

**Job Service North Dakota
Budget No. 380
House Bill No. 1016**

	FTE Positions	General Fund	Other Funds	Total
2023-25 legislative appropriations	158.61	\$6,578,847	\$113,594,052	\$120,172,899
2023-25 base budget	156.61	410,229	64,995,263	65,405,492
Legislative increase (decrease) to base budget	2.00	\$6,168,618	\$48,598,789	\$54,767,407

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2023-25 legislative appropriations	\$6,578,847	\$0	\$6,578,847
2021-23 legislative appropriations	410,229	0	410,229
2023-25 legislative increase (decrease) to 2021-23 appropriations	\$6,168,618	\$0	\$6,168,618
Percentage increase (decrease) to 2021-23 appropriations	1,503.7%	N/A	1,503.7%

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

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Adjusted funding for base payroll changes		\$393	\$204,416	\$204,809
Added funding to provide employee salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024		24,383	1,831,620	1,856,003
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,643 per month		1,286	749,706	750,992
Transferred funding for new FTE positions and estimated savings from vacant FTE positions to a new and vacant FTE funding pool in the Office of Management and Budget		(460,937)	(1,587,716)	(2,048,653)
Adjusted funding for salaries and wages from federal funds to the general fund		2,500,000	(2,500,000)	0
Added funding for FTE positions for the H2A foreign agriculture workers program, of which \$439,818 is for salaries and wages and \$23,460 is for related operating expenses	2.00	463,278		463,278

Added federal funding for 9 FTE vacant unfunded positions (\$1,166,890) and temporary salaries (\$2,188,431)			3,355,321	3,355,321
Added funding for a job placement pilot program for recently released formerly incarcerated individuals, of which \$340,000 is for salaries and wages of two temporary employees and \$300,000 is for grants for basic needs, such as housing, transportation, tools, work clothing, and equipment.	640,000			640,000
Added funding for information technology (IT) rate increases	215		135,577	135,792
Added funding from the general fund for unemployment insurance administration and IT inflation costs and federal funding for IT contractual services for the unemployment insurance program	3,000,000		2,209,296	5,209,296
Adjusted federal funding for operating expenses, primarily related to a decrease in IT data processing (\$1,194,375) and increases in postage (\$413,632), printing (\$138,899), operating fees and services (\$251,792), and professional fees and services (\$240,578)			(242,766)	(242,766)
Reduces federal funding for trade adjustment assistance grants to provide a total of \$1,467,177			(526,539)	(526,539)
Reduced federal funding for the unemployment insurance system modernization project to provide a total of \$10,915,000 in the Reed Act - unemployment insurance computer modernization line item			(30,126)	(30,126)
Added one-time funding from the federal State Fiscal Recovery Fund for the unemployment insurance modernization project			45,000,000	45,000,000
Total	<u>2.00</u>	<u>\$6,168,618</u>	<u>\$48,598,789</u>	<u>\$54,767,407</u>

FTE Changes

The Legislative Assembly approved 158.61 FTE positions for Job Service North Dakota for the 2023-25 biennium, an increase of 2 FTE positions from the 2021-23 biennium level of 156.61 FTE positions. The Legislative Assembly added 2 FTE positions for the H2A foreign agriculture workers program.

One-Time Funding

In Section 2 of House Bill No. 1016, the Legislative Assembly identified \$45 million from the federal State Fiscal Recovery Fund for the unemployment insurance modernization project.

Other Sections in House Bill No. 1016

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 2023-25 biennium.

Unemployment insurance computer modernization project - Reed Act Funds - Section 4 identifies \$10,915,000 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 insurance computer modernization project - Federal State Fiscal Recovery Fund - Section 5 identifies \$45 million of one-time funding appropriated in Section 1 is from the federal State Fiscal Recovery Fund for the unemployment insurance modernization project. The total estimated cost of the project is approximately \$75 million. Job Service North Dakota anticipates requesting additional funding for the project in future bienniums.

Related Legislation

House Bill No. 1092 (2023) - Minot regional office - Authorizes Job Service North Dakota to sell the Minot regional office.

House Bill No. 1093 (2023) - Grand Forks regional office - Authorizes Job Service North Dakota to sell a vacant lot near the Grand Forks regional office.

Senate Bill No. 2015 (2023) - Funding pools - Includes funding pools from which the agency may receive allocations, including the:

- Employer retirement contribution pool from which the agency is to receive \$140,822, including \$1,878 from the general fund and \$138,944 from other funds, in accordance with provisions of Section 23 of Senate Bill No. 2015 for the 1 percent employer retirement contribution increase provided for in House Bill No. 1040 (2023);
- New and vacant FTE funding pool from which the agency may request funding when hiring new FTE positions or if the agency does not realize sufficient savings from vacant FTE positions in accordance with provisions of Section 22 of Senate Bill No. 2015; and
- Targeted market equity pool from which the agency may receive an allocation as determined by the Office of Management and Budget in accordance with provisions of Section 20 of Senate Bill No. 2015.