

2025 HOUSE APPROPRIATIONS

HB 1007

**DEPARTMENT 406 - DEPARTMENT OF LABOR AND HUMAN RIGHTS
2025-27 BASE-LEVEL BUDGET**

Base Budget - Summary

	<u>Base Level</u>
Salaries and wages	\$2,787,854
Operating expenses	<u>378,407</u>
Total all funds	\$3,166,261
Less other funds	<u>511,925</u>
Total general fund	\$2,654,336
Full-time equivalent (FTE) positions	13.00

Selected Base Budget Information

	General Fund	Other Funds	Total
1. Includes funding for salaries and wages of 13.00 FTE positions	\$2,470,960	\$316,894	\$2,787,854
2. Includes funding for operating expenses, primarily related to building rent (\$90,767), data processing (\$89,440), and professional fees (\$83,953)	\$183,376	\$195,031	\$378,407

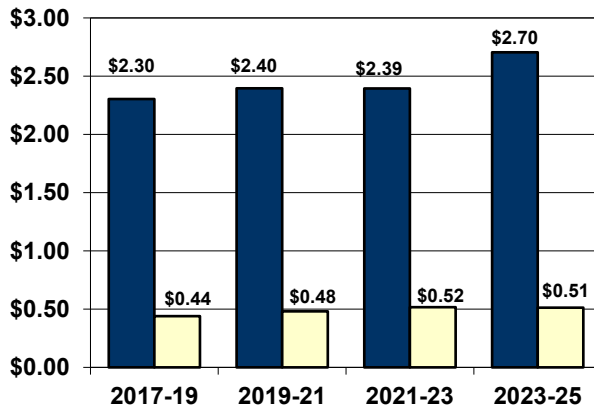
Continuing Appropriations

There are no continuing appropriations for this agency.

Historical Appropriations Information

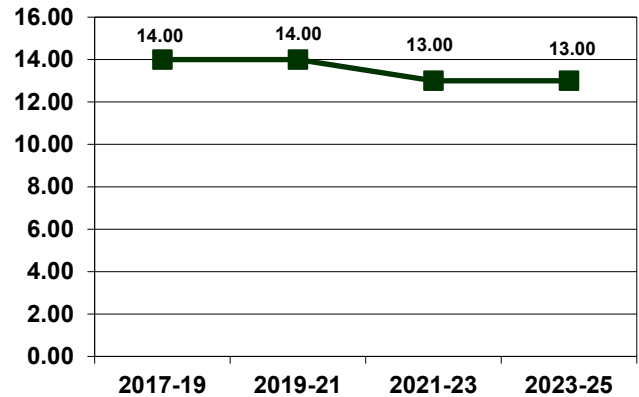
Agency Appropriations and FTE Positions

Agency Funding (Millions)



■ General Fund □ Other Funds

FTE Positions



Ongoing General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25
Ongoing general fund appropriations	\$2,347,241	\$2,303,986	\$2,325,510	\$2,246,469	\$2,654,336
Increase (decrease) from previous biennium	N/A	(\$43,255)	\$21,524	(\$79,041)	\$407,867
Percentage increase (decrease) from previous biennium	N/A	(1.8%)	0.9%	(3.4%)	18.2%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	(1.8%)	(0.9%)	(4.3%)	13.1%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2017-19 Biennium

1. Removed 1 FTE administrative assistant position and related funding of \$52,998 (funding of \$42,794 was removed as part of the August 2016 budget reductions, resulting in a total reduction of \$95,792 for this position) (\$52,998)
2. Reduced funding for operating expenses (\$32,409)

2019-21 Biennium

None \$0

2021-23 Biennium

1. Removed funding for 1 vacant FTE compliance investigator II position (\$142,028)

2023-25 Biennium

1. Added funding to reclassify an existing FTE compliance investigator II position to an FTE wage and hour division director position \$139,510
2. Added funding for a new Capitol space rent model \$74,267

One-Time General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25
One-time general fund appropriations	\$0	\$0	\$69,659	\$147,717	\$50,000

Major One-Time General Fund Appropriations

2017-19 Biennium

None \$0

2019-21 Biennium

1. Paperless storage system \$69,659

2021-23 Biennium

1. Upgrade case management system \$147,717

2023-25 Biennium

1. Occupational and professional boards study \$50,000



Department of Labor and Human Rights
Department No. 406
2025 House Bill No. 1007

EXECUTIVE BUDGET RECOMMENDATION
2025-27 BIENNIUM

Budget Summary

	FTE Positions	General Fund	Other Funds	Total
Executive budget recommendation	13.00	\$3,159,145	\$554,264	\$3,713,409
Base level	13.00	2,654,336	511,925	3,166,261
Increase (decrease)	0.00	\$504,809	\$42,339	\$547,148
Percentage increase (decrease)	0.0%	19.0%	8.3%	17.3%

NOTE:

More detailed information on the executive budget recommendation is attached as Appendix A.

