



# APPROPRIATIONS TESTIMONY

JOB SERVICE NORTH DAKOTA – SB 2016

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MARCH 3, 2021

NORTH  
**Dakota** | Job Service  
Be Legendary.™

# WHO WE ARE

## WHERE WORKFORCE MEETS MAIN STREET



Wahpeton, ND

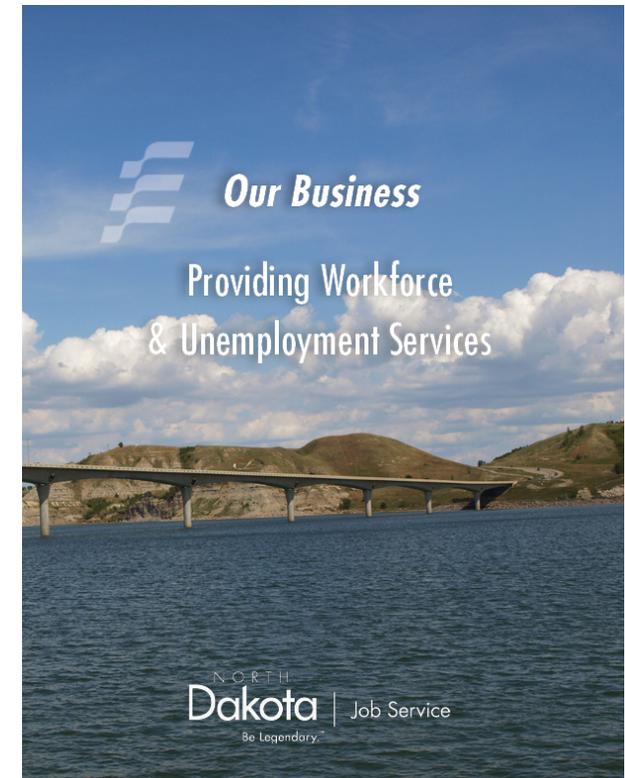
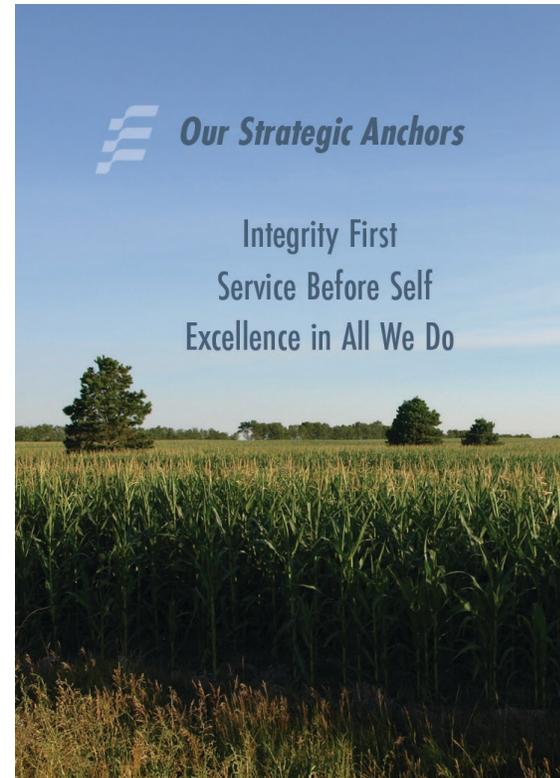
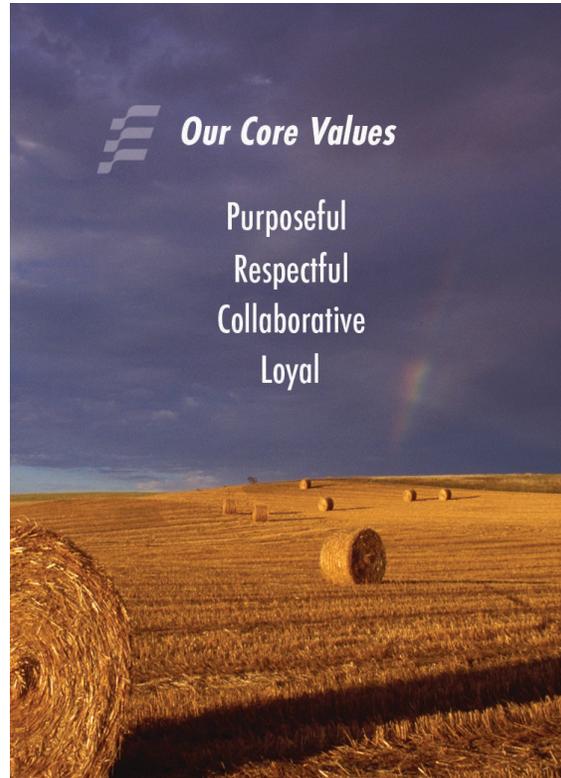
### WHO WE ARE:

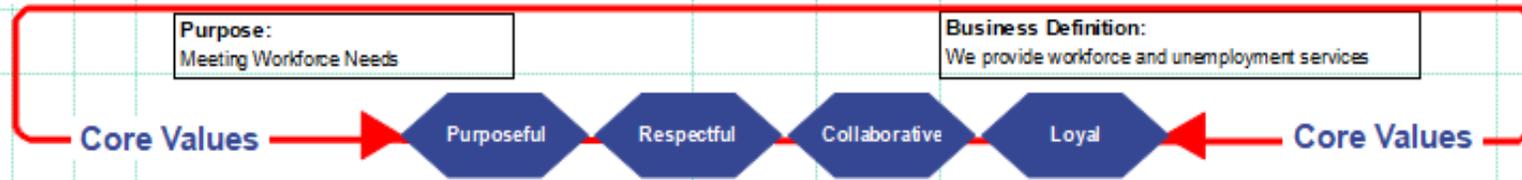
- Regional workforce experts
- Strong partners with employers, schools, local EDC's and chambers
- Knowledgeable of local communities and current events
- Knowledgeable about local economics

### WHAT WE DO:

- Meet workforce needs by removing barriers to employment and connecting employers to employees
- Keep main street open by providing Unemployment Insurance benefits during downturns
- Educate and provide labor market and economic information to businesses and job seekers to make informed decisions

# MEETING WORKFORCE NEEDS





- PRIORITY INITIATIVE
- INITIATIVE COMPLETED
- INITIATIVE IN PROGRESS
- INITIATIVE NOT STARTED

Revised: October 28, 2020

THEMATIC GOAL: F1.3 IDENTIFY ALTERNATIVE FUNDING SOURCES

STRATEGIC ANCHORS: Integrity First Service Before Self Excellence in all we do

		Organizational Strategy Map:	Performance Measures	Strategic Initiatives
Strategic Perspectives	Customer	C1 Improve Customer Experience	C1 Improve Customer Experience PM: WFC Customer Satisfaction Survey PM: Claimant Survey PM: Reduction of call wait times PM: Employer Survey PM: Monthly percent of resource use PM: New Hire Cross Match Information	C1.1 Maximize website features to improve customer interaction C1.2 Grow Social Media presence agency wide C1.3 Identify internal business process opportunities with a focus on re-employment C1.4 Publish and promote LMI dashboards C1.5 Identify best practices to support business hiring workers in today's environment C1.6 Continue statewide collaboration toward online business registration C1.7 Review all customer surveys to make sure information captured is meaningful
	Finance	F1 Optimize Financial Resources, F2 Improve the Safeguarding of Assets	F1 Optimize Financial Resources PM: Annual SQ occupancy cost PM: Annual software costs PM: % new revenue from program expansion F2 Improve the Safeguarding of Assets PM: % of sensitive data files quarterly PM: Percent of asset value vs. op costs	F1.1 Identify entities for co-location F1.2 Analyze building ownership vs. leasing F1.3 Identify alternative funding sources F2.1 Create strategy to protect federal/state dollars from unemployment insurance fraud F2.2 Review internal processes and procedures to ensure protection of physical assets
	Business Process	BP1 Improve Internal & External Communications, BP2 Improve Business Operations	BP1 Improve Internal & External Communication PM: Annual employee survey PM: Monthly Internet Usage PM: Employer survey PM: Job Fair exit survey improvement percent PM: Website/Social Media analytics BP2 Improve Business Process PM: Varies by business unit PM: Metrics are variable depending on project	BP1.1 Create a strategic promotion & communication plan BP2.1 Review and update HR policies and processes BP2.2 Identify opportunities for artificial intelligence BP2.3 UI Modernization
	Employees	E1 Improve Organizational Climate and Culture, E2 Improve Employee Development	E1 Improve Organizational Climate & Culture PM: Turnover Percentage (base & target) PM: Retention Rate (base & target) PM: Annual employee survey PM: New Hire Survey (new) E2 Improve Employee Development PM: % of employees using development funds	E1.1 Create strategic compensation plan E1.2 Complete Job Analysis E1.3 Create a flexible environment to drive organizational connection from hire to retire E1.4 Implement Servant Leadership E1.5 Create a safety plan incorporating building security, personal safety, and work from home safety and security E2.1 Create Succession Plan Model E2.1 Create strategic development program

