

**Department 380 - Job Service North Dakota
Senate Bill No. 2016**

Executive Budget Comparison to Prior Biennium Appropriations

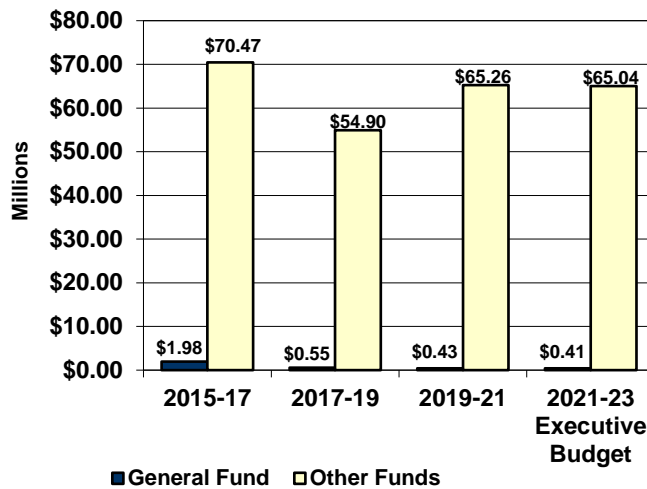
	FTE Positions	General Fund	Other Funds	Total
2021-23 Executive Budget	156.61	\$410,561	\$65,040,160	\$65,450,721
2019-21 Legislative Appropriations	172.61	430,624	65,255,570	65,686,194
Increase (Decrease)	(16.00)	(\$20,063)	(\$215,410)	(\$235,473)

¹The 2019-21 biennium agency appropriation amounts have not been adjusted for additional federal Coronavirus (COVID-19) funds authority of \$372,381,213, resulting from Emergency Commission action during the 2019-21 biennium.

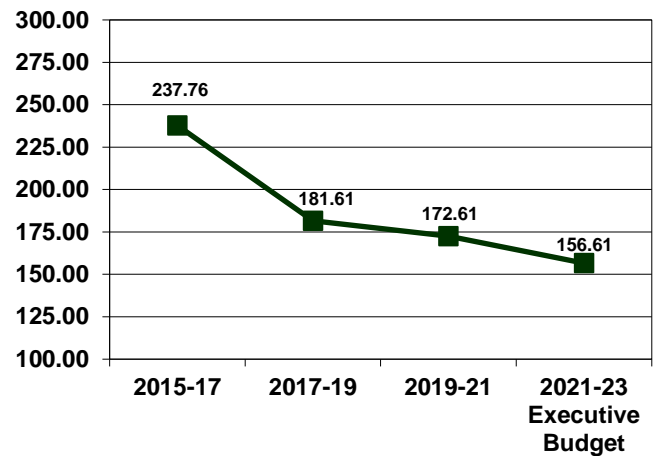
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2021-23 Executive Budget	\$410,561	\$0	\$410,561
2019-21 Legislative Appropriations	430,624	0	430,624
Increase (Decrease)	(\$20,063)	\$0	(\$20,063)

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2021-23 Executive Budget	\$410,561	\$65,040,160	\$65,450,721
2021-23 Base Level	430,624	64,643,718	65,074,342
Increase (Decrease)	(\$20,063)	\$396,442	\$376,379

Attached as an appendix is a detailed comparison of the executive budget to the agency's base level appropriations.

Executive Budget Highlights

	General Fund	Other Funds	Total
1. Provides funding for state employee salary and benefit increases, of which \$758,705 is for salary increases, \$7,396 is for health insurance increases, and \$124,919 is for retirement contribution increases	\$1,468	\$889,552	\$891,020
2. Transfers 16 FTE information technology positions to the Information Technology Department (ITD) for an information technology unification initiative. Of these FTE positions, 6 were unfunded in previous bienniums, resulting in federal funding of \$2,368,775 being removed in the salaries and wages line item relating to the 10 funded FTE positions. Federal funding of \$3,491,397 is added in the operating expenses line item to pay ITD for the use of all 16 FTE positions if federal funding becomes available.	\$0	\$1,122,622	\$1,122,622

