 is from federal funds. \$264,232
- Adds funding for a new Capitol space rent model \$74,267

One-Time General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
One-time general fund appropriations	\$0	\$0	\$69,659	\$147,717	\$0

Major One-Time General Fund Appropriations

2017-19 Biennium

1. None \$0

2019-21 Biennium

1. Paperless storage system \$69,659

2021-23 Biennium

1. Upgrade case management system \$147,717

2023-25 Biennium (Executive Budget Recommendation)

1. None \$0

Department of Labor and Human Rights - Budget No. 406
Senate Bill No. 2007
Base Level Funding Changes

Executive Budget Recommendation

	FTE Positions	General Fund	Other Funds	Total
2023-25 Biennium Base Level	13.00	\$2,246,469	\$486,868	\$2,733,337
2023-25 Ongoing Funding Changes				
Adds funding for the cost to continue salary increases		\$16,463		\$16,463
Salary increase		150,998	\$31,808	182,806
Health insurance increase		41,830	9,596	51,426
Adds funding to reclassify an FTE compliance investigator II position to an FTE wage and hour division director position		264,232	46,630	310,862
Reduces funding for fringe benefits and operating expenses			(57,728)	(57,728)
Adds funding for a new Capitol space rent model		74,267		74,267
Total ongoing funding changes	0.00	\$547,790	\$30,306	\$578,096
One-time funding items				
No one-time funding items				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	0.00	\$547,790	\$30,306	\$578,096
2023-25 Total Funding	13.00	\$2,794,259	\$517,174	\$3,311,433
<i>Federal funds included in other funds</i>			\$517,174	
<i>Total ongoing changes as a percentage of base level</i>	0.0%	24.4%	6.2%	21.1%
<i>Total changes as a percentage of base level</i>	0.0%	24.4%	6.2%	21.1%

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

Executive Budget Recommendation

There are no additional sections for this agency.

**SENATE BILL NO. 2007
 (Governor's Recommendation)**

Introduced by

Appropriations Committee

(At the request of the Governor)

A bill for an Act to provide an appropriation for defraying the expenses of the department of labor and human rights; and to provide for a report to the legislative assembly.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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, 2023, and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$2,394,979	\$538,047	\$2,933,026
Operating Expenses	<u>338,358</u>	<u>40,049</u>	<u>378,407</u>
Total All Funds	\$2,733,337	\$578,096	\$3,311,433
Less Estimated Income	<u>486,868</u>	<u>30,306</u>	<u>517,174</u>
Total General Fund	\$2,246,469	\$547,790	\$2,794,259
Full-time Equivalent Positions	13.00	0.00	13.00

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-seventh legislative assembly for the 2021-23 biennium.

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Case Management System	\$177,717	\$0
Total All Funds	\$177,717	\$0
Less Estimated Income	<u>30,000</u>	<u>0</u>
Total General Fund	\$147,717	\$0

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

SB 2007
1/5/2023

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

Chairman Bekkedahl opened the hearing on SB 2007 at 8:30 am.

Members present : Senators Bekkedahl, Burckhard, Davison, Dever, Dwyer, Erbele, Kreun, Meyer, Roers, Schaible, Sorvaag, Vedaa, Wanzek, Rust, Mathern; Members absent: Senator Krebsbach

Discussion Topics:

- Budget overview/introduction
- Divisions within the Agency
- Organizational chart
- Accomplishments
- Budget History
- New budget requests
- FTE needs and status

8:32 Nathan Svihovec, Commissioner of Department of Labor and Human Rights, introduced the bill – presentation and handouts #12396 and #12397

Additional Testimony: #21198, #21233

Chairman Bekkedahl assigned this Bill to the Human Resources

Division. Chairman Bekkedahl closed the hearing at 9:12 am.

Kathleen Hall, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations - Human Resources Division Roughrider Room, State Capitol

SB 2007
1/19/2023

A Bill for an act relating to defraying expenses for the Department of Labor and Human Rights

2:30 PM **Chairman Dever** called the meeting to order. **Senators Dever, Davison, Burckhard, Kreun, Mathern** are present.

Discussion Topics:

- Current case statistics
- Budget summary
- Agency requests

2:32 PM **Nathan Svihovec, Commissioner, North Dakota Labor and Human Rights**
#14609,14465, 14466

2:51 PM **Chairman Dever** closed the meeting.

Patricia Lahr on behalf of Susan Huntington, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations – Human Services Division Rough Rider Room, State Capitol

SB 2007
2/8/2023

A bill for an act relating to defraying expenses for the Department of Labor and Human Rights A Bill for an act relating to defraying expenses for the Department of Labor and Human Rights

8:38 AM Chairman Dever called the meeting to order.

Senators Burkhard, Davison, Dever, Mathern, and Kreun are present.

Discussion Topics:

- Estimated income
- Health insurance

8:38 AM Senator Davison moved to adopt 23.0261.01001, the proposed amendment to SB 2007.

Senator Mathern seconded the vote.

Senators	Vote
Senator Dever	Y
Senator Davison	Y
Senator Burkhard	Y
Senator Kreun	Y
Senator Mathern	Y

Motion passed 5-0-0

8:43 AM Senator Davison moved Do Pass SB 2007 as amended.

Senator Mathern seconded the motion.

Senators	Vote
Senator Dever	Y
Senator Davison	Y
Senator Burkhard	Y
Senator Kreun	Y
Senator Mathern	Y

Motion passed 5-0-0

Senator Mathern will carry the bill.

8:44 AM Senator Dever closed the meeting.

Carol Thompson for Susan Huntington, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

SB 2007
2/9/2023

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

11:47 AM Chairman Bekkedahl opened the meeting.

Members present: **Senators Bekkedahl, Krebsbach, Burckhard, Davison, Dever, Dwyer, Erbele, Kreun, Meyer, Roers, Schaible, Sorvaag, Vedaa, Wanzek, Rust, and Mathern.**

Discussion Topics:

- Committee Action

11:48 AM Senator Mathern introduces the bill.

11:50 AM Senator Mathern moved DO AMEND. LC 23.0261.01001

11:50 AM Senator Burckhard seconded.

11:50 AM Roll call vote

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Karen K. Krebsbach	Y
Senator Randy A. Burckhard	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Curt Kreun	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Jim P. Roers	Y
Senator Donald Schaible	Y
Senator Ronald Sorvaag	Y
Senator Shawn Vedaa	Y
Senator Terry M. Wanzek	Y
Senator Rust	Y

Passed 16-0-0

11:50 AM Senator Mathern moved DO PASS as AMENDED

11:51 AM Senator Kreun seconded.

11:51 AM Roll call vote

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Karen K. Krebsbach	Y
Senator Randy A. Burckhard	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Curt Kreun	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Jim P. Roers	Y
Senator Donald Schaible	Y
Senator Ronald Sorvaag	Y
Senator Shawn Vedaa	Y
Senator Terry M. Wanzek	Y
Senator Rust	Y

Passed 16-0-0

Senator Mathern will carry the bill.

11:52 AM Senator Bekkedahl closed the meeting.
Kathleen Hall, Committee Clerk

*Ask
2-9-23
(12)*

PROPOSED AMENDMENTS TO SENATE BILL NO. 2007

Page 1, replace lines 10 through 17 with:

"		<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages		\$2,394,979	\$493,295	\$2,888,274
Operating expenses		<u>338,358</u>	<u>40,049</u>	<u>378,407</u>
Total all funds		\$2,733,337	\$533,344	\$3,266,681
Less estimated income		<u>486,868</u>	<u>22,530</u>	<u>509,398</u>
Total general fund		\$2,246,469	\$510,814	\$2,757,283
Full-time equivalent positions		13.00	0.00	13.00"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2007 - Labor Commissioner - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$2,394,979	\$493,295	\$2,888,274
Operating expenses	<u>338,358</u>	40,049	<u>378,407</u>
Total all funds	\$2,733,337	\$533,344	\$3,266,681
Less estimated income	<u>486,868</u>	22,530	<u>509,398</u>
General fund	\$2,246,469	\$510,814	\$2,757,283
FTE	13.00	0.00	13.00

Department 406 - Labor Commissioner - Detail of Senate Changes

	Adjusts Funding for Base Payroll Changes ¹	Adds Funding for Salary and Benefit Increases ²	Adds Funding to Reclassify FTE Position ³	Reduces Funding for Fringe Benefits and Operating Expenses ⁴	Adds Funding for a New Capitol Space Rent Model ⁵	Total Senate Changes
Salaries and wages	\$16,463	\$189,480	\$310,862	(\$23,510)		\$493,295
Operating expenses				(34,218)	\$74,267	40,049
Total all funds	\$16,463	\$189,480	\$310,862	(\$57,728)	\$74,267	\$533,344
Less estimated income	<u>0</u>	<u>33,628</u>	<u>46,630</u>	<u>(57,728)</u>	<u>0</u>	<u>22,530</u>
General fund	\$16,463	\$155,852	\$264,232	\$0	\$74,267	\$510,814
FTE	0.00	0.00	0.00	0.00	0.00	0.00

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from \$1,429 to \$1,648 per month:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Salary increase	\$113,060	\$23,811	\$136,871
Health insurance increase	<u>42,792</u>	<u>9,817</u>	<u>52,609</u>
Total	\$155,852	\$33,628	\$189,480

³ Funding is added to reclassify an unfunded FTE compliance investigator II to a wage and hour division director

position.

⁴ Funding for fringe benefits and operating expenses is reduced.

⁵ Funding is added for a new Capitol space rent model.

PKS
2-9-23
(2-27)

REPORT OF STANDING COMMITTEE

SB 2007: Appropriations Committee (Sen. Bekkedahl, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (16 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2007 was placed on the Sixth order on the calendar. This bill affects workforce development.

Page 1, replace lines 10 through 17 with:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$2,394,979	\$493,295	\$2,888,274
Operating expenses	<u>338,358</u>	<u>40,049</u>	<u>378,407</u>
Total all funds	\$2,733,337	\$533,344	\$3,266,681
Less estimated income	<u>486,868</u>	<u>22,530</u>	<u>509,398</u>
Total general fund	\$2,246,469	\$510,814	\$2,757,283
Full-time equivalent positions	13.00	0.00	13.00"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2007 - Labor Commissioner - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$2,394,979	\$493,295	\$2,888,274
Operating expenses	<u>338,358</u>	<u>40,049</u>	<u>378,407</u>
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Less estimated income	<u>486,868</u>	<u>22,530</u>	<u>509,398</u>
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Department 406 - Labor Commissioner - Detail of Senate Changes

	Adjusts Funding for Base Payroll Changes ¹	Adds Funding for Salary and Benefit Increases ²	Adds Funding to Reclassify FTE Position ³	Reduces Funding for Fringe Benefits and Operating Expenses ⁴	Adds Funding for a New Capitol Space Rent Model ⁵	Total Senate Changes
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Total all funds	\$16,463	\$189,480	\$310,862	(\$57,728)	\$74,267	\$533,344
Less estimated income	<u>0</u>	<u>33,628</u>	<u>46,630</u>	<u>(57,728)</u>	<u>0</u>	<u>22,530</u>
General fund	\$16,463	\$155,852	\$264,232	\$0	\$74,267	\$510,814
FTE	0.00	0.00	0.00	0.00	0.00	0.00

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from \$1,429 to \$1,648 per month:

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⁴ Funding for fringe benefits and operating expenses is reduced.

⁵ Funding is added for a new Capitol space rent model.

