

**Job Service North Dakota  
Budget No. 380  
Senate Bill No. 2016**

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
<b>2021-23 legislative appropriations</b>	<b>156.61</b>	<b>\$410,229</b>	<b>\$64,995,263</b>	<b>\$65,405,492</b>
2021-23 base budget	172.61	430,624	64,643,718	65,074,342
Legislative increase (decrease) to base budget	(16.00)	(\$20,395)	\$351,545	\$331,150

**ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS**

	<b>Ongoing General Fund Appropriation</b>	<b>One-Time General Fund Appropriation</b>	<b>Total General Fund Appropriation</b>
<b>2021-23 legislative appropriations</b>	<b>\$410,229</b>	<b>\$0</b>	<b>\$410,229</b>
2019-21 legislative appropriations	430,624	0	430,624
2021-23 legislative increase (decrease) to 2019-21 appropriations	(\$20,395)	\$0	(\$20,395)
Percentage increase (decrease) to 2019-21 appropriations	(4.7%)	N/A	(4.7%)

**SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS  
Changes to Base Budget**

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
The legislative action:				
Adjusted funding for base payroll changes		\$148	\$24,136	\$24,284
Added funding to provide employee salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100 and 2.0 percent on July 1, 2022		1,124	758,692	759,816
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,428.77 per month		12	7,384	7,396
Transferred 16 FTE positions to Information Technology Department (ITD), reducing federal funds for salaries and wages by \$2,368,775 for 11 funded FTE positions and adding \$3,569,976 of federal funds for operating expenses to pay ITD for the services of up to 16 FTE positions to the extent federal funds are available. Of the 16 FTE positions in Job Service North Dakota, 5 were unfunded.	(16.00)		1,201,201	1,201,201
Added federal funding for Microsoft Office 365 license expenses			23,243	23,243

Reduced funding for unemployment insurance operating expenses, primarily related to information technology data processing, information technology contractual services and repairs, and information technology equipment	(21,679)	(4,248,062)	(4,269,741)
Added federal funding for trade assistance grants to provide a total of \$2,177,118		1,080,063	1,080,063
Added federal funding for Workforce Investment Act grants to provide a total of \$6,103,933		1,034,876	1,034,876
Added federal funding for the unemployment insurance system modernization project to provide a total of \$10,945,126 in the Reed Act - Unemployment insurance computer modernization line item		470,012	470,012
Total	<u>(16.00)</u>	<u>(\$20,395)</u>	<u>\$351,545</u>

#### FTE Changes

The Legislative Assembly approved 156.61 FTE positions for Job Service North Dakota for the 2021-23 biennium, a decrease of 16 FTE positions from the 2019-21 biennium level of 172.61 FTE positions. The Legislative Assembly transferred 16 FTE information technology positions to ITD for the information technology unification initiative, of which 5 FTE positions were unfunded in previous bienniums.

#### Federal COVID-19 Funding - 2019-21 Biennium

In House Bill No. 1395, the Legislative Assembly appropriated \$370,953,307 of federal coronavirus relief funds to Job Service North Dakota for the 2019-21 biennium, for state unemployment insurance claims and to minimize the impact to employer tax rates (\$355,600,000), reimbursable group premiums related to COVID-19 unemployment costs (\$10,953,307), temporary staff and overtime costs (\$2,200,000), contractual services for mainframe application management (\$500,000), and other COVID-19-related costs, primarily for information technology programming costs for new federal unemployment insurance benefits programs (\$1,700,000). This funding was transferred to the unemployment insurance trust fund.

During the 2019-21 biennium, Job Service North Dakota received and spent federal funding for various programs as a result of the COVID-19 pandemic pursuant to continuing appropriation authority in Section 4 of House Bill No. 1016 (2019). Through April 30, 2021, Job Service North Dakota received and spent approximately \$709 million for these programs, primarily for the federal pandemic unemployment compensation program (\$510 million), pandemic emergency unemployment compensation program (\$118 million), the pandemic unemployment assistance program (\$63 million), and the emergency relief for government entities and nonprofits program for reimbursable group premiums (\$11.5 million). This funding was deposited in and spent from the unemployment insurance trust fund. The balance of the fund as of April 30, 2021, was \$239.3 million, compared to the pre-pandemic fund balance of \$192.8 million on March 16, 2020.

#### Other Sections in Senate Bill No. 2016

**Federal funds appropriation** - Section 3 provides all federal funds received by Job Service North Dakota in excess of those funds appropriated in Section 1 are appropriated for the 2021-23 biennium.

**Unemployment insurance computer modernization project** - Section 4 identifies \$10,945,126 of other funds appropriated in Section 1 from federal Reed Act distributions received in federal fiscal years 1957, 1958, 1999, and 2002 is for developing a modernized unemployment insurance computer system.

**Unemployment benefit waiting period** - Section 5 amends North Dakota Century Code Section 52-06-01(4) to allow the Executive Director of Job Service North Dakota to suspend the unemployment benefit waiting period when federal reimbursement for benefit charges incurred are made available to Job Service North Dakota. This section was declared an emergency measure.

**Information technology unification initiative** - Section 6 provides ITD may not charge state agencies selected to participate in the 2021-23 biennium information technology unification initiative an amount in excess of the salaries and wages and related operating expenses of any FTE positions transferred to ITD during the 2021-23 biennium. Legislative intent was provided that any FTE position transferred to ITD for the 2021-23 biennium information technology unification initiative be transferred to the agency employing the position during the 2019-21 biennium, unless the 68<sup>th</sup> Legislative Assembly is presented with sufficient evidence of efficiencies gained and cost-savings realized by the state as a result of the 2021-23 biennium information technology unification initiative. **This section was repealed in Section 8 of Senate Bill No. 2021 (2021) and replaced with Section 10 of Senate Bill No. 2021 (2021).** See the report for Budget No. 112 - Information Technology Department.

#### **Related Legislation**

**House Bill No. 1278 - Military spouse unemployment benefits** - This bill provides military spouses that terminate employment to move due to a military transfer are eligible for unemployment insurance benefits.

**House Bill No. 1395 - COVID-19 funds** - This bill provides a 2019-21 biennium appropriation of \$370,953,307 from the federal Coronavirus Relief Fund to Job Service North Dakota.