

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

	FTE Positions	General Fund	Other Funds	Total
2023-25 legislative appropriation	158.61	\$6,578,847	\$113,594,052	\$120,172,899 ¹
2021-23 legislative appropriation	<u>156.61</u>	<u>410,229</u>	<u>64,995,263</u>	<u>65,405,492</u>
2023-25 appropriation increase (decrease) to 2021-23 appropriation	2.00	\$6,168,618	\$48,598,789	\$54,767,407

¹The 2023-25 legislative appropriation does not include any transfers of appropriation authority from the Office of Management and Budget funding pools for targeted market equity adjustments, retirement contribution increases, or new and vacant FTE positions.

Item Description

Full-time equivalent changes - The Legislative Assembly approved 158.61 FTE positions for Job Service North Dakota (JSND) for the 2023-25 biennium, an increase of 2 FTE positions from the 2021-23 biennium authorization of 156.61 FTE positions. The Legislative Assembly added 2 FTE positions for the H2A foreign agriculture workers program.

Targeted market equity - The Legislative Assembly appropriated \$82.5 million, of which \$45.1 million is from the general fund, to the Office of Management and Budget for a targeted market equity pool to be distributed to state agencies.

New and vacant FTE funding pool - The Legislative Assembly reduced \$2,048,653 of 2023-25 biennium appropriation authority for JSND for the new and vacant FTE funding pool, of which \$439,818 was for new FTE positions and \$1,608,835 was for estimated vacant salary savings. Of the total, \$460,937 was from the general fund and \$1,587,716 was from federal funds.

One-time funding - In House Bill No. 1016, the Legislative Assembly appropriated \$45 million of one-time funding from the federal State Fiscal Recovery Fund for the unemployment insurance modernization project.

Federal funds appropriation - Section 3 of House Bill No. 1016 provides all federal funds received by JSND in excess of those funds appropriated in Section 1 are appropriated for the 2023-25 biennium.

Unemployment insurance modernization project - In House Bill No. 1016, the Legislative Assembly appropriated \$10,915,000 of federal

Status/Result

The agency filled both FTE positions for the H2A foreign agriculture workers program in October 2023, but one of the individuals resigned in December 2023. The agency is currently interviewing to fill the vacant position.

The agency received \$710,757, including \$153,201 from the general fund and \$557,556 from federal funds, for targeted market equity increases. Equity increases were provided to 105 employees.

Through January 2024, JSND received \$378,052 from the new and vacant FTE funding pool to fill new FTE positions and had estimated vacant FTE position savings of \$500,182. The agency used \$7,683 of the savings for accrued leave payouts. The number of vacancies in the agency has ranged from 12 to 7 with an average monthly vacancy rate of 9.14 FTE positions.

Through March 31, 2024, JSND has spent \$792,261 of one-time funding on the unemployment insurance modernization project. A request for proposal was issued and the contract was awarded to Geographic Solutions, Inc. The project consists of two phases. Phase 1 includes the implementation of tax-related components and Phase 2 includes the implementation of benefits-related components. The agency anticipates requesting authorization to continue these funds into the 2025-27 biennium. See the **Unemployment insurance modernization project** section below.

Through April 2024, JSND has received an additional \$11.25 million in federal funding under this section. See the **Unemployment insurance modernization project** section below.

During the 2021-23 biennium, JSND reported progress on the unemployment insurance modernization project include replacing Unisys mainframe hardware

Reed Act distributions received in federal fiscal years 1957, 1958, 1999, and 2002 for developing a modernized unemployment insurance system for the 2023-25 biennium.

Job placement pilot program - In House Bill No. 1016, the Legislative Assembly appropriated \$640,000 from the general fund 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.

Unemployment insurance trust fund balance - North Dakota Century Code Section 52-02-17 requires JSND to report to the Legislative Council before March 1 of each year on the actual trust fund balance and the projected trust fund balance for the next 3 years.

with modern hardware and hosting the unemployment insurance program in a government cloud environment rather than on premises at JSND.

In April 2024, JSND received \$11.25 million in federal funding from an Unemployment Insurance Program Letter issued from the Department of Labor Office of Unemployment Insurance Modernization. The agency anticipates spending the funding pursuant to Section 3 of House Bill No. 1016, on cloud migration and optimization, implementation of standard application programming interfaces, system usability, integrating claim filing and reemployment services, and plain language correspondence.

The agency anticipates using federal Reed Act funds as necessary for ongoing maintenance of the current unemployment insurance system and the development of the new unemployment insurance system.

Through March 2024, JSND has spent \$168,455 of the \$640,000 appropriation, including \$111,469 on salaries and wages and \$56,986 on grants for basic needs. As of March 31, 2024, there were 96 active participants in the program, of which 68 were employed. The agency anticipates serving more than 300 formerly released incarcerated individuals during the 2023-25 biennium.

As of December 31, 2023, the balance of the unemployment trust fund was \$328 million, \$43 million more than the target balance of \$285 million, and the modified average high-cost multiplier was 1.04, 0.04 above the projected target of 1.00.