2023 HOUSE APPROPRIATIONS

SB 2007

Department 406 - Department of Labor and Human Rights
Senate Bill No. 2007

First Chamber Comparison to Base Level

	General Fund	Other Funds	Total
2023-25 First Chamber Version	\$2,757,283	\$509,398	\$3,266,681
2023-25 Base Level	2,246,469	486,868	2,733,337
Increase (Decrease)	\$510,814	\$22,530	\$533,344

First Chamber Changes

A summary of the first chamber's changes to the agency's base level appropriations and the executive budget is attached as an appendix.

Selected Bill Sections Included in the First Chamber Version

There are no additional sections for this agency.

Continuing Appropriations

There are no continuing appropriations for this agency.

Deficiency Appropriations

There are no deficiency 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, 2021, identified no significant audit findings.

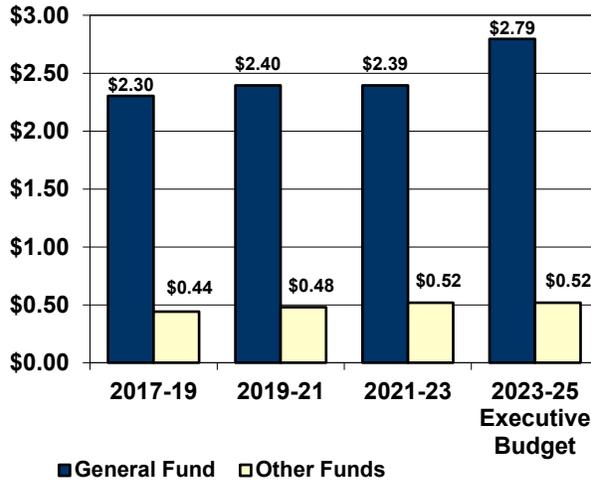
Major Related Legislation

Senate Bill No. 2249 - This bill requires the Department of Labor and Human Rights to gather information regarding the continuing education requirements and practice of licensing out-of-state practitioners for occupational and professional boards. The Labor Commissioner is required to analyze the information to develop and update a strategy for more efficient continuing education requirements and more efficient practices for licensing out-of-state practitioners.

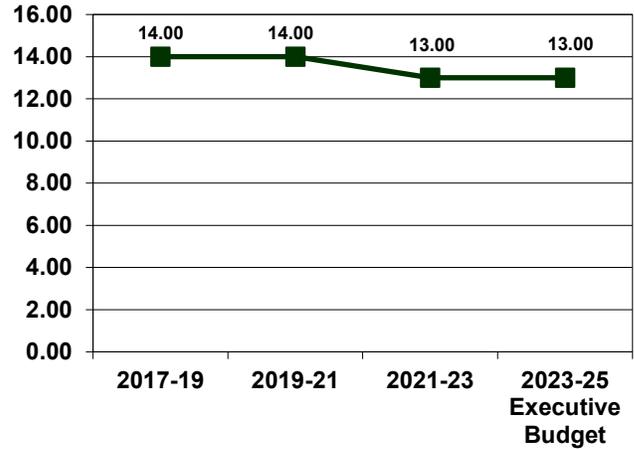
Historical Appropriations Information

Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



Ongoing General Fund Appropriations

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Major Increases (Decreases) in Ongoing General Fund Appropriations

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- Reduced funding for operating expenses (\$32,409)

2019-21 Biennium

None \$0

2021-23 Biennium

Removed funding for 1 vacant FTE compliance investigator II position, resulting in the position being unfunded (\$142,028)

2023-25 Biennium (Executive Budget Recommendation)

- Adds funding for a FTE wage and hour division director position. The department will reclassify an existing unfunded FTE compliance investigator II position for this position. Total funding for the position is \$310,862, of which \$264,232 is from the general fund and \$46,630 is from federal funds \$264,232
- Adds funding for a new Capitol space rent model \$74,267

One-Time General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
One-time general fund appropriations	\$0	\$0	\$69,659	\$147,717	\$0

Major One-Time General Fund Appropriations

2017-19 Biennium		
None		\$0
2019-21 Biennium		
Paperless storage system		\$69,659
2021-23 Biennium		
Upgrade case management system		\$147,717
2023-25 Biennium (Executive Budget Recommendation)		
None		\$0

Department of Labor and Human Rights - Budget No. 406
Senate Bill No. 2007
Base Level Funding Changes

	Executive Budget Recommendation				Senate Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2023-25 Biennium Base Level	13.00	\$2,246,469	\$486,868	\$2,733,337	13.00	\$2,246,469	\$486,868	\$2,733,337
2023-25 Ongoing Funding Changes								
Adds funding for the cost to continue salary increases		\$16,463		\$16,463		\$16,463		\$16,463
Salary increase		150,998	\$31,808	182,806		113,060	\$23,811	136,871
Health insurance increase		41,830	9,596	51,426		42,792	9,817	52,609
Adds funding to reclassify an FTE compliance investigator II position to an FTE wage and hour division director position		264,232	46,630	310,862		264,232	46,630	310,862
Reduces funding for fringe benefits and operating expenses			(57,728)	(57,728)			(57,728)	(57,728)
Adds funding for a new Capitol space rent model		74,267		74,267		74,267		74,267
Total ongoing funding changes	0.00	\$547,790	\$30,306	\$578,096	0.00	\$510,814	\$22,530	\$533,344
One-Time Funding Items								
No one-time funding items				\$0				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	0.00	\$547,790	\$30,306	\$578,096	0.00	\$510,814	\$22,530	\$533,344
2023-25 Total Funding	13.00	\$2,794,259	\$517,174	\$3,311,433	13.00	\$2,757,283	\$509,398	\$3,266,681
<i>Federal funds included in other funds</i>			\$517,174				\$509,398	
<i>Total ongoing changes as a percentage of base level</i>	0.0%	24.4%	6.2%	21.1%	0.0%	22.7%	4.6%	19.5%
<i>Total changes as a percentage of base level</i>	0.0%	24.4%	6.2%	21.1%	0.0%	22.7%	4.6%	19.5%

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

Executive Budget Recommendation	Senate Version
There are no additional sections for this agency.	There are no additional sections for this agency.

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Brynhild Haugland Room, State Capitol

SB 2007
3/14/2023

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

Chairman Monson opened the hearing at 3:18 PM

Members present: Chairman Monson, Vice Chair Brandenburg, Rep. Kempenich, Rep. Meier, Rep. Pyle

Members absent: Rep. Bellew Rep. Mock

Discussion Topics:

- Wages and hours
- Housing
- Employment
- Child labor laws
- Public Education

Nathan Svihovec, North Dakota Labor Commissioner, (#24772) (#24773)

Legislative Council introduced budget 406, (#25008) (#26074)

Chairman Monson closed the hearing at 4:37 PM

Leah Kuball, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Brynhild Haugland Room, State Capitol

SB 2007
3/21/2023

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

Chairman Monson opened the meeting at 8:33 AM

Members present: Chairman Monson, Vice Chair Brandenburg, Rep. Bellew, Rep. Kempenich, Rep. Meier, Rep. Pyle, Rep. Mock

Discussion Topics:

- Budget 406
- Federal to General funding
- Additional FTE'S

Nathan Svihovec - Commissioner - ND Dept. of Labor and Human Rights, answers questions for the committee

Levi Kinnischtzke, Senior Fiscal Analyst, Answers questions for the committee

Chairman Monson closed the hearing at 9:35 AM

Leah Kuball, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Brynhild Haugland Room, State Capitol

SB 2007
3/28/2023

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

Chairman Monson opened the meeting at 4:01 PM

Members present: Chairman Monson, Vice Chair Brandenburg, Rep. Bellew, Rep. Meier, Rep. Pyle

Members absent: Rep. Kempenich, Rep. Mock

Discussion Topics:

- Vacant FTE's
- Additional FTE's
- Amendment (23.0261.02001)
- Committee action
- Salary increases.
- General funding
- Health insurance increases
- Federal funds

Representative Meier moved to adopt amendment (23.0261.02001) (#26918) to SB 2007

Vice Chairman Brandenburg seconded motion

Roll call vote:

Representatives	Vote
Representative David Monson	Y
Representative Mike Brandenburg	Y
Representative Larry Bellew	Y
Representative Keith Kempenich	AB
Representative Lisa Meier	Y
Representative Corey Mock	AB
Representative Brandy Pyle	Y

Motion carries:5-0-2

Representative Meier moved a DO PASS as amended.

Vice Chairman Brandenburg seconded motion

Roll call vote:

Representatives	Vote
Representative David Monson	Y
Representative Mike Brandenburg	Y
Representative Larry Bellew	N
Representative Keith Kempenich	AB
Representative Lisa Meier	Y
Representative Corey Mock	AB
Representative Brandy Pyle	Y

Motion carries: 4-1-2

Bill carrier: Representative Meier

Chairman Monson closed the hearing at 4:22 PM

Leah Kuball, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Brynhild Haugland Room, State Capitol

SB 2007
4/6/2023

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

10:48 AM Chairman Vigesaa Called the meeting to order and roll call was taken-

Members present; Chairman Vigesaa, Representative Kempenich, Representative B. Anderson, Representative Bellew, Representative Hanson, Representative Kreidt, Representative Martinson, Representative Mitskog, Representative Meier, Representative Monson, Representative Nathe, Representative J. Nelson, Representative O'Brien, Representative Pyle, Representative Richter, Representative Sanford, Representative Schatz, Representative Schobinger, Representative Strinden, Representative G. Stemen and Representative Swiontek.

Members not present: Representative Brandenburg Representative Mock

Discussion Topics:

- Amendment
- Committee Action

Representative Meier Introduces the Statement of Purpose and amendment 23.0261.02001 (Testimony #27341).

Representative Meier moves to adopt amendment 23.0261.02001.

Representative Monson seconds the motion

Roll call vote;

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Larry Bellew	Y
Representative Mike Brandenburg	AB
Representative Karla Rose Hanson	Y
Representative Gary Kreidt	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative Corey Mock	AB
Representative David Monson	Y
Representative Mike Nathe	Y

Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Mike Schatz	N
Representative Randy A. Schobinger	Y
Representative Greg Stemen	Y
Representative Michelle Strinden	Y
Representative Steve Swiontek	Y

Motion carries 20-1-2

Representative Meier moves for a Do Pass As Amended

Representative Monson seconds the motion

Roll call vote:

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Larry Bellew	N
Representative Mike Brandenburg	AB
Representative Karla Rose Hanson	Y
Representative Gary Kreidt	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative Corey Mock	AB
Representative David Monson	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Mike Schatz	N
Representative Randy A. Schobinger	Y
Representative Greg Stemen	Y
Representative Michelle Strinden	Y
Representative Steve Swiontek	Y

Motion Carries 19-2-2 Representative Meier will carry the bill.

10:52 AM Chairman Vigesaa Closed the meeting for SB 2007.