# Our Strategic Direction

# OUR ORGANIZATION

**MEETING  
WORKFORCE NEEDS**



# ACCOMPLISHMENTS

## Pre-Pandemic



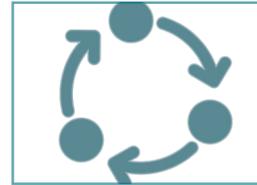
### Customer

- Second Chance Job Fairs
- Labor Market Dashboards
- Increased social media presence
- Maximized website features



### Finance

- No financial audit findings
- Colocation



### Business Process

- Streamlined policies and procedures
- Transitioned to Unisys Cloud Managed Services
- Automated Processes
  - Foreign Labor Agriculture Tracking system
  - Unemployment Insurance Processes for Claimants and Employers
- New Jobs Training



### Employees

- Completion of Job Analysis Project

# ACCOMPLISHMENTS

## Pandemic



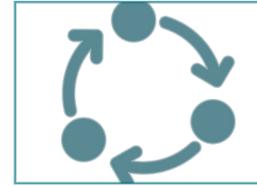
### Customer

- Drafted multiple EO's to benefit ND employers and citizens
- Processed 10 Years' of claims in 9 months
- Injected over \$1B into ND's Economy
- Provided staff & leadership for Workforce Coordination Center
- Obtained Grant for Dislocated Workers
- Implemented virtual tools to continue providing workforce services



### Finance

- One of only three states to meet federal payment targets
- Collaborated with Emergency Commission and Budget Section to ensure a solvent trust fund
- Protection of assets by implementing fraud prevention measures



### Business Process

- Reprogrammed systems for CARES Act
- One of the first states to implement programs
- Developed labor market interactive dashboard
- Collaborated with other agencies to address claim volume