A copy of the draft appropriations bill reflecting the executive budget recommendation is attached as Appendix B.

Selected Highlights

- Adds \$139,627 for salary increases of up to 4 percent effective July 1, 2025, and 3 percent effective July 1, 2026.
- Adds \$78,069 for a health insurance increase of \$250 per month (15.2 percent), from \$1,643 to \$1,893, per employee.
- Adds \$79,165 to replace the 2023-25 vacant FTE pool.

Deficiency Appropriations

There are no deficiency appropriations for this agency.

Significant Audit Findings

There are no significant audit findings for this agency.

Agency Fees

As reported to the Legislative Management, pursuant to North Dakota Century Code Section 54-35-27, this agency did not have any fees.

Major Related Legislation

As of the date of this report, there is no major related legislation for this agency.

NOTE:

Please see the Fiscal Impact Report for additional information regarding bills under consideration which contain either a state revenue impact, an appropriation, or a state fiscal impact.



Department of Labor and Human Rights - Budget No. 406
Agency Worksheet - House Bill No. 1007

	Executive Budget			
	FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	13.00	\$2,654,336	\$511,925	\$3,166,261
2025-27 Ongoing Funding Changes				
Base payroll changes		\$130,757	(\$10,689)	\$120,068
Adds funding for cost to continue salaries		34,046	7,129	41,175
Salary increase		124,821	14,806	139,627
Health insurance increase		68,881	9,188	78,069
Adds funding to replace the 2023-25 vacant FTE pool		65,389	13,776	79,165
Adjusts base funding for temporary salaries		80,080		80,080
Adjusts base funding for travel		835	8,129	8,964
Total ongoing funding changes	0.00	\$504,809	\$42,339	\$547,148
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	0.00	\$504,809	\$42,339	\$547,148
2025-27 Total Funding	13.00	\$3,159,145	\$554,264	\$3,713,409
<i>Federal funds included in other funds</i>			\$554,264	

<i>Total ongoing changes - Percentage of base level</i>	0.0%	19.0%	8.3%	17.3%
<i>Total changes - Percentage of base level</i>	0.0%	19.0%	8.3%	17.3%

Other Sections in Department of Labor and Human Rights - Budget No. 406

Section Description	Executive Budget
FTE position adjustments	Section 2 would authorize the Department of Labor and Human Rights to increase or decrease authorized FTE positions subject to the availability of funds.

Sixty-ninth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1007
(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 the department of labor and human rights; and to provide an exemption.

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 the department of labor and human rights for the purpose of defraying the expenses of the department of labor and human rights, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$2,787,854	\$538,184	\$3,326,038
Operating Expenses	378,407	8,964	387,371
Total All Funds	\$3,166,261	\$547,148	\$3,713,409
Less Estimated Income	503,398	50,866	554,264
Total General Fund	\$2,662,863	\$496,282	\$3,159,145
Full-time Equivalent Positions	13.00	0.00	13.00

SECTION 2. EXEMPTION - FULL-TIME EQUIVALENT POSITION ADJUSTMENTS. Notwithstanding any other provisions of law, the department of labor and human rights may increase or decrease authorized full-time equivalent positions as needed, subject to availability of funds, during the biennium beginning July 1, 2025, and ending June 30, 2027. The department of labor and human rights shall report to the office of management and budget and legislative council any adjustments made pursuant to this section.



Department of Labor and Human Rights
Department No. 406
2025 House Bill No. 1007

REVISED EXECUTIVE BUDGET RECOMMENDATION
2025-27 BIENNIUM

Budget Summary

	FTE Positions	General Fund	Other Funds	Total
Burgum executive budget recommendation	13.00	\$3,159,145	\$554,264	\$3,713,409
Revisions - Increase (decrease)	0.00	(22,782)	(2,705)	(25,487)
Armstrong executive budget recommendation	13.00	\$3,136,363	\$551,559	\$3,687,922
Base level	13.00	2,654,336	511,925	3,166,261
Increase (decrease)	0.00	\$482,027	\$39,634	\$521,661
Percentage increase (decrease)	0.0%	18.2%	7.7%	16.5%

NOTE:

More detailed information on the revised executive budget recommendation is attached as an appendix.

Selected Highlights

- **Adds \$114,140 for salary increases of up to 3 percent effective July 1, 2025, and 3 percent effective July 1, 2026**
- Adds \$78,069 for a health insurance increase of \$250 per month (15.2 percent), from \$1,643 to \$1,893, per employee
- Adds \$79,165 to replace the 2023-25 vacant FTE pool

Deficiency Appropriations

There are no deficiency appropriations for this agency.