Risa Berube, Committee Clerk

DK
182
4-6-23

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2007

Page 1, replace lines 12 through 17 with:

"Salaries and wages	\$2,394,979	\$334,160	\$2,729,139
Operating expenses	<u>338,358</u>	<u>40,049</u>	<u>378,407</u>
Total all funds	\$2,733,337	\$374,209	\$3,107,546
Less estimated income	<u>486,868</u>	<u>16,530</u>	<u>503,398</u>
Total general fund	\$2,246,469	\$357,679	\$2,604,148
Full-time equivalent positions	13.00	0.00	13.00"

Page 1, line 18, after the boldfaced period insert "**ONE-TIME FUNDING.**"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2007 - Labor Commissioner - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$2,394,979	\$2,888,274	(\$159,135)	\$2,729,139
Operating expenses	<u>338,358</u>	<u>378,407</u>		<u>378,407</u>
Total all funds	\$2,733,337	\$3,266,681	(\$159,135)	\$3,107,546
Less estimated income	<u>486,868</u>	<u>509,398</u>	(6,000)	<u>503,398</u>
General fund	\$2,246,469	\$2,757,283	(\$153,135)	\$2,604,148
FTE	13.00	13.00	0.00	13.00

Department 406 - Labor Commissioner - Detail of House Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Reduces Funding for FTE Reclassification ²	Removes Salary Funding for Pool ³	Total House Changes
Salaries and wages	\$44,752	(\$124,722)	(\$79,165)	(\$159,135)
Operating expenses				
Total all funds	\$44,752	(\$124,722)	(\$79,165)	(\$159,135)
Less estimated income	<u>7,776</u>	<u>0</u>	<u>(13,776)</u>	<u>(6,000)</u>
General fund	\$36,976	(\$124,722)	(\$65,389)	(\$153,135)
FTE	0.00	0.00	0.00	0.00

¹ Salaries and wages funding is adjusted to provide for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates as follows:

	General Fund	Federal Funds	Total
Salary increase	\$37,938	\$7,997	\$45,935
Health insurance adjustment	(962)	(221)	(1,183)
Total	\$36,976	\$7,776	\$44,752

The Senate provided salary adjustments of 4 percent on July 1, 2023, and July 1, 2024.

² Funding is reduced by \$124,722 from the general fund to provide a total of \$186,140, of which \$139,510 is from the general fund and \$46,630 is from federal funds. The Senate added \$310,862, of which \$264,232 was from the

general fund and \$46,630 was from federal funds, to reclassify a previously unfunded FTE compliance investigator II position. The House reclassified an FTE compliance investigator II position with funding included in the base budget instead of the unfunded FTE position.

PK
2-8-23
4-6-23

³ Funding for new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency if needed by submitting a request to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool.

	<u>General Fund</u>	<u>Federal Funds</u>	<u>Total</u>
New FTE positions	\$0	\$0	\$0
Vacant FTE positions	<u>(65,389)</u>	<u>(13,776)</u>	<u>(79,165)</u>
Total	<u>(\$65,389)</u>	<u>(\$13,776)</u>	<u>(\$79,165)</u>

REPORT OF STANDING COMMITTEE

SB 2007, as engrossed: Appropriations Committee (Rep. Vigesaa, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (19 YEAS, 2 NAYS, 2 ABSENT AND NOT VOTING). Engrossed SB 2007 was placed on the Sixth order on the calendar.

Page 1, replace lines 12 through 17 with:

"Salaries and wages	\$2,394,979	\$334,160	\$2,729,139
Operating expenses	<u>338,358</u>	<u>40,049</u>	<u>378,407</u>
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Total	(\$65,389)	(\$13,776)	(\$79,165)

TESTIMONY

SB 2007

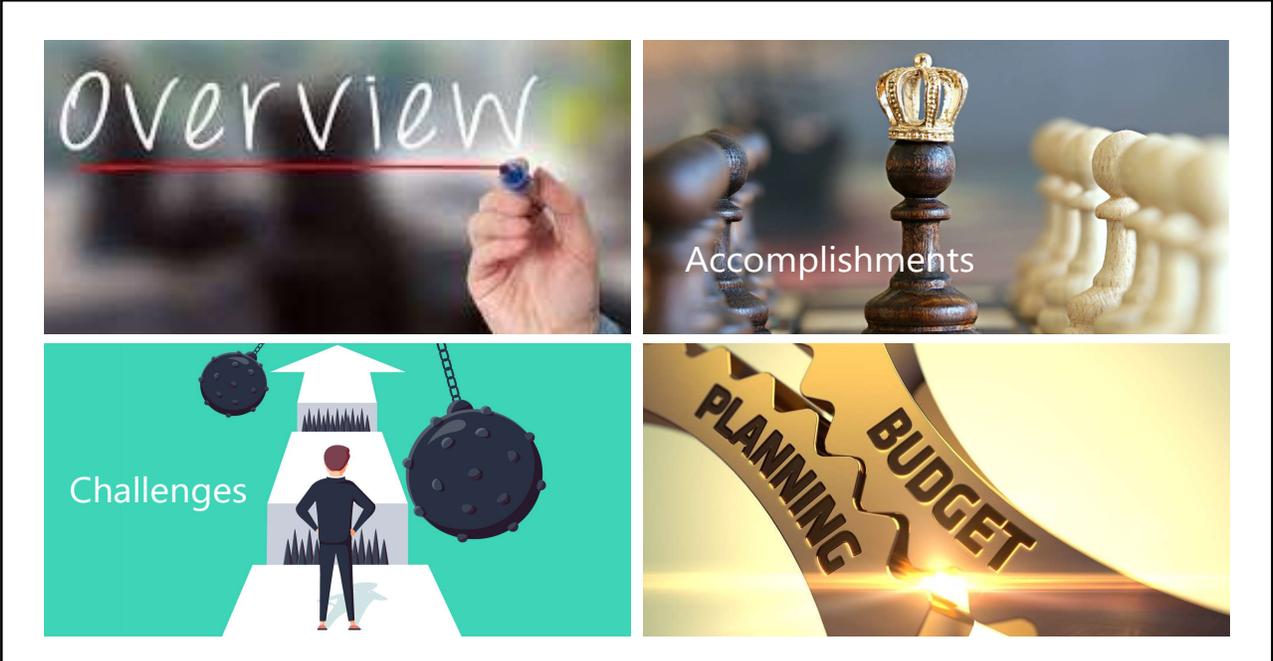


Senate Appropriations Committee
S.B. 2007

DEPT. OF LABOR AND HUMAN RIGHTS
Nathan Svihovec, Labor Commissioner

NORTH Dakota
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1



Overview

Accomplishments

Challenges

PLANNING BUDGET

2

HUMAN RIGHTS DIVISION

- Employment
- Housing
- Public Services
- Public Accommodations
- Credit Transactions
- Retaliation



3

WAGE & HOUR DIVISION

- Minimum Wage
- Overtime
- Equal Pay
- Child Labor
- Unions
- Employment Agencies
- Wage Collection



4

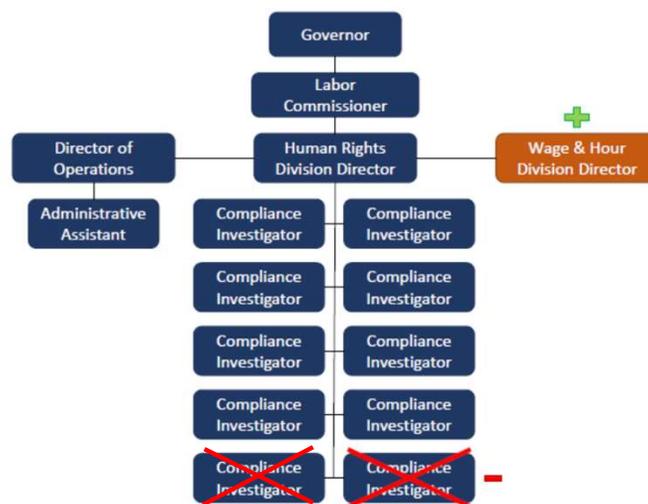
PUBLIC EDUCATION

- Improve working conditions
- Promote employer & employee relationships
- Goal = Reduce Violations



5

ORGANIZATIONAL CHART (PG. 4)



6

Claim Type	Opened	Closed	Damages Recovered
Wage Claims	640	494	\$447,014.17
Employment	296	239	\$679,084.69
Retaliation	52	48	\$12,012.07
Housing	52	14	\$25,978.29
PS/PA/Credit	14	10	\$0.00
TOTAL	1,054	805	\$1,164,089.22

FINANCIAL ACCOMPLISHMENTS

(Jan. 1, 2021 – Dec. 31, 2022)



7



8

BUDGET HISTORY

2017-2019

- **\$2,743,902**
(\$2.3mil in gen. funds + \$439k in federal funds)
- **14 FTEs** (all funded)

2019-2021

- **\$2,875,850**
(\$2.4mil in gen. funds + \$480k in federal funds; \$118k one-time)
- **14 FTEs** (1 unfunded, 1 part. funded)

2021-2023

- **\$2,911,054**
(\$2.4mil in gen. funds + \$516k in federal funds; \$147k one-time)
- **13 FTEs** (-1 FTE, 1 FTE unfunded)

9

2023-2025 REQUEST

\$3,311,433 total

- (\$2,794,256 in general funds + \$517,174 in federal funds)
- Adequate Training for Compliance Investigators
- Further public education to decrease violations

14 FTEs

- Increased claims processed

10

68th Legislative Assembly
Regular Session (2023)

S.B. 2007

SUPPORT

Senate Appropriations Committee

Sen. Brad Bekkedahl, Chairman
Sen. Karen K. Krebsbach, Vice Chairman

Testimony of Nathan Svihovec

Commissioner of Labor
N.D. Department of Labor and Human Rights

January 5, 2023

I. Introductory Summary

Chairman Bekkedahl, Vice Chairman Krebsback, and members of the Senate Appropriations Committee, my name is Nathan Svihovec and I was appointed as the North Dakota Department of Labor and Human Rights Commissioner beginning December 2022. I am a licensed attorney in the State and prior to my appointment, primarily practiced in labor and employment law as well as other civil litigation areas. I have been fortunate to formerly represent the Department as an Assistant Attorney General and to represent private businesses and individuals before the Department while I was in private practice.

Chapter (Ch.) 34-05 of the North Dakota Century Code (N.D.C.C.) created the North Dakota Department of Labor and Human Rights and prescribes the powers and duties of the Commissioner of Labor (Labor Commissioner). The Department's statutory duties can be most concisely summarized as ensuring citizens can live, work, and prosper in North Dakota. It is my deeply held belief that the mission of the Department is an essential service to the public. In order to fulfill our mission and adequately serve our State's businesses and individuals, I am requesting a biennial budget of \$3,311,433.

II. Agency Overview

We have three key areas in which we provide services to the public (Human Rights, Wage & Hour, and Public Education):

A. Human Rights

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 U.S. Department of Housing and Urban Development (HUD) and the Equal Employment Opportunity Commission (EEOC).

B. Wage & Hour

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, unions, employment agencies, and wage collection (N.D.C.C. chs. 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 being violated. The Division also reviews requests to issue youth employment certificates for 14 and 15-year-old workers.