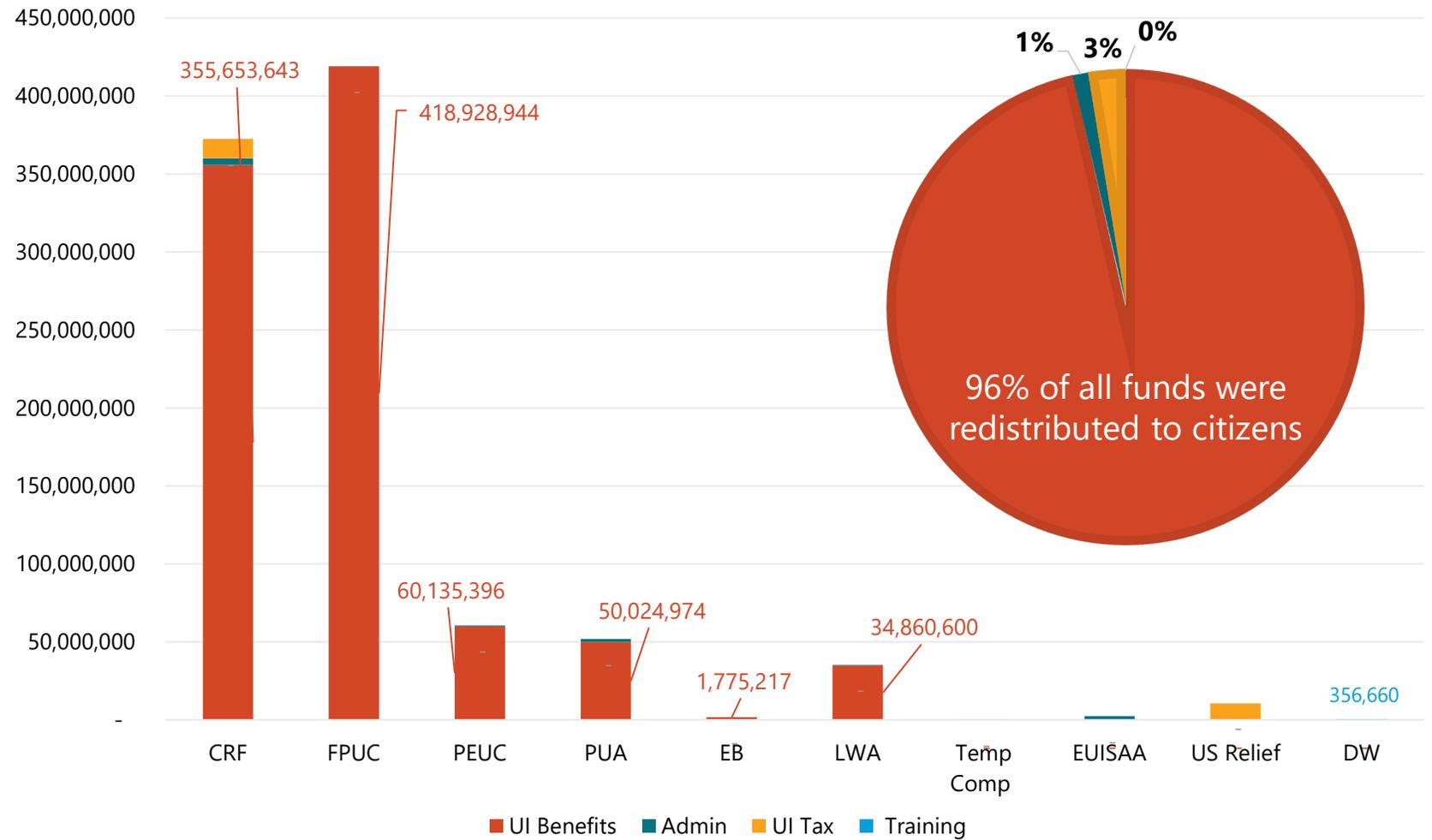


### Employees

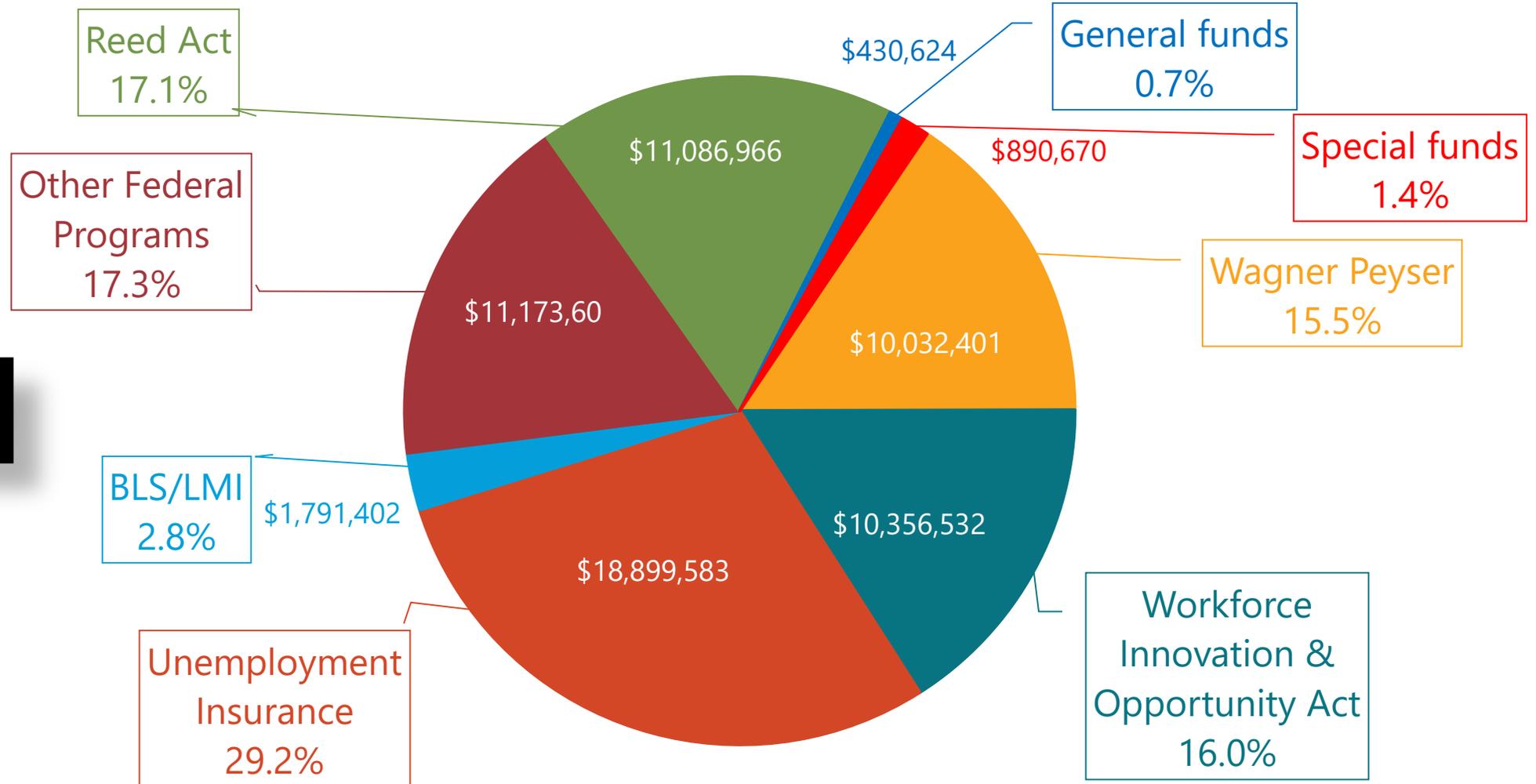
- Coordinated transition of 80% of staff to virtual environment
- Transitioned staff to priority areas
- Hired over 100 temporary employees
- Entered into a contract with vendor for appeal processing

