

FISCAL NOTE
HOUSE BILL NO. 1092
LC# 23.8064.01000
12/30/2022

1 - 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.

	2021-2023 Biennium		2023-2025 Biennium		2025-2027 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$2,265,100		
Expenditures				\$8,000		
Appropriations						

2 - County, City, School District, and Township Fiscal Effect

Identify the fiscal effect on the appropriate political subdivision.

	2021-2023 Biennium	2023-2025 Biennium	2025-2027 Biennium
Counties			
Cities			
School Districts			
Townships			

3 - Bill and Fiscal Impact Summary

Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).

Authorizes Job Service to sell the Minot Job Service Workforce Center. Sale is desired due to limited public accessibility and too much square footage. Fiscal impact would be an expenditure for two commercial appraisals and income from the sale of the property.

4 - Fiscal Impact Sections Detail

Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.

The bill contains only one section. This section provides Job Service North Dakota (JSND) authorization to sell the property. The property was built with Federal funding, because of this, Federal law dictates how sale proceeds are to be disbursed, requiring that proceeds of any sale be returned to the program from which the funding originated. In the case of the Minot property, the Unemployment Insurance and Wagner-Peyser programs provided the funding for the acquisition of the property and any sale proceeds would be returned to these federal grant programs for use in North Dakota.

There are two primary reasons JSND is exploring the sale of the facility. The first is staffing. Over the last 40 years, JSND has decreased staffing in Minot from 36 to 9 and no longer requires a 17,000 square foot building. The second reason is location. The location was selected based on an understanding that Minot would grow to the north. While Minot has grown, the current location is still inaccessible to public transportation resulting in individuals being unable to access our services in person. Our plan would be to locate and lease space in a more centralized location in Minot that is accessible by public transportation and the public in general. Ideally, we would co-locate or locate near another state agency providing services to the public in Minot, such as DHHS.

5 - Revenues Detail

For information shown under state fiscal effect in 1 or 2, please explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

The revenue noted reflects the proceeds of the sale of the building. Until an appraisal is completed, we don't have a true number as to what the revenue will be. As a result, we have utilized the insurance value of the property at this time. This amount is \$2,265,100. The actual number may vary based upon the appraisals and ultimately the Courthouse sale that is dictated by law. It should be noted that Federal law requires that we accept no less than 90% of fair market value for the property and cannot simply transfer ownership at no cost or a cost not equal to or greater than this amount to an entity not providing Unemployment Insurance or Wagner Peyser program services.

Revenues reflected will be split between the Federal programs funding the building, with 45.4% of the revenues going to the Unemployment Insurance program, 49.3% of the revenues going to the Wagner Peyser program, and 5.3% being deposited into the Federal Interest Advance Repayment fund. The revenues received by the programs will be utilized in securing a new leased location, paying for the move from the current location to the new location, paying for any costs incurred with new location set up, for future lease payments, and in providing services to citizens related to the Unemployment Insurance and Wagner Peyser programs.

6 - Expenditures Detail

For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

Expenditures noted are the cost of required property appraisals. Federal funds will be utilized to pay for the commercial appraisals. No FTE positions will be affected.

7 - Appropriations Detail

For information shown under state fiscal effect in 1 or 2, please explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.

No new appropriation is requested. Job Service appropriation bills contain a provision allowing for a continuing appropriation of Federal funds received. This is due to the sporadic and unknown funding amounts that the US

Department of Labor provides to Job Service for the continuation/operation of the Federal programs administered by Job Service.

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