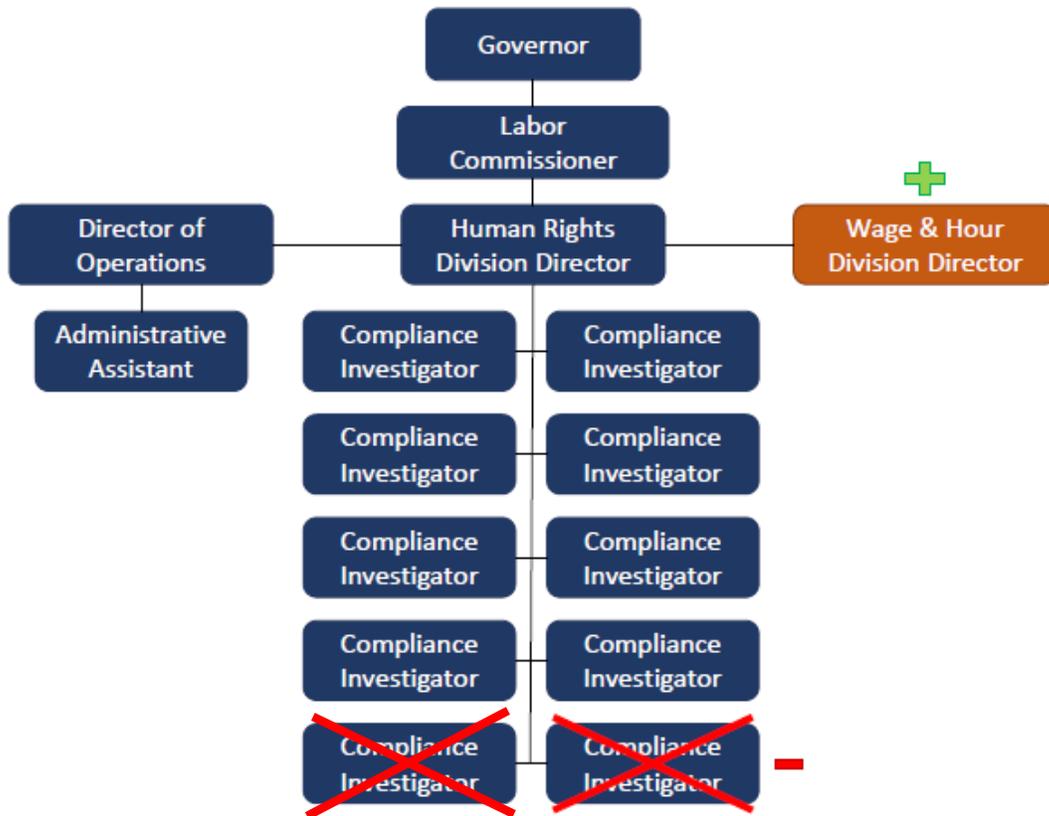
C. Public Education

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 its enforcement areas with the goal of reducing violations and increasing compliance in North Dakota. These areas include working with groups representing human rights, businesses, labor unions, 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 continue to identify additional ways to provide information, such as newsletters and presentations, to both employers and employees in North Dakota.

D. Organizational Chart

The Department presently has 13 FTEs, one of which was unfunded last biennium. Five FTEs are currently vacant and the Department's priority in the first quarter of 2023 is to fill all five positions. One of my key priorities is to increase the number of claims processed by the Department by decreasing the length of time to process a claim. I look to modernize the Department and increase efficiencies at every opportunity. There are certain duties, however, that require employee time and cannot be automated. In particular, the investigations require interviews of witnesses to ascertain the facts of each case. There is also a significant amount

of time required of investigators to review records and draft determinations. Thus, only through adequate staffing can the Department decrease the time it takes to render determinations. The Department's present organizational structure is outlined in the following graphic:



The current proposal includes the elimination of one Compliance Investigator position and the creation of one Wage & Hour Division Director with an appropriate salary. Depending on the needs of the agency this biennium, the Department may maintain the number of Compliance Investigators to achieve the goal of reducing case duration and increasing the number of cases processed.

III. Agency Accomplishments

Claims – The Department received and closed the following cases from January 1, 2021 through December 31, 2022:

Claim Type	Opened	Closed	Damages Recovered
Wage Claims	640	494	\$447,014.17
Employment	296	239	\$679,084.69
Retaliation	52	48	\$12,012.07
Housing	52	14	\$25,978.29
PS/PA/Credit	14	10	\$0.00
TOTAL	1,054	805	\$1,164,089.22

Public Education – The Department provided education through at least 21 training seminars and information publicly available on our website, including: (1) Required Employer Posters; (2) Printable Brochures; (3) Public Speaking Events; and (4) Educational Booths.

IV. Financial Audit Findings

The Department’s most recent financial audit, conducted and concluded in February/March 2022, resulted in a clean audit with no outstanding financial findings.

V. Agency Challenges

The Department continues to face difficulty in finding adequate applicants for the Compliance Investigator positions. The last posting necessitated two deadline extensions and a reduction in minimum qualifications to receive adequate applicants. It is my understanding that, in many other states, Compliance Investigators are either licensed attorneys or paralegals. Given the highly technical nature and requirement of complex legal analyses, a competent Compliance Investigator applicant will need to have a bachelor’s degree and experience conducting investigations.

Additionally, the Department intends to look to technology options to assist the Department in the reduction of time to process cases.

VI. Budget History

2017-2019 Biennium

The Legislature appropriated the Department \$2,743,902, which was comprised of \$2,303,986 in general funds and \$439,916 in federal funds. The Department was authorized for 14 FTEs (all funded).

2019-2021 Biennium

The Legislature appropriated the Department \$2,875,850, which was comprised of \$2,395,169 in general funds + \$480,681 in federal funding authority. Included in these figures is \$118,659 in one-time funding for Phase 1 of a paperless project. The Department was authorized for 14 FTEs (1 unfunded, 1 partially funded).

2021-2023 Biennium

The Legislature appropriated the Department \$2,911,054 which was comprised of \$2,394,186 in general funds + \$516,868 in federal funding authority. Included in these figures is \$147,717 in one-time funding for Phase 2 of a paperless project. The Department was authorized for 13 FTEs (-1 FTE from the prior biennium; 1 FTE unfunded to grant equity adjustments).

VII. Budget Request

The Department requests \$3,311,433, comprised of \$2,794,256 in general funds + \$517,174 in federal funding authority). The Department is also requesting to retain its 14 FTEs to fully staff the agency and increase claim processing.

This request will adequately allow the Department to become competitive with applicants and decrease the time it takes to process claims and issue determinations. This request also allows the Department to ensure Compliance Investigators attend necessary training to increase their competencies and provide the highest quality services to North Dakota.

VIII. Conclusion

The Department's duties impact every citizen in North Dakota through employment, housing, and other key areas administered by the agency. I humbly request the Committee demonstrate its support for the statutory duties granted to the Department by the Legislature and recommend a Do Pass for the requested \$3,311,433 budget and 14 funded FTEs. Thank you for your time and service to North Dakota.



**Senate Appropriations
Human Resources Division
S.B. 2007**

LABOR AND HUMAN RIGHTS

Nathan Svihovec, Labor Commissioner



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Claim Type	Opened	Closed	Pending Complaints
Wage Claims	211	117	207
Employment	91	68	145
Housing	10	6	21
PS/PA/Credit	2	2	5
TOTAL	314	193	378

*Data as of January 18, 2023

**450 public submissions
per investigator**

CURRENT CASE STATS

(Jan. 1, 2021 – Dec. 31, 2022)

General Funds

\$2,794,259

+

Federal Funds

\$517,174

Total: \$3,311,433 • 13 FTEs

S.B. 2007: BUDGET SUMMARY

Funding Sources

Salaries & Wages

\$2,933,026

+

Operating Expenses

\$378,407

Total: \$3,311,433

S.B. 2007: BUDGET SUMMARY

Summary

Salaries, Wages, & Operating Expenses

	2021-2023 Legislative Base	Increase/Decrease	2023-2025 Request
Salaries & Wages	\$2,394,979	+\$538,047	\$2,933,026
Operating Expenses	\$338,358	+\$40,049	\$378,407
TOTAL	\$2,733,337	\$578,096	<u>\$3,311,433</u>

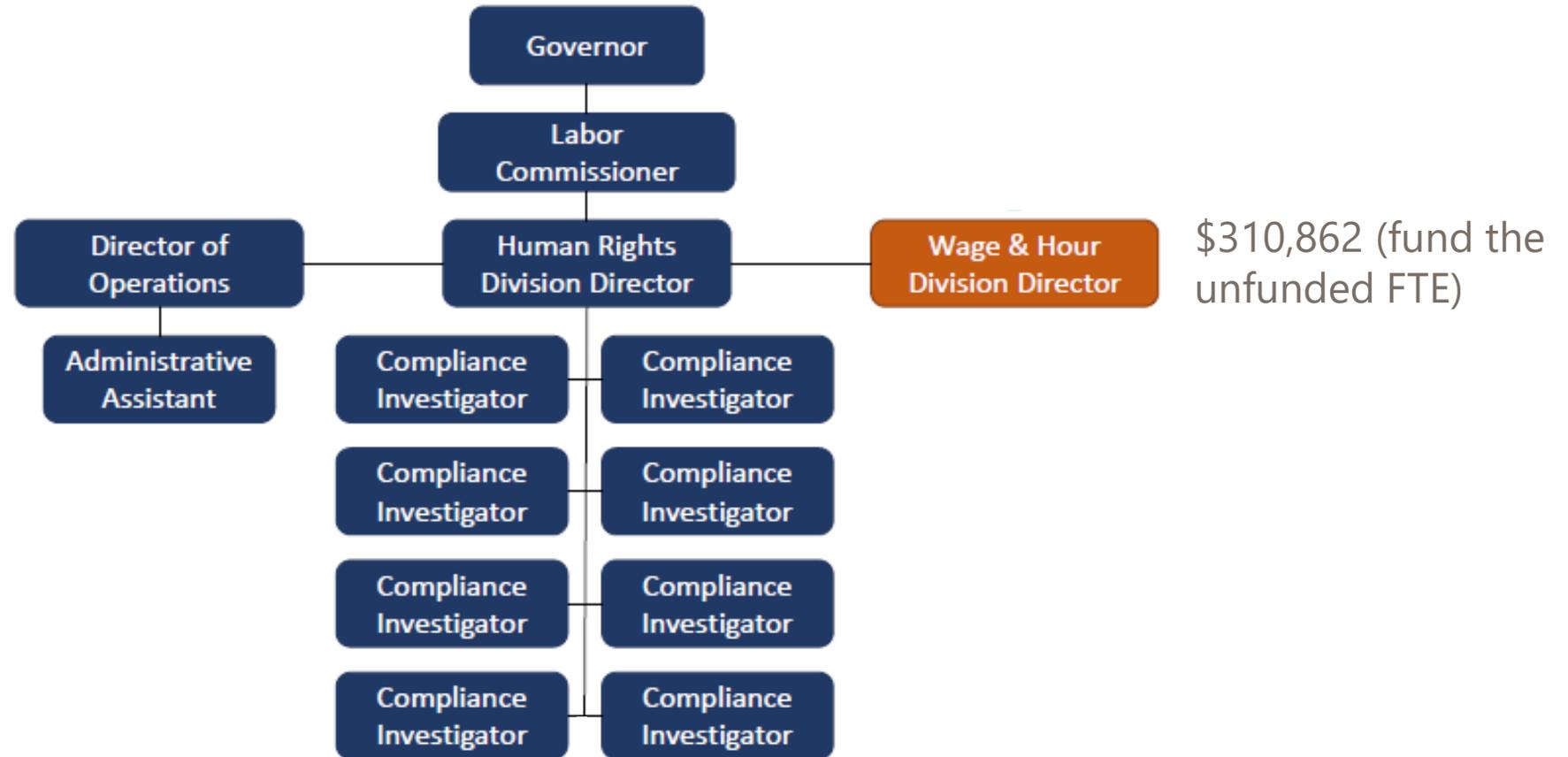
S.B. 2007: BUDGET SUMMARY

(Wages, OT, Fringe Benefits, IT, Training, etc.)