Significant Audit Findings

There are no significant audit findings for this agency.

Agency Fees

As reported to the Legislative Management, pursuant to North Dakota Century Code Section 54-35-27, this agency did not have any fees.

Major Related Legislation

House Bill No. 1036 - This bill creates the division of apprenticeship within the department and provides an appropriation of \$650,000 from the general fund for 3 FTE positions to administer the division.

Senate Bill No. 2239 - This bill creates an apprenticeship grant program and provides an appropriation of \$1.1 million from the general fund for administering the program.

NOTE:

Please see the Fiscal Impact Report for additional information regarding bills under consideration which contain either a state revenue impact, an appropriation, or a state fiscal impact.



Department of Labor and Human Rights - Budget No. 406
Agency Worksheet - House Bill No. 1007

	Armstrong Executive Budget			
	FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	13.00	\$2,654,336	\$511,925	\$3,166,261
2025-27 Ongoing Funding Changes				
Base payroll changes		\$130,757	(\$10,689)	\$120,068
Adds funding for cost to continue salaries		34,046	7,129	41,175
Salary increase		102,039	12,101	114,140
Health insurance increase		68,881	9,188	78,069
Adds funding to replace the 2023-25 vacant FTE pool		65,389	13,776	79,165
Adjusts base funding for temporary salaries		80,080		80,080
Adjusts base funding for travel		835	8,129	8,964
Total ongoing funding changes	0.00	\$482,027	\$39,634	\$521,661
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	0.00	\$482,027	\$39,634	\$521,661
2025-27 Total Funding	13.00	\$3,136,363	\$551,559	\$3,687,922

Federal funds included in other funds

\$551,559

Total ongoing changes - Percentage of base level

0.0%

18.2%

7.7%

16.5%

Total changes - Percentage of base level

0.0%

18.2%

7.7%

16.5%

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division

Brynhild Haugland Room, State Capitol

HB 1007

1/16/2025

To provide an appropriation for defraying the expenses of the department of labor and human rights.

8:31 a.m. Chairman Monson called the meeting to order.

Members Present: Chairman Monson, Vice Chairman Brandenburg, Representative Bosch, Representative Fischer, Representative Kempenich, Representative Meier, Representative Pyle

Discussion Topics:

- Statutory Duties of ND Labor and Human Rights
- ND Housing Discrimination Act
- Remote Workers
- ND Labor and Human Rights caseload
- ND Labor and Human Rights Biennium budget request
- ND Labor and Human Rights FTEs
- ND Labor and Human Rights Federal Funding

8:34 a.m. Zachary Greenberg, Interim Commissioner, ND Department of Labor and Human Rights, testified in favor and provided testimony #29377 and #29379.

9:15 a.m. Chairman Monson adjourned the meeting.

Madaline Cooper, Committee Clerk



House Appropriations Committee
H.B. 1007

DEPT. OF LABOR AND HUMAN RIGHTS **NORTH Dakota**
Zachary Greenberg, Interim Labor Commissioner Be Legendary.™

PURPOSE: TO IMPROVE WELFARE OF NORTH DAKOTANS AND THEIR INDUSTRIES

(NDCC 34-05)

Labor Relations:

- Improve working conditions
- Promote cooperative relations and mediate disputes between employers and employees
- Enforce ND labor laws (NDCC Title 34)

Individual Rights:

- Enforce ND Human Rights Act (NDCC 14-02.4)
- Enforce ND Housing Discrimination Act (NDCC 14-02.5)
- Represent ND in dealings with US Dept. of Labor and HUD

Education:

- Disseminate information on labor, employer/employee relations, and working conditions
- Encourage and assist with career and technical education training

HISTORY OF THE DEPARTMENT

1889: ND Const.
created Dept. of
Agriculture and
Labor



1960: ND Const.
amendment
separated Labor
from Dept. of
Agriculture

1995: Legislature
changed Labor
Commissioner
from elected to
appointed



2013: Legislature
changed name to
Department of
Labor and
Human Rights



HUMAN RIGHTS DIVISION

(NDCC 14-02.4 & 14-02.5)

- Employment
- Housing
- Public Services
- Public Accommodations
- Credit Transactions
- Retaliation





WAGE & HOUR DIVISION

(NDCC – TITLE 34)

- Minimum Wage
- Overtime
- Equal Pay
- Child Labor
- Unions
- Employment Agencies
- Wage Collection

PUBLIC EDUCATION

- Improve working conditions
- Promote employer & employee relationships
- Goal = Reduce Violations

WORKPLACE Wise

How to ensure compliance and create
a healthy workplace environment

Who It's For: Small Business Owners and Employees

Join us for free in person or virtually to learn from experienced Compliance Investigators about the key information employers and employees need to know regarding wages, hours, reasonable accommodations and more!

