

Shared Work Demonstration Project
Status Report
As required by SB 2018 (Section 9)

Testimony of Larry D. Anderson
Job Service North Dakota

before the

Interim Legislative Committee on Industry, Business and Labor
Senator Karen Krebsbach, Chair

Tuesday, July 18, 2006

Madam Chair and Members of the Interim Industry, Business and Labor Committee, I am Larry Anderson, and I am the Director of Unemployment Insurance and Workforce Programs for Job Service North Dakota. I am here to provide you with a report on the status of conducting a Shared Work Demonstration Project as required by SB 2018.

Briefly, the purpose of a “shared work” program is to allow an employer to reduce the hours of work of a number of employees, rather than completely lay off a lesser number of employees, and to allow those employees, assuming all other eligibility factors are met, to draw an unemployment insurance benefit to partially offset the loss of wages due to the reduction in hours.

You may recall from previous testimony that Job Service was engaged in negotiations with an employer in an effort to reach an agreement on how to structure this demonstration. You may also recall from previous testimony that we had encountered some major stumbling blocks to conducting the demonstration but had successfully negotiated agreement regarding these differences. On January 19, 2006, a draft

agreement was offered to CNH to conduct this demonstration project with Job Service North Dakota.

Through no fault of officials representing CNH, the draft contract was not ratified. The primary reason for not ratifying the contract was that economic circumstances did not dictate a need for CNH to reduce their workforce. To the contrary, CNH was projecting the need for growing their number of employees. Consequently, economic circumstances did not make it practical to finalize the contract.

Job Service North Dakota, as of this date, has not successfully identified another employer to engage in negotiations to conduct the demonstration.

Madam Chair and Members of the Committee, this concludes my report on the status of our efforts to carry out this demonstration. I would be glad to answer any questions from the committee.