S.B. 2007
Agency Requests

ORGANIZATIONAL CHART



2023-2025 REQUEST

\$3,311,433 total

- (\$2,794,256 in general funds + \$517,174 in federal funds)
- Adequate Training for Compliance Investigators
- Further public education to decrease violations

13 FTEs

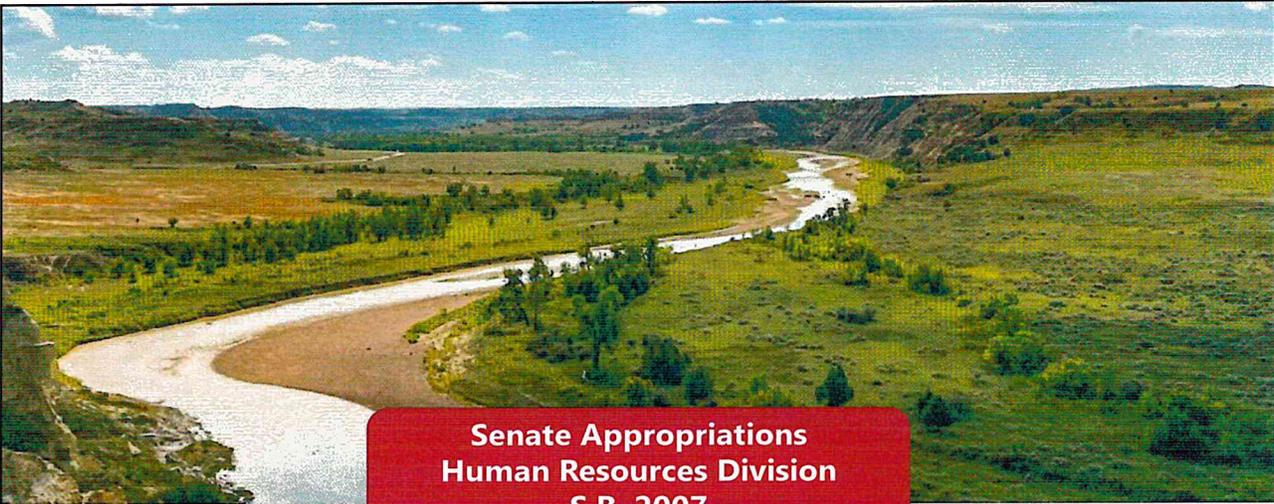
- Fund the unfunded FTE
- Increased claims processed

Appropriation Status Report
 For the Month Ending Dec 31, 2022
 Percent of Biennium Remaining 25%

Run Date: Jan 11, 2023
 4310AA

Business Unit: 40600 ND Depart of Labor&Human Right

	Original Appropriation	Current Appropriation	Expenditures	Remaining Appropriation	Encumbrances	% Remaining
Expenditures by Line Item						
40610 Salaries and Wages	2,394,979.00	2,394,979.00	1,396,996.72	997,982.28		42%
40630 Operating Expenses	516,075.00	516,075.00	158,049.49	358,025.51		69%
Total Expenditures	2,911,054.00	2,911,054.00	1,555,046.21	1,356,007.79		47%
Expenditures by Funding Source						
General Funds	2,394,186.00	2,394,186.00	1,280,136.59	1,114,049.41		47%
Federal Funds	516,868.00	516,868.00	274,909.62	241,958.38		47%
Total Expenditures by Source	2,911,054.00	2,911,054.00	1,555,046.21	1,356,007.79		47%



**Senate Appropriations
Human Resources Division
S.B. 2007**

LABOR AND HUMAN RIGHTS

Nathan Svihovec, Labor Commissioner

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1

Claim Type	Opened	Closed	Pending Complaints
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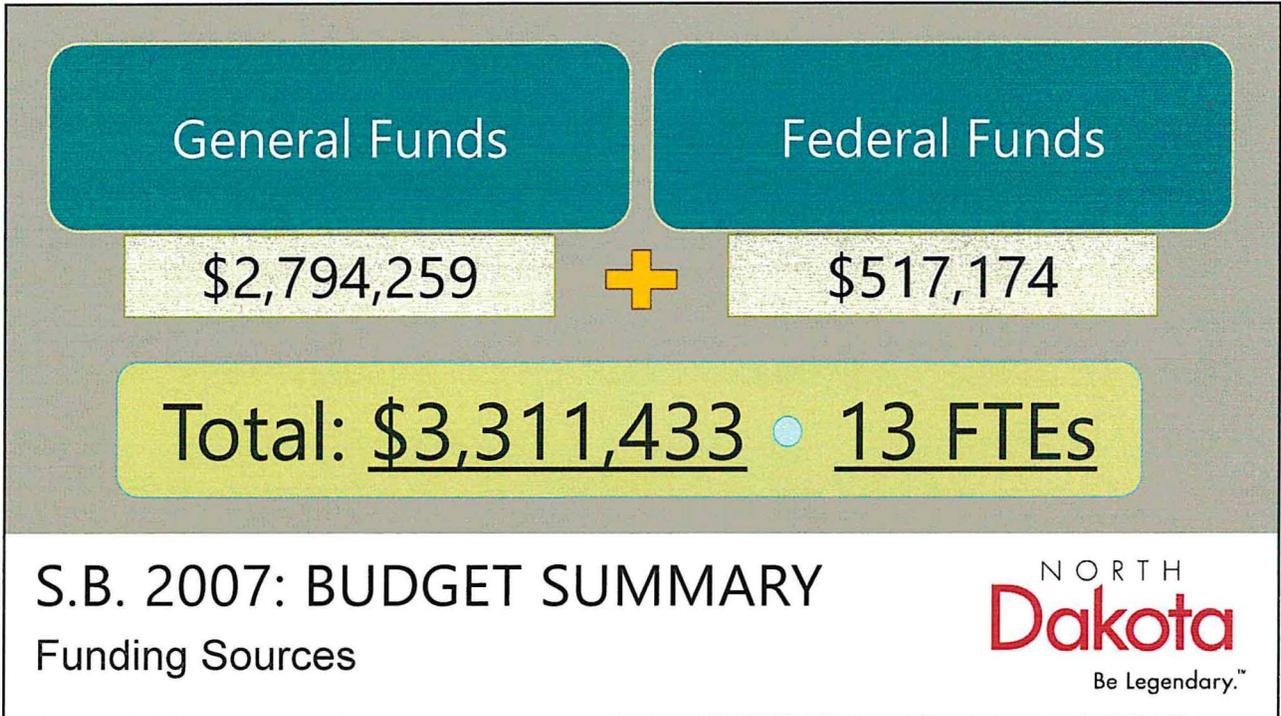
*Data as of January 18, 2023

CURRENT CASE STATS

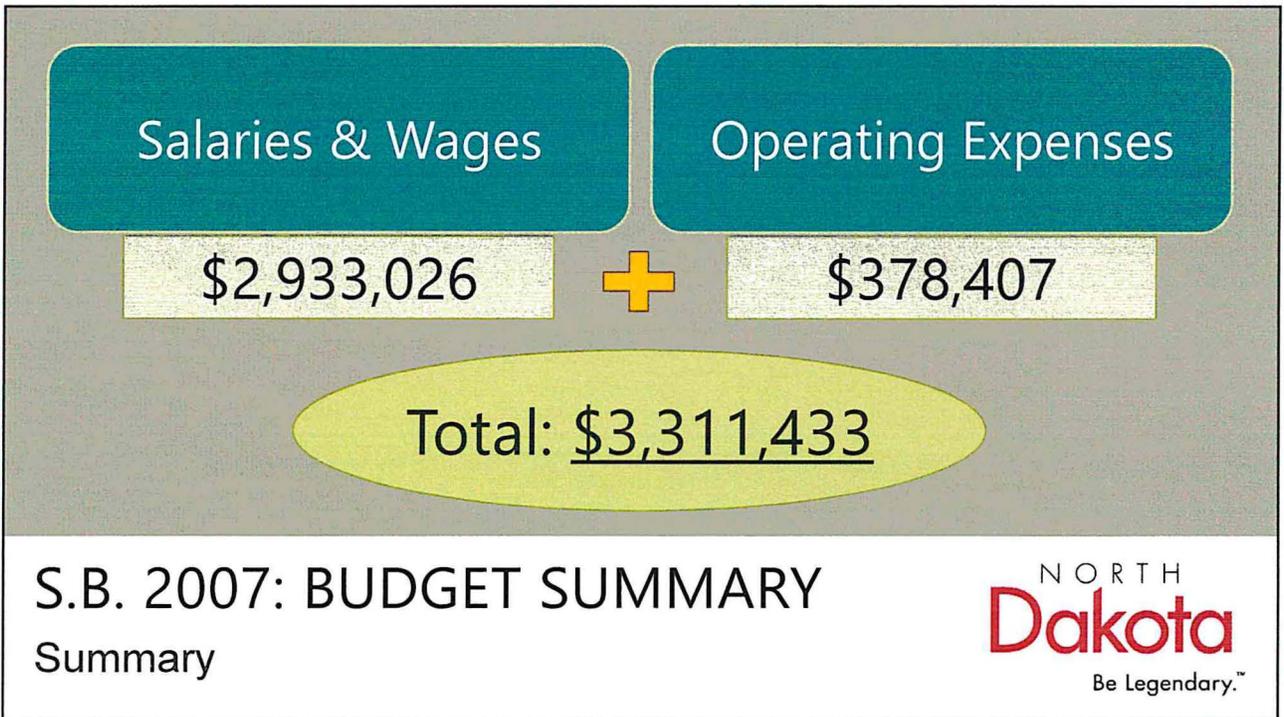
(Jan. 1, 2021 – Dec. 31, 2022)

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3



4

Salaries, Wages, & Operating Expenses

	2021-2023 Legislative Base	Increase/Decrease	2023-2025 Request
Salaries & Wages	\$2,394,979	+\$538,047	\$2,933,026
Operating Expenses	\$338,358	+\$40,049	\$378,407
TOTAL	\$2,733,337	\$578,096	\$3,311,433

S.B. 2007: BUDGET SUMMARY
(Wages, OT, Fringe Benefits, IT, Training, etc.)



5



S.B. 2007
Agency Requests



6

ORGANIZATIONAL CHART



7

2023-2025 REQUEST

\$3,311,433 total

- (\$2,794,256 in general funds + \$517,174 in federal funds)
- Adequate Training for Compliance Investigators
- Further public education to decrease violations

13 FTEs

- Fund the unfunded FTE
- Increased claims processed

8

Appropriation Status Report
 For the Month Ending Dec 31, 2022
 Percent of Biennium Remaining 25%

Run Date: Jan 11, 2023
 4310AA

Business Unit: 40600 ND Depart of Labor&Human Right

	Original Appropriation	Current Appropriation	Expenditures	Remaining Appropriation	Encumbrances	% Remaining
Expenditures by Line Item						
40610 Salaries and Wages	2,394,979.00	2,394,979.00	1,396,996.72	997,982.28		42%
40630 Operating Expenses	516,075.00	516,075.00	158,049.49	358,025.51		69%
Total Expenditures	2,911,054.00	2,911,054.00	1,555,046.21	1,356,007.79		47%
Expenditures by Funding Source						
General Funds	2,394,186.00	2,394,186.00	1,280,136.59	1,114,049.41		47%
Federal Funds	516,868.00	516,868.00	274,909.62	241,958.38		47%
Total Expenditures by Source	2,911,054.00	2,911,054.00	1,555,046.21	1,356,007.79		47%

23.0261.02000

FIRST ENGROSSMENT

Sixty-eighth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2007

Introduced by

Appropriations Committee

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

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
5 as may be necessary, are appropriated out of any moneys in the general fund in the state
6 treasury, not otherwise appropriated, and from special funds derived from federal funds and
7 other income, to the department of labor and human rights for the purpose of defraying the
8 expenses of the department of labor and human rights, for the biennium beginning July 1, 2023,
9 and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
12 Salaries and wages	\$2,394,979	\$493,295	\$2,888,274
13 Operating expenses	<u>338,358</u>	<u>40,049</u>	<u>378,407</u>
14 Total all funds	\$2,733,337	\$533,344	\$3,266,681
15 Less estimated income	<u>486,868</u>	<u>22,530</u>	<u>509,398</u>
16 Total general fund	\$2,246,469	\$510,814	\$2,757,283
17 Full-time equivalent positions	13.00	0.00	13.00

18 **SECTION 2.** The following amounts reflect the one-time funding items approved by the
19 sixty-seventh legislative assembly for the 2021-23 biennium:

	<u>2021-23</u>	<u>2023-25</u>
21 Case management system	<u>\$177,717</u>	<u>\$0</u>
22 Total all funds	\$177,717	\$0
23 Less estimated income	<u>30,000</u>	<u>0</u>
24 Total general fund	\$147,717	\$0

Prepared for the Senate Appropriations Committee

**Department 406 - Department of Labor and Human Rights
Senate Bill No. 2007**

Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2023-25 Executive Budget	\$2,794,259	\$517,174	\$3,311,433
2023-25 Base Level	2,246,469	486,868	2,733,337
Increase (Decrease)	\$547,790	\$30,306	\$578,096

Selected Budget Changes Recommended in the Executive Budget

	General Fund	Other Funds	Total
1. Adds funding for state employee salary and benefit increases, of which \$182,806 is for salary increases and \$51,426 is for health insurance increases	\$192,828	\$41,404	\$234,232
2. Adds funding for a FTE wage and hour division director position. The department will reclassify an existing unfunded FTE compliance investigator II position for this position.	\$264,232	\$46,630	\$310,862
3. Reduces federal funding for fringe benefits (\$23,510) and operating expenses, primarily related to travel (\$10,000), operating fees and services (\$8,200), postage (\$6,926), and office supplies (\$4,000)	\$0	(\$57,728)	(\$57,728)
4. Adds funding for the proposed Capitol grounds state agency rent model change	\$74,267	\$0	\$74,267

A summary of the executive budget changes to the agency's base level appropriations is attached as an appendix.

