

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

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriation	159.61	\$10,650,393 ¹	\$68,469,524	\$79,119,917
2023-25 legislative appropriation	<u>158.61</u>	<u>6,733,919</u>	<u>114,268,250</u>	<u>121,002,169</u>
2025-27 appropriation increase (decrease) to 2023-25 appropriation	1.00	\$3,916,474	(\$45,798,726)	(\$41,882,252)

¹This amount includes \$2,100,000 of one-time funding. Excluding this amount, the agency's ongoing General Fund appropriation is \$8,550,393.

Item Description

Full-time equivalent changes - The Legislative Assembly approved 159.61 FTE positions for Job Service North Dakota (JSND) for the 2025-27 biennium, an increase of 1 FTE position from the 2023-25 biennium authorization of 158.61 FTE positions. The Legislative Assembly added 1 FTE position for the H2A foreign agriculture workers program.

New and vacant FTE pool - The Legislative Assembly transferred \$2,252,705 from the salaries and wages line item to the new and vacant FTE pool line item and reduced the amount to \$1,614,189 for estimated savings from vacant FTE positions.

One-time funding - In Senate Bill No. 2016, the Legislative Assembly appropriated \$2.1 million of one-time funding from the General Fund to replace salaries and wages funding from federal funds.

Unemployment insurance modernization project - In Section 5 of Senate Bill No. 2016, the Legislative Assembly appropriated \$10,915,000 of federal Reed Act distributions received in federal fiscal years 1957, 1958, 1999, and 2002 for developing a modernized unemployment insurance system for the 2025-27 biennium.

In Section 6 of the bill, the Legislative Assembly provided JSND an exemption to continue \$45 million appropriated from the federal State Fiscal Recovery Fund during the 2023-25 biennium for the unemployment insurance modernization project into the 2025-27 biennium.

Section 4 of the bill provides all federal funds received by JSND in excess of those funds appropriated in Section 1 are appropriated for the 2025-27 biennium.

Status/Result

Job Service North Dakota filled the H2A foreign agriculture workers program FTE position in October 2025; however, the role has since become vacant. The agency is currently working to fill the vacancy.

Through February 2026, JSND had received \$158,103 from the new and vacant FTE pool to fill the H2A foreign agriculture workers program position and had not received any funding to fill vacant FTE positions. The agency had estimated vacant FTE position savings of \$301,723 during the first 7 months of the 2025-27 biennium. The agency used \$93,694 of the savings for accrued leave payouts. The number of vacancies in the agency has ranged from 6 to 9 FTEs with an average monthly vacancy rate of 7.14 FTE positions.

The agency is allocating the funding proportionally throughout the biennium to replace federal funds for salaries and wages and anticipates fully expending the appropriation during the 2025-27 biennium.

Through April 2026, \$12,898,137 has been spent from the State Fiscal Recovery Fund on the unemployment insurance modernization project. The State Fiscal Recovery Fund authority is required to be expended by December 31, 2026. The agency anticipates approximately \$10.8 million in further spending prior to the December 31, 2026, deadline and approximately \$13.1 million in unexpended funds, which in accordance with Section 11 of House Bill No. 1015 (2025), will be transferred to the Department of Corrections and Rehabilitation for salaries and wages expenses, prior to December 31, 2026. In November 2024, \$8,230,917 of uncommitted State Fiscal Recovery Fund authority was transferred to the Department of Corrections and Rehabilitation to defray salaries and wages and other operating costs of the agency.

The tax-related components of the project are in testing and the benefits-related components of the project remain in development, with an initial implementation date of October 17, 2026. Remaining system functionality is expected to be implemented in 2027.

In April 2024, JSND was awarded \$11.25 million in federal funding through an unemployment insurance program letter from the United States Department of Labor Office of Unemployment Insurance Modernization. The agency anticipated using the funding to support project costs after the State Fiscal Recovery Fund authority deadline of December 31, 2026, pursuant to Section 4 of Senate Bill No. 2016. The grant was rescinded by the federal government in summer 2025. The agency anticipates requesting additional funding from the General Fund for the project during the 2027 legislative session.

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

Job Placement Partnership Program - The Job Placement Partnership Program for recently released formerly incarcerated individuals was established in House Bill No. 1016 (2023). The Legislative Assembly provided \$640,000 from the General Fund for the program for the 2025-27 biennium, of which \$340,000 is for salaries and wages and \$300,000 is for grants for basic needs, such as housing, transportation, tools, work clothing, and equipment.

H2A foreign agriculture workers program - In Senate Bill No. 2016, the Legislative Assembly appropriated \$679,838 from the General Fund for the H2A foreign agriculture workers program during the 2025-27 biennium.

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.

Through March 2026, JSND has spent \$223,323 on the program, including \$128,102 on salaries and wages and \$95,221 on grants for basic needs. As of March 19, 2026, there were 102 active participants in the program, of whom 65 percent were employed. The agency has received 638 referrals from the Department of Corrections and Rehabilitation since program inception, with 336 participants having exited the program and a recidivism rate of 12 percent among exited participants. The agency anticipates serving more than 500 formerly incarcerated individuals during the 2025-27 biennium.

Through March 2026, JSND has spent \$215,713 on the program. During the fiscal year ended June 30, 2025, JSND processed 1,532 applications and conducted 2,007 inspections, supporting the hiring of 4,986 foreign agricultural workers by North Dakota agricultural producers. Application and inspection volumes increased between 20 and 25 percent during the first two quarters of the current fiscal year.

As of December 31, 2025, the balance of the Unemployment Insurance Trust Fund was \$332.1 million, \$11.6 million more than the target balance of \$320.5 million, and the modified average high-cost multiplier was 1.03, 0.03 above the projected target of 1.00.