

**Department 380 - Job Service North Dakota**  
**House Bill No. 1016**

**Executive Budget Comparison to Base Level**

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
2023-25 Executive Budget	\$7,429,784	\$115,181,768	\$122,611,552
2023-25 Base Level	410,229	64,995,263	65,405,492
Increase (Decrease)	\$7,019,555	\$50,186,505	\$57,206,060

**Selected Budget Changes Recommended in the Executive Budget**

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
1. Adds funding for state employee salary and benefit increases of which \$1,856,003 is for salary increases and \$750,992 is for health insurance increases	\$25,669	\$2,581,326	\$2,606,995
2. Adds funding for 2 FTE positions for the H2A foreign agriculture workers program, of which \$439,818 is for salaries and \$23,460 is for operating expenses	\$463,278	\$0	\$463,278
3. Adds federal funding for 9 FTE vacant unfunded positions	\$0	\$1,166,890	\$1,166,890
4. Adds federal funding for temporary salaries	\$0	\$2,188,431	\$2,188,431
5. Adds federal funding for information technology (IT) contractual services for the unemployment insurance program	\$0	\$2,209,296	\$2,209,296
6. Adjusts funding for unemployment insurance administration and IT inflation costs	\$5,500,000	(\$2,500,000)	\$3,000,000
7. Adds <b>one-time funding</b> from the strategic investment and improvements fund for the unemployment insurance modernization project	\$0	\$45,000,000	\$45,000,000

A summary of the executive budget changes to the agency's base level appropriations is attached as an appendix.

A copy of the draft appropriations bill containing the executive budget recommendations is attached as an appendix.

**Selected Bill Sections Recommended in the Executive Budget**

**Reed Act funds** - Section 3 would identify \$10,915,000 of funding appropriated in Section 1 as 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.

**Unemployment insurance modernization project** - Section 5 would identify \$45 million appropriated in Section 1 is one-time funding from the strategic investment and improvements fund for the unemployment insurance modernization project.

**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.

**Deficiency Appropriations**

There are no deficiency appropriations for this agency.

**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, 2021, identified no significant audit findings.

**Major Related Legislation**

**House Bill No. 1092** - This bill gives Job Service North Dakota authority to sell the Minot regional office.

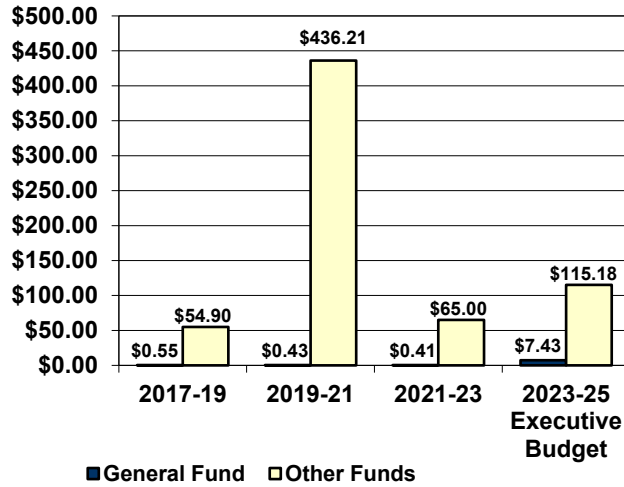
**House Bill No. 1093** - This bill gives Job Service North Dakota authority to sell a vacant lot near the Grand Forks regional office.

**January 6, 2023**

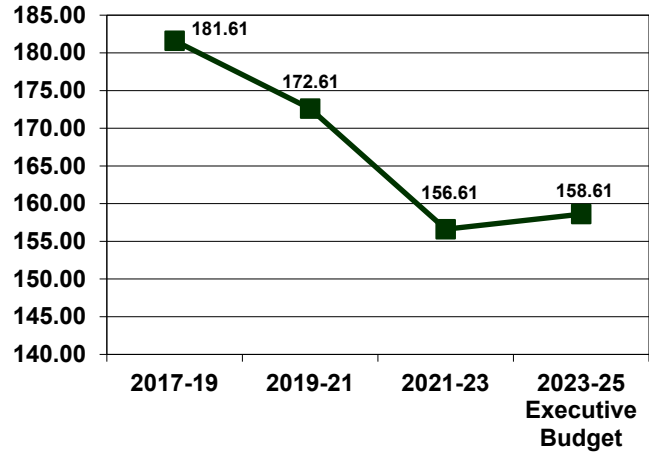
# Historical Appropriations Information

## Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



### Ongoing General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
Ongoing general fund appropriations	\$1,888,080	\$445,793	\$430,624	\$410,229	\$7,429,784
Increase (decrease) from previous biennium	N/A	(\$1,442,287)	(\$15,169)	(\$20,395)	\$7,019,555
Percentage increase (decrease) from previous biennium	N/A	(76.4%)	(3.4%)	(4.7%)	1,711.1%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	(76.4%)	(77.2%)	(78.3%)	293.5%

### Major Increases (Decreases) in Ongoing General Fund Appropriations

#### 2017-19 Biennium

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

#### 2019-21 Biennium

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

#### 2021-23 Biennium

- Reduced funding for unemployment insurance operating expenses, primarily related to IT data processing, IT contractual services and repairs, and IT equipment, including \$4,248,062 from federal funds and \$21,679 from the general fund (\$21,679)