A copy of the draft appropriations bill containing the executive budget recommendations is attached as an appendix.

Selected Bill Sections Recommended in the Executive Budget

There are no additional sections recommended for this agency.

Continuing Appropriations

There are no continuing appropriations for this agency.

Deficiency Appropriations

There are no deficiency 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, 2021, identified no significant audit findings.

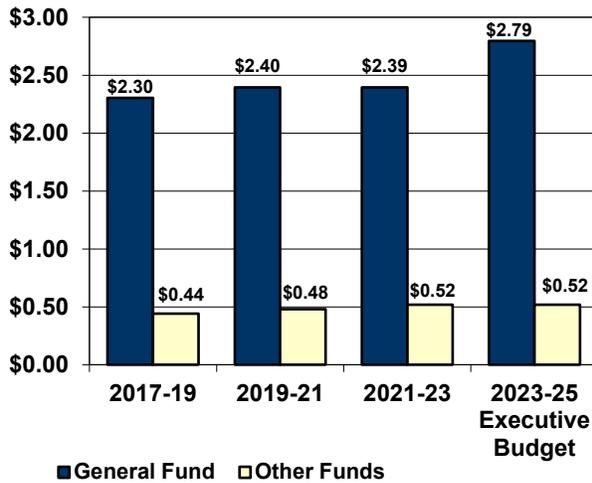
Major Related Legislation

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

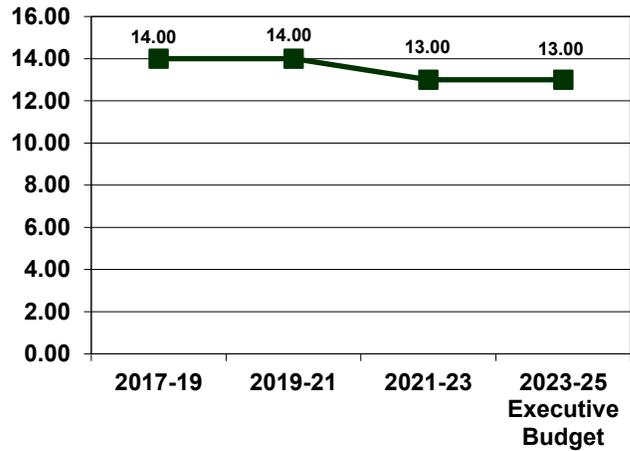
Historical Appropriations Information

Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



Ongoing General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
Ongoing general fund appropriations	\$2,347,241	\$2,303,986	\$2,325,510	\$2,246,469	\$2,794,259
Increase (decrease) from previous biennium	N/A	(\$43,255)	\$21,524	(\$79,041)	\$547,790
Percentage increase (decrease) from previous biennium	N/A	(1.8%)	0.9%	(3.4%)	24.4%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	(1.8%)	(0.9%)	(4.3%)	19.0%

Major Increases (Decreases) in Ongoing General Fund Appropriations

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

- None \$0

2021-23 Biennium

- Removed funding for 1 vacant FTE compliance investigator II position, resulting in the position being unfunded (\$142,028)

2023-25 Biennium (Executive Budget Recommendation)

- Adds funding for a FTE wage and hour division director position. The department will reclassify an existing unfunded FTE compliance investigator II position for this position. Total funding for the position is \$310,862, of which \$264,232 is from the general fund and \$46,630 is from federal funds. \$264,232
- Adds funding for a new Capitol space rent model \$74,267

One-Time General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
One-time general fund appropriations	\$0	\$0	\$69,659	\$147,717	\$0

Major One-Time General Fund Appropriations

2017-19 Biennium

1. None \$0

2019-21 Biennium

1. Paperless storage system \$69,659

2021-23 Biennium

1. Upgrade case management system \$147,717

2023-25 Biennium (Executive Budget Recommendation)

1. None \$0

Department of Labor and Human Rights - Budget No. 406
Senate Bill No. 2007
Base Level Funding Changes

Executive Budget Recommendation

	FTE Positions	General Fund	Other Funds	Total
2023-25 Biennium Base Level	13.00	\$2,246,469	\$486,868	\$2,733,337
2023-25 Ongoing Funding Changes				
Adds funding for the cost to continue salary increases		\$16,463		\$16,463
Salary increase		150,998	\$31,808	182,806
Health insurance increase		41,830	9,596	51,426
Adds funding to reclassify an FTE compliance investigator II position to an FTE wage and hour division director position		264,232	46,630	310,862
Reduces funding for fringe benefits and operating expenses			(57,728)	(57,728)
Adds funding for a new Capitol space rent model		74,267		74,267
Total ongoing funding changes	0.00	\$547,790	\$30,306	\$578,096
One-time funding items				
No one-time funding items				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	0.00	\$547,790	\$30,306	\$578,096
2023-25 Total Funding	13.00	\$2,794,259	\$517,174	\$3,311,433
<i>Federal funds included in other funds</i>			\$517,174	
<i>Total ongoing changes as a percentage of base level</i>	0.0%	24.4%	6.2%	21.1%
<i>Total changes as a percentage of base level</i>	0.0%	24.4%	6.2%	21.1%

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

Executive Budget Recommendation

There are no additional sections for this agency.

**SENATE BILL NO. 2007
(Governor's Recommendation)**

Introduced by

Appropriations Committee

(At the request of the Governor)

A bill for an Act to provide an appropriation for defraying the expenses of the department of labor and human rights; and to provide for a report to the legislative assembly.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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, 2023, and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$2,394,979	\$538,047	\$2,933,026
Operating Expenses	<u>338,358</u>	<u>40,049</u>	<u>378,407</u>
Total All Funds	\$2,733,337	\$578,096	\$3,311,433
Less Estimated Income	<u>486,868</u>	<u>30,306</u>	<u>517,174</u>
Total General Fund	\$2,246,469	\$547,790	\$2,794,259
Full-time Equivalent Positions	13.00	0.00	13.00

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-seventh legislative assembly for the 2021-23 biennium.

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Case Management System	\$177,717	\$0
Total All Funds	\$177,717	\$0
Less Estimated Income	<u>30,000</u>	<u>0</u>
Total General Fund	\$147,717	\$0

68th Legislative Assembly
Regular Session (2023)

S.B. 2007

House Appropriations – Govt. Ops. Div.

Rep. David Monson, Chairman
Rep. Mike Brandenburg, Vice Chairman

Testimony of Nathan Svihovec

Commissioner of Labor
N.D. Department of Labor and Human Rights

SUPPORT

January 5, 2023

I. Introductory Summary

Chairman Monson, Vice Chairman Brandenburg, and members of the House Appropriations – Government Operations Division, my name is Nathan Svihovec and I was appointed as the North Dakota Department of Labor and Human Rights Commissioner beginning December 2022. I am a licensed attorney in the State and prior to my appointment, primarily practiced in labor and employment law as well as other civil litigation areas. I have been fortunate to formerly represent the Department as an Assistant Attorney General and to represent private businesses and individuals before the Department while I was in private practice.

Chapter (Ch.) 34-05 of the North Dakota Century Code (N.D.C.C.) created the North Dakota Department of Labor and Human Rights and prescribes the powers and duties of the Labor Commissioner. The Department's statutory duties can most concisely be summarized as ensuring citizens can live, work, and prosper in North Dakota. It is my deeply held belief that the mission of the Department is an essential service to the public. In order to fulfill our mission and adequately serve our State's businesses and individuals, I am requesting a biennial budget of \$3,311,433.

II. Agency Overview

We have four key areas in which we provide services to the public (Human Rights, Wage & Hour, Housing, and Public Education):

A. Human Rights

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 U.S. Equal Employment Opportunity Commission (EEOC).

B. Wage & Hour

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, unions, employment agencies, and wage collection (N.D.C.C. chs. 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 being violated. The Division also reviews requests to issue youth employment certificates for 14 and 15-year-old workers.

C. Housing Discrimination

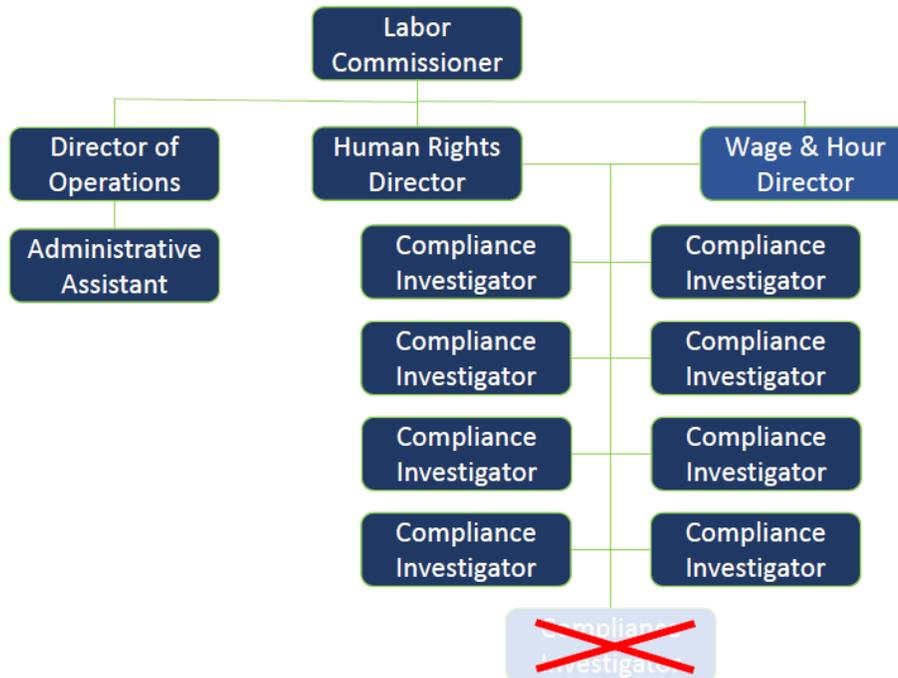
As previously mentioned, the Department receives and investigates claims of housing discrimination. Similar to the Human Rights protections, North Dakota's Housing Discrimination laws protect the public from discriminatory practices related to the sale or rental of a dwelling. These protections include the transactions, brokerage services, and reasonable accommodations. The Department also investigates cases for the U.S. Department of Housing and Urban Development (HUD) pursuant to a work-sharing agreement.

