

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2071

2001 SENATE INDUSTRY, BUSINESS AND LABOR

SB 2071

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2071

Senate Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date 1-16-01

Tape Number	Side A	Side B	Meter #
1	x		39.9-47.4
Committee Clerk Signature <i>Donio E. Perez</i>			

The committee was called to order. All members present. The hearing was opened on SB 2071 relating to the unemployment compensation incentive fund; and to provide a continuing appropriation.

James Hirsch:(Director, Centralized Service, JSND; Supports) See attached testimony.

Senator Espgaard: You said the cost was 1.6 million, the total as I see it would be 1.1 million. Where would the rest of the money come from?

James Hirsch: Dept. Of Labor. We could move ahead and start things, but we would have to delay a few things until we can get money from Dept. of Labor.

Hearing closed. Motion made to "Do Pass" by Senator Krebsbach. Seconded by Senator Espgaard. Roll call taken 7-0-0. Carrier is Senator Every.

FISCAL NOTE

Requested by Legislative Council

02/01/2001

REVISION

Bill/Resolution No.: SB 2071

Amendment to:

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$599,405	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

\$300,987 in Federal funds were received in October 2000 and another \$298,418 is expected to be received in October 2001. This Bill amends the current State Law which established the Unemployment Compensation Incentive Fund to remove conditions for use of appropriation authority and to appropriate the funds for use in the next biennium.

These funds can only be used for the administration of the Unemployment Insurance program.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The funds will be used to cover costs associated with implementation of a Centralized

Unemployment Insurance Claims Center.

There are no FTE positions affected.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

This bill provides a standing appropriation.

Name:	Wayne Klndem	Agency:	Job Service North Dakota
Phone Number:	328-3033	Date Prepared:	02/02/2001

FISCAL NOTE
 Requested by Legislative Council
 12/18/2000

Bill/Resolution No.: SB 2071

Amendment to:

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$298,418	\$0	\$0
Expenditures	\$0	\$0	\$0	\$599,405	\$0	\$0
Appropriations	\$0	\$0	\$0	\$599,405	\$0	\$0

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

\$300,987 in Federal funds were received in October 2000 and another \$298,418 is expected to be received in October 2001. This Bill amends the current State Law which established the Unemployment Compensation Incentive Fund to remove conditions for use of appropriation authority and to appropriate the funds for use in the next biennium.

These funds can only be used for the administration of the Unemployment Insurance program.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

\$298,418 in Federal funds expected to be received in October 2001.

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The funds will be used to cover costs associated with implementation of a Centralized Unemployment Insurance Claims Center.

There are no FTE positions affected.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Appropriates funds in the Unemployment Compensation Incentive fund. This appropriation is not included in the Job Service Appropriation Bill, SB 2017.

Name:	Wayne Kindem	Agency:	Job Service North Dakota
Phone Number:	328-3033	Date Prepared:	01/05/2001

Date: January 16/01
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2071

Senate Industry, Business and Labor Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Krebs Seconded By Esp

Senators	Yes	No	Senators	Yes	No
Senator Mutch - Chairman	✓		Senator Every	✓	
Senator Klein - Vice Chairman	✓		Senator Mathern	✓	
Senator Espegard	✓				
Senator Krebsbach	✓				
Senator Tollefson	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment S. Every

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

REPORT OF STANDING COMMITTEE (410)
January 16, 2001 2:22 p.m.

Module No: SR-06-1066
Carrier: Every
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2071: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends DO PASS and BE REREFERRED to the Appropriations Committee (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2071 was rereferred to the Appropriations Committee.

2001 SENATE APPROPRIATIONS

SB 2071

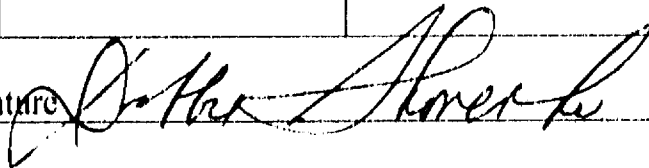
2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2071

Senate Appropriations Committee

☐ Conference Committee

Hearing Date January 26, 2001

Tape Number	Side A	Side B	Meter #
1	Reed Act Funding		28.5-34.9
Committee Clerk Signature 			

Minutes:

Senator Solberg opened the hearing on SB 2071.