3. Adds funding from federal funds (\$21,888) and the Job Service North Dakota operating fund (\$1,355) for Microsoft Office 365 license expenses	\$0	\$23,243	\$23,243
4. Reduces funding for 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)
5. Adds federal funding for trade assistance grants (\$1,080,063) and Workforce Investment Act grants (\$1,034,876) to provide total grant funding of \$2,177,118 and \$6,103,933, respectively.	\$0	\$2,114,939	\$2,114,939
6. Adds federal funding for the unemployment insurance system modernization project to provide a total of \$17,420,906 for the project, of which \$6,475,780 is in the operating expenses line item and \$10,945,126 is in the Reed Act - Unemployment insurance computer modernization line item	\$0	\$470,012	\$470,012

**Other Sections Recommended to be Added in the Executive Budget
(As Detailed in the Attached Appendix)**

Reed Act funds - Section 3 would provide \$10,945,126 of funding appropriated in Section 1 is from federal Reed Act funds made available to the state by the federal Reed Act distributions made in federal fiscal years 1957, 1958, 1999, and 2002, pursuant to Section 903 of the federal Social Security Act for the purpose of developing a modernized unemployment insurance computer system.

Federal funds appropriation - Section 4 would appropriate all federal funds received by Job Service North Dakota in excess of those funds appropriated in Section 1.

Continuing Appropriations

Federal advance interest repayment fund - North Dakota Century Code Section 52-04-22 - Collection of penalty and interest on delinquent unemployment insurance contribution reports and payment of any interest due on federal and nonfederal obligations of the unemployment insurance trust fund.

Unemployment insurance tax fund - Section 52-03-04 - Collection of unemployment taxes and the payments of unemployment benefits.

Job task analysis - Section 52-08-13 - Collection of fees for providing job task analysis services to employers that request these services and the payment of the expenses related to the activity.

Significant Audit Findings

The financial statement audit for Job Service North Dakota conducted by Brady, Martz and Associates, PC for the period ending June 30, 2019, identified no significant audit findings.

Major Related Legislation

At this time, no major related legislation has been introduced affecting this agency.

Job Service North Dakota - Budget No. 380
Senate Bill No. 2016
Base Level Funding Changes

	Executive Budget Recommendation			
	FTE Positions	General Fund	Other Funds	Total
2021-23 Biennium Base Level	172.61	\$430,624	\$64,643,718	\$65,074,342
2021-23 Ongoing Funding Changes				
Base payroll changes		\$148	\$24,136	\$24,284
Salary increase		1,250	757,455	758,705
Health insurance increase		12	7,384	7,396
Retirement contribution increase		206	124,713	124,919
Transfers FTE information technology positions to ITD	(16.00)		1,122,622	1,122,622
Adds funding for Microsoft Office 365 license expenses			23,243	23,243
Reduces funding for operating expenses		(21,679)	(4,248,062)	(4,269,741)
Adds funding for trade assistance and Workforce Investment Act grants			2,114,939	2,114,939
Adds federal funding for the unemployment insurance system project			470,012	470,012
Total ongoing funding changes	(16.00)	(\$20,063)	\$396,442	\$376,379
One-time funding items				
No one-time funding items				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	(16.00)	(\$20,063)	\$396,442	\$376,379
2021-23 Total Funding	156.61	\$410,561	\$65,040,160	\$65,450,721
<i>Total ongoing changes as a percentage of base level</i>	(9.3%)	(4.7%)	0.6%	0.6%
<i>Total changes as a percentage of base level</i>	(9.3%)	(4.7%)	0.6%	0.6%

Other Sections in Job Service North Dakota - Budget No. 380

Reed Act funds

Executive Budget Recommendation

Section 3 would provide \$10,945,126 of funding appropriated in Section 1 is from federal Reed Act funds made available to the state by the federal Reed Act distributions made in federal fiscal years 1957, 1958, 1999, and 2002, pursuant to Section 903 of the federal Social Security Act for the purpose of developing a modernized unemployment insurance computer system.

Federal funds appropriation

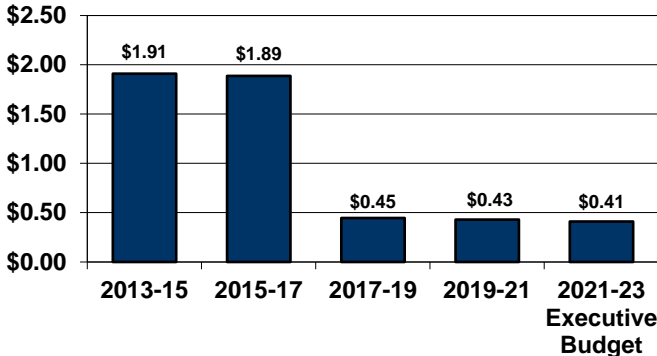
Section 4 would appropriate all federal funds received by Job Service North Dakota in excess of those funds appropriated in Section 1.