D. 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 its enforcement areas with the goal of reducing violations and increasing compliance in North Dakota. These areas include working with groups representing human rights, businesses, labor unions, 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 continue to identify additional ways to provide information, such as newsletters and presentations, to both employers and employees in North Dakota.

E. Organizational Chart

The Department presently has 13 FTEs, one of which was unfunded last biennium. Five FTEs are currently vacant and the Department’s priority in the first quarter of 2023 is to fill all five positions. One of my key priorities is to increase the number of claims processed by the Department by decreasing the length of time to process a claim. I look to modernize the Department and increase efficiencies at every opportunity. There are certain duties, however, that require employee time and cannot be automated. In particular, the investigations require interviews of witnesses to ascertain the facts of each case. There is also a significant amount of time required of investigators to review records and draft determinations. Thus, only through adequate staffing can the Department decrease the time it takes to render determinations. The Department’s desired organizational structure is outlined in the following graphic:



The current proposal includes the creation of one Wage & Hour Division Director with an appropriate salary rather than an additional Compliance Investigator. Depending on the needs of the agency this biennium, the Department may maintain the number of Compliance Investigators to achieve the goal of reducing case duration and increasing the number of cases processed.

III. Agency Accomplishments

Claims – The Department received and closed the following cases from January 1, 2021 through December 31, 2022:

Claim Type	Opened	Closed	Damages Recovered
Wage Claims	640	494	\$447,014.17
Employment	296	239	\$679,084.69
Retaliation	52	48	\$12,012.07
Housing	52	14	\$25,978.29
PS/PA/Credit	14	10	\$0.00
TOTAL	1,054	805	\$1,164,089.22

Public Education – The Department provided education through at least 21 training seminars and information publicly available on our website, including: (1) Required Employer Posters; (2) Printable Brochures; (3) Public Speaking Events; and (4) Educational Booths.

IV. Financial Audit Findings

The Department’s most recent financial audit, conducted and concluded in February/March 2022, resulted in a clean audit with no outstanding financial findings.

V. Agency Challenges

The Department continues to face difficulty in finding adequate applicants for the Compliance Investigator positions. It is my understanding that, in many other states,

Compliance Investigators are either licensed attorneys or paralegals. Given the highly technical nature and requirement of complex legal analyses, a competent Compliance Investigator applicant will need to have a bachelor's degree and experience conducting investigations.

Additionally, the Department intends to look to technology options to assist the Department in the reduction of time to process cases.

VI. Budget History

2017-2019 Biennium

The Legislature appropriated the Department \$2,743,902, which was comprised of \$2,303,986 in general funds and \$439,916 in federal funds. The Department was authorized for 14 FTEs (all funded).

2019-2021 Biennium

The Legislature appropriated the Department \$2,875,850, which was comprised of \$2,395,169 in general funds + \$480,681 in federal funding authority. Included in these figures is \$118,659 in one-time funding for Phase 1 of a paperless project. The Department was authorized for 14 FTEs (1 unfunded, 1 partially funded).

2021-2023 Biennium

The Legislature appropriated the Department \$2,911,054 which was comprised of \$2,394,186 in general funds + \$516,868 in federal funding authority. Included in these figures is \$147,717 in one-time funding for Phase 2 of a paperless project. The Department was authorized for 13 FTEs (-1 FTE from the prior biennium; 1 FTE unfunded to grant equity adjustments).

Senate Adjustments

The Senate slightly adjusted the request for a total appropriation of \$3,266,681, which is an increase of \$355,627 from last biennium. This increase is comprised of \$2,757,283 in general funds and \$509,398 in federal funding authority. This amount slightly decreases the Department's initial request by \$44,752.

VII. Budget Request

The Department maintain its request of \$3,311,433, comprised of \$2,794,256 in general funds + \$517,174 in federal funding authority. This amount is allocated as \$2,933,026 in salaries/wages and \$378,407 in operating expenses. The Department is also requesting to retain its 13 FTEs to fully staff the agency and increase claim processing.

This request will adequately allow the Department to become competitive for applicants and decrease the time it takes to process claims and issue determinations. This request also allows the Department to ensure Compliance Investigators attend necessary training to increase their competencies and provide the highest quality services to North Dakota.

VIII. Effects of Other Bills

The primary bill impacting the Department is S.B. 2249. In its present form, S.B. 2249 directs the Labor Commissioner to discuss, gather information, and develop legislation, as necessary, regarding the ". . . administration of the boards, continuing education, and the licensure of out-of-state applicants, with a goal of establishing a strategy to license out-of-state practitioners"

IX. Conclusion

The Department's duties impact every citizen in North Dakota through employment, housing, and other key areas administered by the agency. I humbly request the Committee demonstrate its support for the statutory duties granted to the Department by the Legislature and recommend a Do Pass for the requested \$3,311,433 budget and 13 funded FTEs. Thank you for your time and service to North Dakota.



Senate Appropriations Committee
S.B. 2007

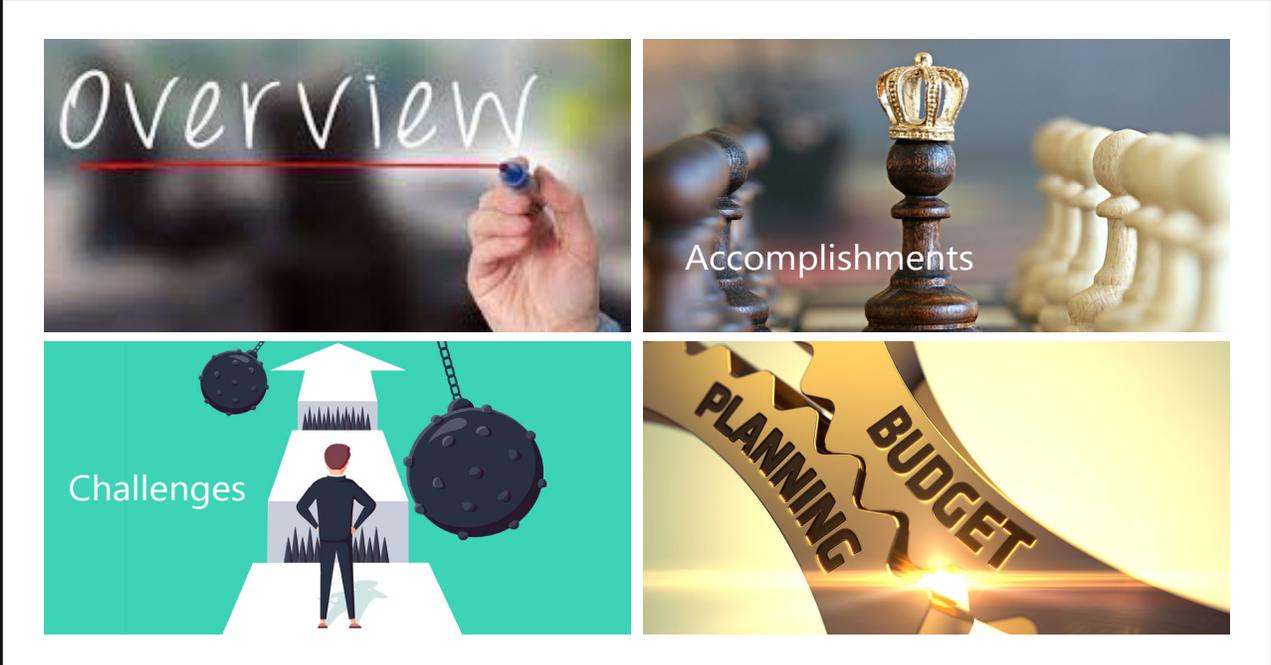
DEPT. OF LABOR AND HUMAN RIGHTS

Nathan Svihovec, Labor Commissioner

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1



Overview

Accomplishments

Challenges

PLANNING
BUDGET

2

HUMAN RIGHTS & HOUSING DIVISIONS

- Employment
- Housing
- Public Services
- Public Accommodations
- Credit Transactions
- Retaliation



3

WAGE & HOUR DIVISION

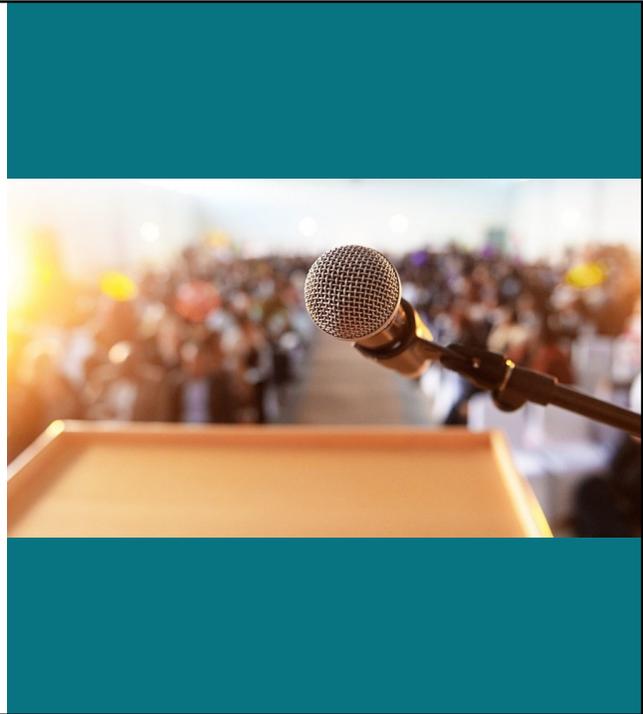
- Minimum Wage
- Overtime
- Equal Pay
- Child Labor
- Unions
- Employment Agencies
- Wage Collection



4

PUBLIC EDUCATION

- Improve working conditions
- Promote employer & employee relationships
- Goal = Reduce Violations



5

ORGANIZATIONAL CHART (PG. 5)



6

Claim Type	Opened	Closed	Damages Recovered
Wage Claims	640	494	\$447,014.17
Employment	296	239	\$679,084.69
Retaliation	52	48	\$12,012.07
Housing	52	14	\$25,978.29
PS/PA/Credit	14	10	\$0.00
TOTAL	1,054	805	\$1,164,089.22

FINANCIAL ACCOMPLISHMENTS

(Jan. 1, 2021 – Dec. 31, 2022)

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7



EDUCATIONAL ACCOMPLISHMENTS

8

BUDGET HISTORY

2017-2019

- **\$2,743,902**
(\$2.3mil in gen. funds + \$439k in federal funds)
- **14 FTEs** (all funded)

2019-2021

- **\$2,875,850**
(\$2.4mil in gen. funds + \$480k in federal funds; \$118k one-time)
- **14 FTEs** (1 unfunded, 1 part. funded)

2021-2023

- **\$2,911,054**
(\$2.4mil in gen. funds + \$516k in federal funds; \$147k one-time)
- **13 FTEs** (-1 FTE, 1 FTE unfunded)

9

2023-2025 REQUEST

\$3,311,433 total

- (\$2,794,256 in general funds + \$517,174 in federal funds)
- Adequate Training for Compliance Investigators
- Further public education to decrease violations

13 FTEs

- Increased claims processed

10

Department of Labor and Human Rights - Budget No. 406
 Senate Bill No. 2007
 Base Level Funding Changes