James Hirsch, Director, Centralized Services, Job Service North Dakota, testified on SB 2071 (testimony attached) requesting appropriation authority to use funding to cover costs associated with implementing a centralized claims center.

Senator Schobinger: The amount appropriated is that for the reduced unemployment insurance duration by ½ week for each year?

James Hirsch: That is correct.

Senator Holmberg: Deals like this are not in SB 2017, the major bill for Job Service; would you object to having this combined to that bill?

Larry Anderson: No concerns with us to be blended to that bill.

Senator Solberg: We will discuss blending of these bills in subcommittee.

Senator Solberg: Why were you required to reduce the ½ week?

Page 2
Senate Appropriations Committee
Bill/Resolution Number SB2071
Hearing Date January 26, 2001

James Hirsch: The bill was conferenced last session in Industry, Business & Labor; the incentive to Job Service was to return claimant's to work sooner; the appropriation authority was conditional on reducing the ½ week each year.

With no opposition the hearing was closed. Tape 1, Side A, meter 34.9.

February 7, 2001 Full Committee (Tape 1, Side B, Meter No. 22.6-32.1)

Senator Nething, Chair of the Senate Appropriations Committee, reopened the hearing on SB2071.

Senator Holmberg, Chair of the North Dakota Job Service Subcommittee, explained that SB2069, SB2070, and SB2071, were considered when the Subcommittee met, and were incorporated as deemed fitting into SB2017.

Senator Holmberg moved a DO NOT PASS; Senator Heitkamp seconded the motion. No discussion, call for the Roll Call Vote: 11 yes, 0 no, and 3 absent and not voting.

Senator Holmberg accepted the floor assignment.

Date: 2-7-01

Roll Call Vote #: _____

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2071

Senate Appropriations Committee

☐ Subcommittee on _____
or

☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Not Pass

Motion Made By Senator Holmberg Seconded By Senator Heitkamp

Senators	Yes	No	Senators	Yes	No
Dave Nething, Chairman	✓				
Ken Solberg, Vice-Chairman	✓				
Randy A. Schobinger	✓				
Elroy N. Lindaas	✓				
Harvey Tallackson	✓				
Larry J. Robinson	✓				
Steven W. Tomac					
Joel C. Heitkamp	✓				
Tony Grindberg	✓				
Russell T. Thane					
Ed Kringstad					
Ray Holmberg	✓				
Bill Bowman	✓				
John M. Andrist	✓				

Total Yes 11 No 0

Absent 3

Floor Assignment Senator Holmberg

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

REPORT OF STANDING COMMITTEE (410)
February 7, 2001 11:13 a.m.

Module No: SR-22-2563
Carrier: Holmberg
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2071: Appropriations Committee (Sen. Nething, Chairman) recommends **DO NOT PASS** (11 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). SB 2071 was placed on the Eleventh order on the calendar.

2001 TESTIMONY

SB 2071

Senate Bill 2071
Testimony before the Senate
Industry, Business and Labor Committee

Senator Duane Mutch, Chairman
By Job Service North Dakota

January 16, 2001

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE, MY NAME IS JAMES HIRSCH, DIRECTOR, CENTRALIZED SERVICES, JOB SERVICE NORTH DAKOTA.

I AM HERE TODAY IN SUPPORT OF SENATE BILL 2071 WHICH AMENDS SECTION 4, CHAPTER 433 OF THE 1999 NORTH DAKOTA SESSION LAWS CONTAINING HB 1089, WHICH PROVIDED APPROPRIATION AUTHORITY FOR EXPENDITURE OF SPECIAL UNEMPLOYMENT INSURANCE "REED ACT" FUNDING APPROPRIATED BY US DEPARTMENT OF LABOR FOR THE YEARS 2000, 2001 AND 2002. THESE FUNDS CAN ONLY BE USED FOR THE ADMINISTRATION OF THE UNEMPLOYMENT INSURANCE PROGRAM.