# COVID-19 PANDEMIC FUNDING

## COVID-19 Federal Funds



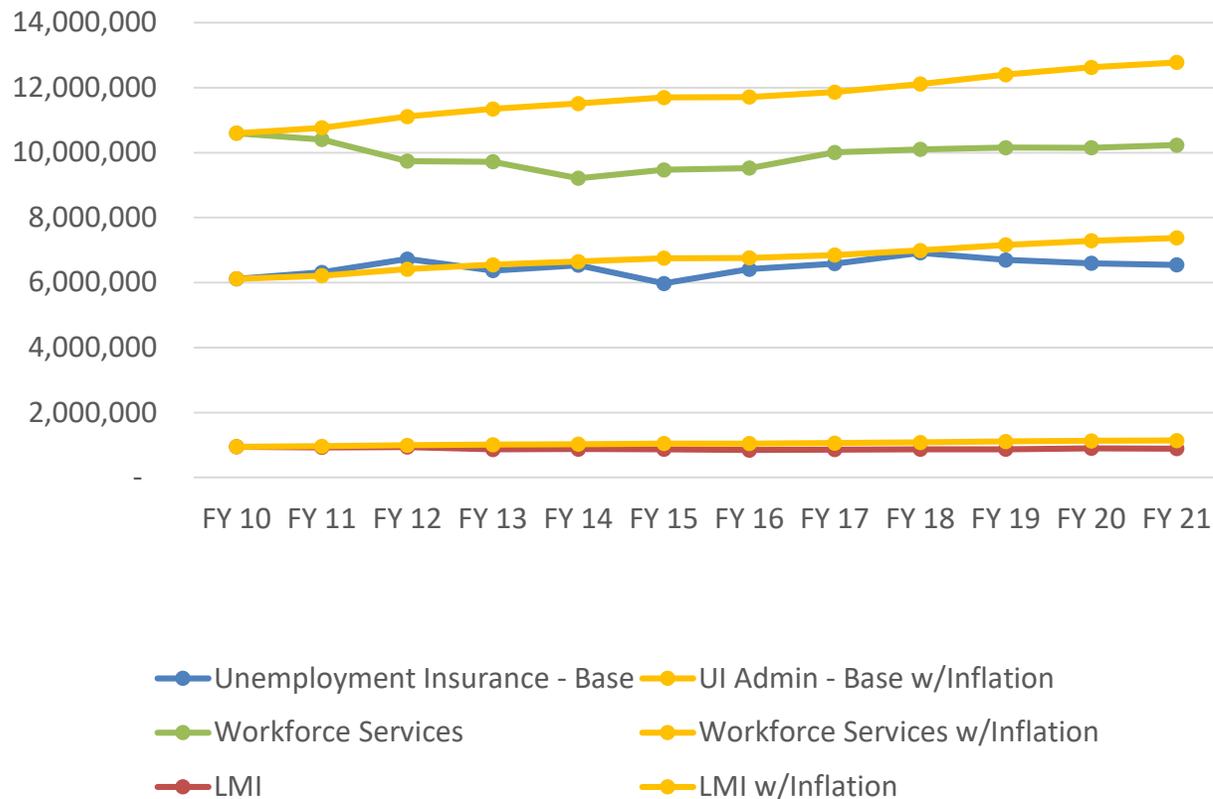
# FUNDING 2019-2021



**98% Federally Funded**

# FUNDING HISTORY

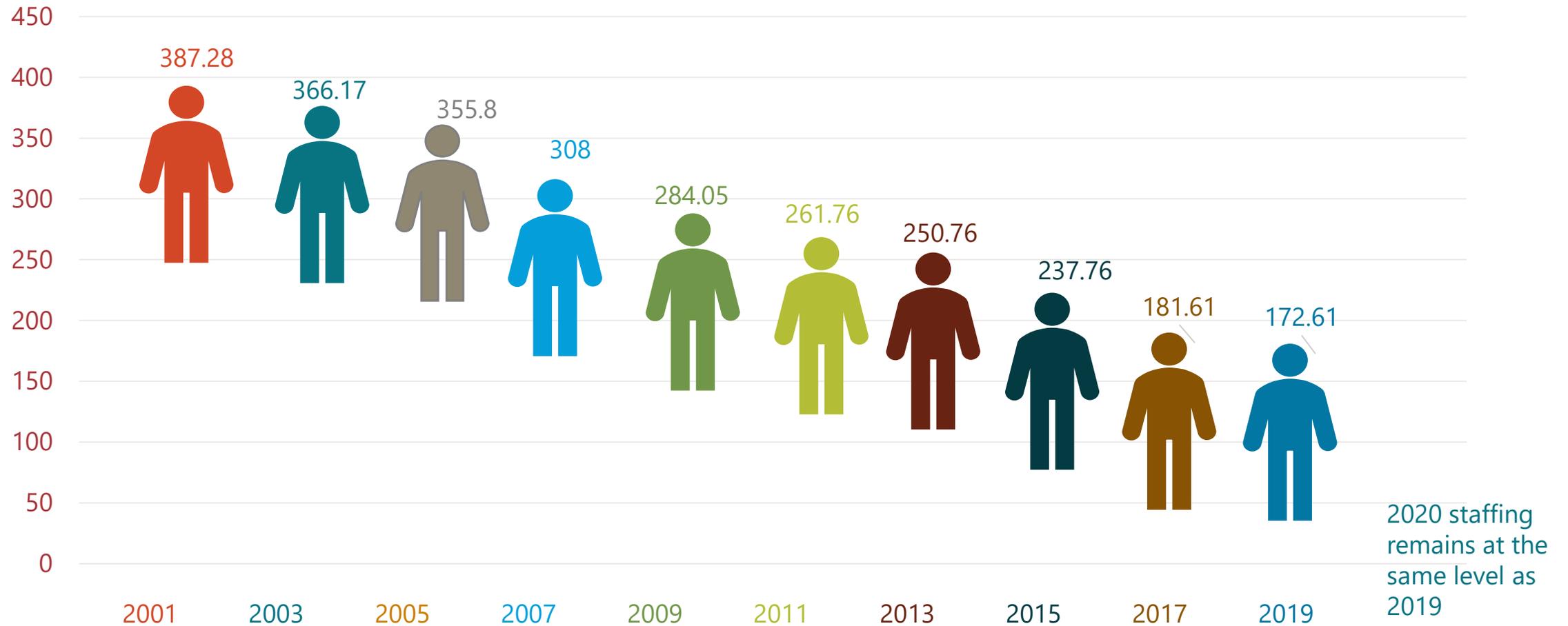
FUNDING STREAMS – Actual vs. Adjusted for Inflation



- Federal funding is not adjusted for state expenses such as pay increases and IT cost increases
- Inflationary costs to operating expenses
  - Inflation averages 1.57% per year
- Expenses do not fluctuate based on the number served:
  - Example - System costs are essentially the same whether we have 30K claims or 300K claims

# OUR TEAM OVER THE YEARS

## LEGISLATIVE APPROVED STAFFING LEVELS 2001-2019



# CONSTRAINTS



## Funding

- 98% Federally funded
- Siloed funding streams
- Flat funding while operational costs continue to increase



## Infrastructure

- Supporting the legacy mainframe-based IT system
- Limited funding to invest in needed systems and replacements
- Aging facilities



## Employees

- Difficult to reward employees
- Projected 45% retirements w/in 10 years
- Potential loss of institutional knowledge due to attrition