#### 2023-25 Biennium (Executive Budget Recommendation)

- Adds funding for temporary positions for workforce facilitation at the Bakken Skills Center, of which \$340,000 is for salaries and \$50,000 is for operating expenses \$390,000
- Adds funding for a job placement pilot program for recently incarcerated individuals, of which \$340,000 is for temporary salaries and \$300,000 is for grants \$640,000
- Adjusts funding for unemployment insurance administration and IT inflation costs \$5,500,000

**One-Time General Fund Appropriations**

	<b>2015-17</b>	<b>2017-19</b>	<b>2019-21</b>	<b>2021-23</b>	<b>2023-25 Executive Budget</b>
One-time general fund appropriations	\$89,500	\$100,000	\$0	\$0	\$0

**Major One-Time General Fund Appropriations**

**2017-19 Biennium**

- 1. Renovation costs associated with a potential relocation to the Bismarck regional office \$100,000

**2019-21 Biennium**

- 1. None

**2021-23 Biennium**

- 1. None

**2023-25 Biennium (Executive Budget Recommendation)**

- 1. None

**Job Service North Dakota - Budget No. 380**  
**House Bill No. 1016**  
**Base Level Funding Changes**

	<b>Executive Budget Recommendation</b>			
	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
<b>2023-25 Biennium Base Level</b>	156.61	\$410,229	\$64,995,263	\$65,405,492
<b>2023-25 Ongoing Funding Changes</b>				
Adds funding for the cost to continue salary increases		\$393	\$204,416	\$204,809
Salary increase		24,383	1,831,620	1,856,003
Health insurance increase		1,286	749,706	750,992
Adds funding for FTE positions for the H2A foreign agriculture workers program	2.00	463,278		463,278
Adds federal funding for vacant FTE unfunded positions			1,166,890	1,166,890
Adds federal funding for temporary salaries			2,188,431	2,188,431
Adds funding for temporary positions for workforce facilitation at the Bakken Skills Center		390,000		390,000
Adds funding for a job placement pilot program for recently released former incarcerated individuals		640,000		640,000
Adds funding for IT rate increases		215	135,577	135,792
Adds federal funding for IT contractual services for the unemployment insurance program			2,209,296	2,209,296
Adjusts funding for unemployment insurance administration and IT inflation costs		5,500,000	(2,500,000)	3,000,000
Adjusts operating expenses			(242,766)	(242,766)
Reduces funding for the trade adjustment assistance for workers program			(526,539)	(526,539)
Reduces Reed Act funds			(30,126)	(30,126)
Total ongoing funding changes	2.00	\$7,019,555	\$5,186,505	\$12,206,060
<b>One-time funding items</b>				
Adds funding for the unemployment insurance modernization project			\$45,000,000	\$45,000,000
Total one-time funding changes	0.00	\$0	\$45,000,000	\$45,000,000
<b>Total Changes to Base Level Funding</b>	2.00	\$7,019,555	\$50,186,505	\$57,206,060
<b>2023-25 Total Funding</b>	158.61	\$7,429,784	\$115,181,768	\$122,611,552
<i>Federal funds included in other funds</i>			\$69,570,308	
<i>Total ongoing changes as a percentage of base level</i>	1.3%	1711.1%	8.0%	18.7%
<i>Total changes as a percentage of base level</i>	1.3%	1711.1%	77.2%	87.5%

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

	<b>Executive Budget Recommendation</b>
Reed Act funds	Section 3 would identify \$10,915,000 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.
Strategic investment and improvements fund - One-time funding	Section 5 would identify \$45 million appropriated in Section 1 is one-time funding from the strategic investment and improvements fund for the unemployment insurance system modernization project.

**HOUSE BILL NO. 1016**  
**(Governor's Recommendation)**

Introduced by

Appropriations Committee

(At the request of the Governor)

A bill for an Act to provide an appropriation for defraying the expenses of job service North Dakota.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**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, 2023 and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$28,994,942	\$7,286,943	\$36,281,885
Operating Expenses	17,164,373	50,175,782	67,340,155
Capital Assets	20,000	0	20,000
Grants	8,281,051	(226,539)	8,054,512
Reed Act–UI Computer Modernization	<u>10,945,126</u>	<u>(30,126)</u>	<u>10,915,000</u>
Total All Funds	\$65,405,492	\$57,206,060	\$122,611,552
Less Estimated Income	<u>64,995,263</u>	<u>50,186,505</u>	<u>115,181,768</u>
Total General Fund	\$ 410,229	\$ 7,019,555	\$ 7,429,784
Full-time Equivalent Positions	156.61	2.00	158.61

**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>2021-23</u>	<u>2023-25</u>
Unemployment Insurance Modernization Project	\$611,852	\$45,000,000
Total All Funds	\$611,852	\$45,000,000
Total Special Funds	<u>611,852</u>	<u>45,000,000</u>
Total General Fund	\$0	\$0

The 2023-25 one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The job service North Dakota shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023 and ending June 30, 2025.

**SECTION 3. APPROPRIATION - REED ACT FUNDS - UNEMPLOYMENT INSURANCE COMPUTER MODERNIZATION.** The special fund appropriation of \$10,915,000 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, 2023 and ending June 30, 2025.

**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, 2023 and ending June 30, 2025.

**SECTION 5. ESTIMATED INCOME – STRATEGIC INVESTMENT AND IMPROVEMENTS FUND – ONE TIME FUNDING.** The estimated income line item in section 1 of this Act includes the sum of \$45,000,000 from the strategic investment and improvements fund for the unemployment insurance system modernization project. This funding is considered a one-time funding item.