Department 380 - Job Service North Dakota

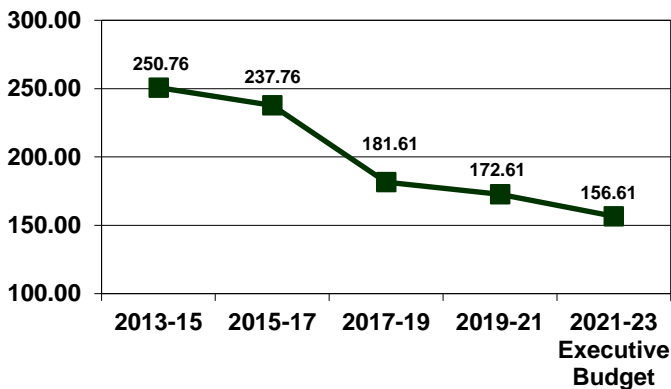
Historical Appropriations Information

Ongoing General Fund Appropriations Since 2013-15

Ongoing General Fund Appropriations (in Millions)



FTE Positions



Ongoing General Fund Appropriations					
	2013-15	2015-17	2017-19	2019-21	2021-23 Executive Budget
Ongoing general fund appropriations	\$1,910,235	\$1,888,080	\$445,793	\$430,624	\$410,561
Increase (decrease) from previous biennium	N/A	(\$22,155)	(\$1,442,287)	(\$15,169)	(\$20,063)
Percentage increase (decrease) from previous biennium	N/A	(1.2%)	(76.4%)	(3.4%)	(4.7%)
Cumulative percentage increase (decrease) from 2013-15 biennium	N/A	(1.2%)	(76.7%)	(77.5%)	(78.5%)

Major Increases (Decreases) in Ongoing General Fund Appropriations

2015-17 Biennium

- 1. Added funding for Virtual OneStop application to allow access to Job Service North Dakota job listings \$100,000

2017-19 Biennium

- 1. Removed funding for the Workforce 20/20 program (\$1,432,316)

2019-21 Biennium

- 1. Removed 9 FTE unfunded positions and related operating expenses of \$22,290 (\$22,290)

2021-23 Biennium (Executive Budget Recommendation)

- 1. Reduces funding for operating expenses related to information technology contractual services and repairs (\$21,679)

**GOVERNOR'S RECOMMENDATION FOR
JOB SERVICE NORTH DAKOTA AS SUBMITTED BY
THE OFFICE OF MANAGEMENT AND BUDGET**

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to job service North Dakota for the purpose of defraying the expenses of job service North Dakota, for the biennium beginning July 1, 2021 and ending June 30, 2023, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
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	0	20,000
Grants	6,166,112	2,114,939	8,281,051
Reed Act–UI Computer Modernization	<u>10,475,114</u>	<u>470,012</u>	<u>10,945,126</u>
Total All Funds	\$65,074,342	\$ 376,379	\$65,450,721
Less Estimated Income	<u>64,643,718</u>	<u>396,442</u>	<u>65,040,160</u>
Total General Fund	\$ 430,624	(\$ 20,063)	\$ 410,561
Full-time Equivalent Positions	172,61	(16.00)	156.61

SECTION 2. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-sixth legislative assembly for the 2019-21 biennium:

<u>One-Time Funding Description</u>	<u>2019-21</u>	<u>2021-23</u>
Unemployment Insurance Modernization Project	\$611,852	\$0
Total All Funds	\$611,852	\$0
Total Special Funds	<u>611,852</u>	<u>0</u>
Total General Fund	\$ 0	\$0

SECTION 3. APPROPRIATION - REED ACT FUNDS - UNEMPLOYMENT INSURANCE COMPUTER MODERNIZATION. The special fund appropriation of \$10,945,126 in section 1 of this Act is from federal Reed Act funds made available to the state by the federal Reed Act distributions made in federal fiscal years 1957, 1958, 1999, and 2002, pursuant to section 903 of the Social Security Act. This sum, or so much of the sum as may be necessary, is for the purpose of developing a modernized unemployment insurance computer system, for the biennium beginning July 1, 2021 and ending June 30, 2023.

SECTION 4. APPROPRIATION. All federal funds received by job service North Dakota in excess of those funds appropriated in section 1 of this Act are appropriated for the biennium beginning July 1, 2021 and ending June 30, 2023.