APPROPRIATION AUTHORITY FOR THESE FUNDS WAS CONTAINED IN HB 1089 THAT WAS PASSED BY THE 1999 LEGISLATIVE SESSION. THE APPROPRIATION AUTHORITY IS CONDITIONAL ON REDUCING UNEMPLOYMENT INSURANCE DURATION BY ½ WEEK FOR EACH YEAR.

THIS BILL APPROPRIATES APPROXIMATELY \$300,000 IN SPECIAL UNEMPLOYMENT INSURANCE PROGRAM FUNDING FOR 2001 AND ANOTHER \$300,000 WHICH WE EXPECT TO RECEIVE IN 2002.

JOB SERVICE IS REQUESTING APPROPRIATION AUTHORITY TO USE THIS FUNDING TO COVER COSTS ASSOCIATED WITH IMPLEMENTING A CENTRALIZED CLAIMS CENTER. THE CENTRALIZED CLAIMS CENTER HAS BEEN IDENTIFIED AS

A CRITICAL SUCCESS FACTOR IN OUR BUSINESS PLAN AND IS A RECOMMENDATION CONTAINED IN JOB SERVICE NORTH DAKOTA'S 2000 PERFORMANCE AUDIT.

THE CENTRALIZED CLAIMS CENTER WILL IMPROVE PROGRAM OPERATIONS, PROVIDE CUSTOMERS WITH IMPROVED ACCESSIBILITY FOR FILING THEIR UNEMPLOYMENT INSURANCE CLAIMS, REDUCE ADMINISTRATIVE COSTS ASSOCIATED WITH THE CLAIMS FILING PROCESS AND ALLOW ADMINISTRATIVE SAVINGS TO BE USED TO PROVIDE THOSE SERVICES WHICH WILL ASSIST CLAIMANTS IN RETURNING TO WORK SOONER.

THE CENTRALIZED CLAIM CALL CENTER WILL HAVE A POSITIVE IMPACT ON THE STATE'S UNEMPLOYMENT INSURANCE TRUST FUND BY REDUCING ADMINISTRATIVE COSTS ASSOCIATED WITH THE CLAIMS FILING PROCESS, JOB SERVICE WILL FREE UP STAFF RESOURCES TO FOCUS ON EFFORTS TO REDUCE CLAIMANT DURATION AND CLAIMANT EXHAUSTION RATES. THESE EFFORTS WILL RESULT IN LOWER BENEFIT PAYOUTS TO THE TRUST FUND.

JOB SERVICE NORTH DAKOTA HAS RECEIVED A \$821,000 COMPETITIVE GRANT FROM THE US DEPARTMENT OF LABOR THAT WILL PARTIALLY FUND THE CENTRALIZED CLAIMS CENTER PROJECT. WE ARE ASKING APPROPRIATION AUTHORITY TO USE THE REED ACT DISTRIBUTION TO COMPLETE THE PROJECT.

REDUCING CLAIMANT DURATION AND EXHAUSTION RATES ARE A HIGH PRIORITY FOR JOB SERVICE. THIS IS A CRITICAL SUCCESS FACTOR IN OUR BUSINESS PLAN. WE ARE MAKING PROGRESS. THE FOLLOWING REFLECTS CLAIMANT DURATION BASED ON TRACKING WE ARE DOING FOR HB 1089.

	PY 98 (7-1-98 to 6-30-99)	PY 99 (7-1-99 to 6-30-2000)	PY 00 (7-1-00 to 6-30-01)
Duration	11.16 Weeks	10.22 Weeks	
	PY 98 (7-1-98 to 10-31-99)	PY 99 (7-1-99 to 10-31-99)	PY 00 (7-1-00 to 10-31-00)
Duration	6.61 Weeks	6.26 Weeks	6.63 Weeks

DURATION IS AFFECTED BY WEATHER AND ECONOMIC CONDITIONS, WHICH ARE SIGNIFICANT VARIABLES. FOR THAT REASON, JOB SERVICE IS NOT COMFORTABLE WITH COMMITTING TO A MAJOR INITIATIVE SUCH AS THE CENTRALIZED CLAIMS CENTER WITHOUT HAVING IDENTIFIED RESOURCES TO COVER THE COSTS.

MR. CHAIRMAN THAT CONCLUDES MY TESTIMONY. I WOULD BE HAPPY TO ANSWER ANY QUESTIONS.