- Lack of funding for training and other state activities



## External Factors

- Workforce/Skill Shortage
- Low Unemployment
- Over 13,000 Job Openings
- Barriers to Employment

# 2021-2023 APPROPRIATION

	<b>2021-23 Base</b>	<b>Change Packages &amp; Governor's Recommendations</b>	<b>2021-23 Appropriation</b>
Salaries and Wages	\$ 30,572,221	\$ (1,453,475)	\$ 29,118,750
Operating Expenses	\$ 17,840,895	\$ (755,101)	\$ 17,085,794
Capital Assets	\$ 20,000	\$ -	\$ 20,000
Grants	\$ 6,166,112	\$ 2,114,939	\$ 8,281,051
Reed Act-UI Computer Modernization	\$ 10,475,114	\$ 470,012	\$ 10,945,126
Total All Funds	\$ 65,074,342	\$ 376,379	\$ 65,450,721
Less Estimated Income	\$ 64,643,718	\$ 396,442	\$ 65,040,160
Total General Fund	\$ 430,624	\$ (20,063)	\$ 410,561
Full-Time Equivalent Positions	172.61	(16)	156.61

# APPROPRIATIONS

## GENERAL FUNDS



- Job Spidering
- Mobile App
- State SSA Liaison

## SPECIAL FUNDS



New Jobs Training:  
Worker education  
and training when  
employers create  
new jobs

## FEDERAL FUNDING



Appropriations  
Bill:  
Continuation of  
language allowing  
acceptance of  
funds

# WHO WE ARE