Prepared for: 3/14/2023

	Executive Budget Recommendation				Senate Version				Senate Changes to Executive Budget Increase (Decrease) - Executive Budget			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2023-25 Biennium Base Level	13.00	\$2,246,469	\$486,868	\$2,733,337	13.00	\$2,246,469	\$486,868	\$2,733,337	0.00	\$0	\$0	\$0
2023-25 Ongoing Funding Changes												
Adds funding for the cost to continue salary increases		\$16,463		\$16,463		\$16,463		\$16,463				\$0
Salary increase		150,998	\$31,808	182,806		113,060	\$23,811	136,871		(\$37,938)	(\$7,997)	(45,935)
Health insurance increase		41,830	9,596	51,426		42,792	9,817	52,609		962	221	1,183
Adds funding to reclassify an FTE compliance investigator II position to an FTE wage and hour division director position		264,232	46,630	310,862		264,232	46,630	310,862				0
Reduces funding for fringe benefits and operating expenses			(57,728)	(57,728)			(57,728)	(57,728)				0
Adds funding for a new Capitol space rent model		74,267		74,267		74,267		74,267				0
Total ongoing funding changes	0.00	\$547,790	\$30,306	\$578,096	0.00	\$510,814	\$22,530	\$533,344	0.00	(\$36,976)	(\$7,776)	(\$44,752)
One-Time Funding Items												
No one-time funding items				\$0				\$0				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	0.00	\$547,790	\$30,306	\$578,096	0.00	\$510,814	\$22,530	\$533,344	0.00	(\$36,976)	(\$7,776)	(\$44,752)
2023-25 Total Funding	13.00	\$2,794,259	\$517,174	\$3,311,433	13.00	\$2,757,283	\$509,398	\$3,266,681	0.00	(\$36,976)	(\$7,776)	(\$44,752)
<i>Federal funds included in other funds</i>			\$517,174				\$509,398				(\$7,776)	
<i>Total ongoing changes as a percentage of base level</i>	0.0%	24.4%	6.2%	21.1%	0.0%	22.7%	4.6%	19.5%				
<i>Total changes as a percentage of base level</i>	0.0%	24.4%	6.2%	21.1%	0.0%	22.7%	4.6%	19.5%				

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

Executive Budget Recommendation

There are no additional sections for this agency.

Senate Version

There are no additional sections for this agency.

Prepared for the House Appropriations Committee

**Department 406 - Department of Labor and Human Rights
Senate Bill No. 2007**

First Chamber Comparison to Base Level

	General Fund	Other Funds	Total
2023-25 First Chamber Version	\$2,757,283	\$509,398	\$3,266,681
2023-25 Base Level	2,246,469	486,868	2,733,337
Increase (Decrease)	\$510,814	\$22,530	\$533,344

First Chamber Changes

A summary of the first chamber's changes to the agency's base level appropriations and the executive budget is attached as an appendix.

Selected Bill Sections Included in the First Chamber Version

There are no additional sections for this agency.

Continuing Appropriations

There are no continuing appropriations for this agency.

Deficiency Appropriations

There are no deficiency 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, 2021, identified no significant audit findings.

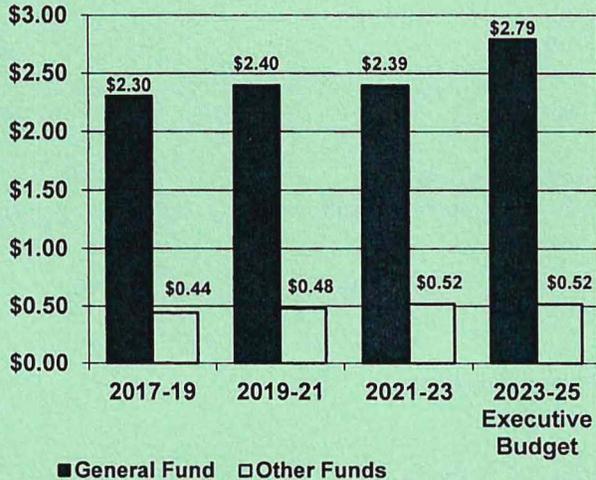
Major Related Legislation

Senate Bill No. 2249 - This bill requires the Department of Labor and Human Rights to gather information regarding the continuing education requirements and practice of licensing out-of-state practitioners for occupational and professional boards. The Labor Commissioner is required to analyze the information to develop and update a strategy for more efficient continuing education requirements and more efficient practices for licensing out-of-state practitioners.

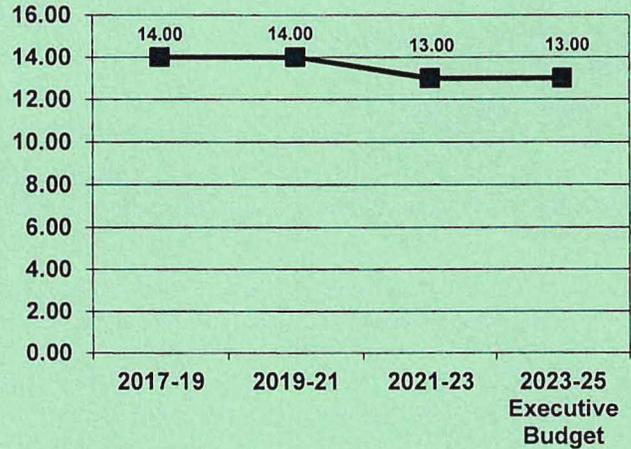
Historical Appropriations Information

Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



Ongoing General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
Ongoing general fund appropriations	\$2,347,241	\$2,303,986	\$2,325,510	\$2,246,469	\$2,794,259
Increase (decrease) from previous biennium	N/A	(\$43,255)	\$21,524	(\$79,041)	\$547,790
Percentage increase (decrease) from previous biennium	N/A	(1.8%)	0.9%	(3.4%)	24.4%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	(1.8%)	(0.9%)	(4.3%)	19.0%

Major Increases (Decreases) in Ongoing General Fund Appropriations

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

None \$0

2021-23 Biennium

Removed funding for 1 vacant FTE compliance investigator II position, resulting in the position being unfunded (\$142,028)

2023-25 Biennium (Executive Budget Recommendation)

- Adds funding for a FTE wage and hour division director position. The department will reclassify an existing unfunded FTE compliance investigator II position for this position. Total funding for the position is \$310,862, of which \$264,232 is from the general fund and \$46,630 is from federal funds \$264,232
- Adds funding for a new Capitol space rent model \$74,267

One-Time General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
One-time general fund appropriations	\$0	\$0	\$69,659	\$147,717	\$0

Major One-Time General Fund Appropriations

2017-19 Biennium

None \$0

2019-21 Biennium

Paperless storage system \$69,659

2021-23 Biennium

Upgrade case management system \$147,717

2023-25 Biennium (Executive Budget Recommendation)

None \$0

Department of Labor and Human Rights - Budget No. 406
Senate Bill No. 2007
Base Level Funding Changes

	Executive Budget Recommendation				Senate Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2023-25 Biennium Base Level	13.00	\$2,246,469	\$486,868	\$2,733,337	13.00	\$2,246,469	\$486,868	\$2,733,337
2023-25 Ongoing Funding Changes								
Adds funding for the cost to continue salary increases		\$16,463		\$16,463		\$16,463		\$16,463
Salary increase		150,998	\$31,808	182,806		113,060	\$23,811	136,871
Health insurance increase		41,830	9,596	51,426		42,792	9,817	52,609
Adds funding to reclassify an FTE compliance investigator II position to an FTE wage and hour division director position		264,232	46,630	310,862		264,232	46,630	310,862
Reduces funding for fringe benefits and operating expenses			(57,728)	(57,728)			(57,728)	(57,728)
Adds funding for a new Capitol space rent model		74,267		74,267		74,267		74,267
Total ongoing funding changes	0.00	\$547,790	\$30,306	\$578,096	0.00	\$510,814	\$22,530	\$533,344
One-Time Funding Items								
No one-time funding items				\$0				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	0.00	\$547,790	\$30,306	\$578,096	0.00	\$510,814	\$22,530	\$533,344
2023-25 Total Funding	13.00	\$2,794,259	\$517,174	\$3,311,433	13.00	\$2,757,283	\$509,398	\$3,266,681
<i>Federal funds included in other funds</i>			\$517,174				\$509,398	
<i>Total ongoing changes as a percentage of base level</i>	0.0%	24.4%	6.2%	21.1%	0.0%	22.7%	4.6%	19.5%
<i>Total changes as a percentage of base level</i>	0.0%	24.4%	6.2%	21.1%	0.0%	22.7%	4.6%	19.5%

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

Executive Budget Recommendation

There are no additional sections for this agency.

Senate Version

There are no additional sections for this agency.

23.0261.02001
Title.

Prepared by the Legislative Council staff for
the House Appropriations - Government
Operations Division Committee
March 27, 2023

Fiscal No. 1

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2007

Page 1, replace lines 12 through 17 with:

"Salaries and wages	\$2,394,979	\$334,160	\$2,729,139
Operating expenses	<u>338,358</u>	<u>40,049</u>	<u>378,407</u>
Total all funds	\$2,733,337	\$374,209	\$3,107,546
Less estimated income	<u>486,868</u>	<u>16,530</u>	<u>503,398</u>
Total general fund	\$2,246,469	\$357,679	\$2,604,148
Full-time equivalent positions	13.00	0.00	13.00"

Page 1, line 18, after the boldfaced period insert "**ONE-TIME FUNDING.**"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2007 - Labor Commissioner - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$2,394,979	\$2,888,274	(\$159,135)	\$2,729,139
Operating expenses	<u>338,358</u>	<u>378,407</u>		<u>378,407</u>
Total all funds	\$2,733,337	\$3,266,681	(\$159,135)	\$3,107,546
Less estimated income	<u>486,868</u>	<u>509,398</u>	(6,000)	<u>503,398</u>
General fund	\$2,246,469	\$2,757,283	(\$153,135)	\$2,604,148
FTE	13.00	13.00	0.00	13.00

Department 406 - Labor Commissioner - Detail of House Changes

	Adjusts Funding for Salary and Benefit Increases¹	Reduces Funding for FTE Reclassification²	Removes Salary Funding for Funding Pool³	Total House Changes
Salaries and wages	\$44,752	(\$124,722)	(\$79,165)	(\$159,135)
Operating expenses				
Total all funds	\$44,752	(\$124,722)	(\$79,165)	(\$159,135)
Less estimated income	<u>7,776</u>	<u>0</u>	<u>(13,776)</u>	<u>(6,000)</u>
General fund	\$36,976	(\$124,722)	(\$65,389)	(\$153,135)
FTE	0.00	0.00	0.00	0.00

¹ Salaries and wages funding is adjusted to provide for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates as follows:

	General Fund	Federal Funds	Total
Salary increase	\$37,938	\$7,997	\$45,935
Health insurance adjustment	<u>(962)</u>	<u>(221)</u>	<u>(1,183)</u>
Total	\$36,976	\$7,776	\$44,752

The Senate provided salary adjustments of 4 percent on July 1, 2023, and July 1, 2024.

² Funding is reduced by \$124,722 from the general fund to provide a total of \$186,140, of which \$139,510 is from the general fund and \$46,630 is from federal funds. The Senate added \$310,862, of which \$264,232 was from the

general fund and \$46,630 was from federal funds, to reclassify a previously unfunded FTE compliance investigator II position. The House reclassified an FTE compliance investigator II position with funding included in the base budget instead of the unfunded FTE position.

³ Funding for new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency if needed by submitting a request to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool.

	<u>General Fund</u>	<u>Federal Funds</u>	<u>Total</u>
New FTE positions	\$0	\$0	\$0
Vacant FTE positions	<u>(65,389)</u>	<u>(13,776)</u>	<u>(79,165)</u>
Total	(\$65,389)	(\$13,776)	(\$79,165)

23.0261.02001
Title.

Prepared by the Legislative Council staff for
the House Appropriations - Government
Operations Division Committee
March 27, 2023

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