WEDNESDAY, OCTOBER 23

Bowman

9:30 – 11 a.m. MDT
Mainspace • 13 E Divide

Watford City

3:30 – 5 p.m. CDT
Rough Rider Center – Silver Room • 2209 Wolves Den Pkwy

THURSDAY, OCTOBER 24

Kenmare

10:30 a.m. – noon CDT
Council Chambers • 5 3rd St. NE

Garrison

3:30 – 5 p.m. CDT
Cubby Hole • 41 S Main St.

SCAN TO REGISTER
FOR FREE



**NORTH
Dakota** | Labor and Human Rights
Be Legendary.

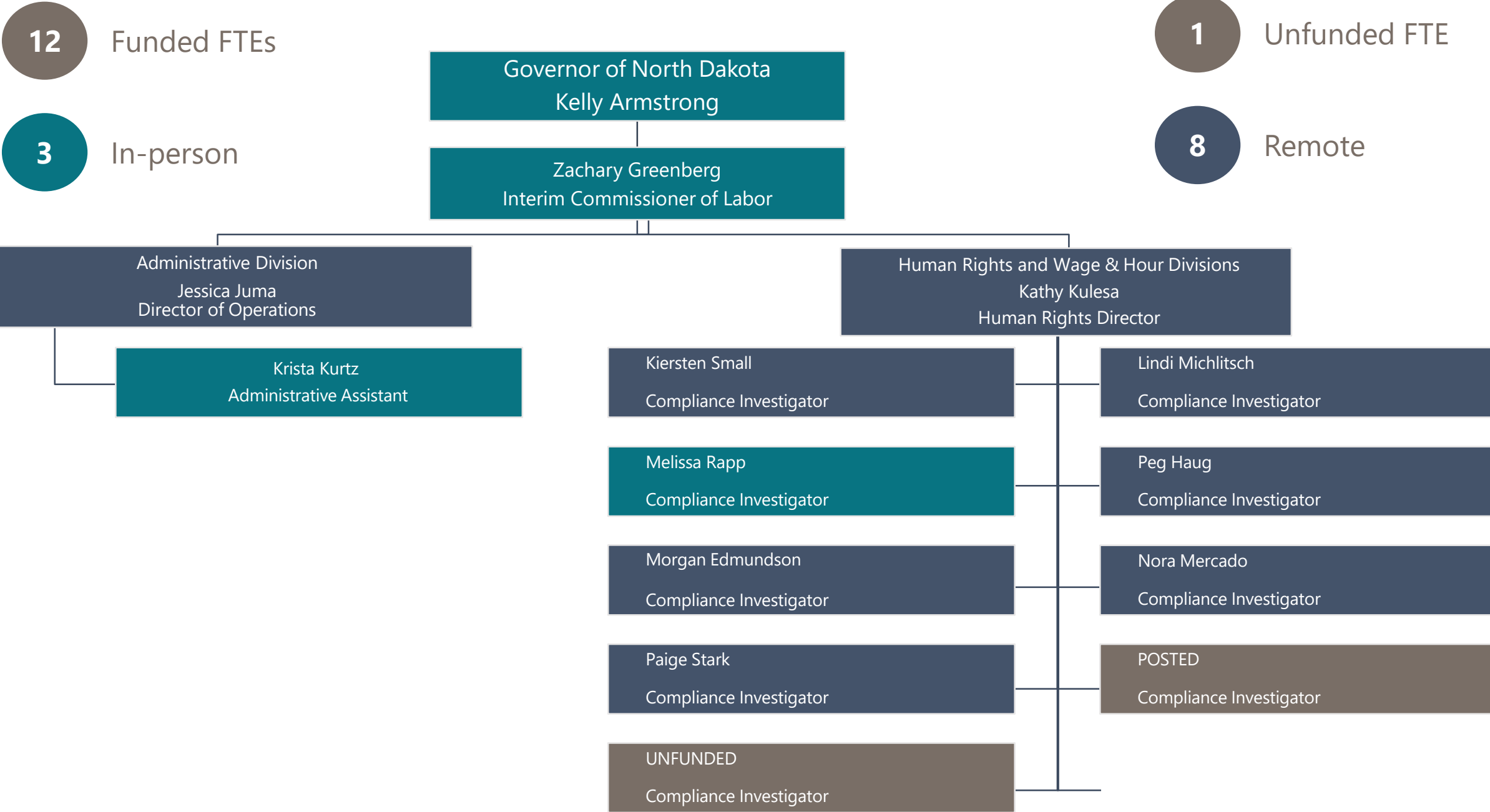
www.nd.gov/labor • labor@nd.gov

Continuing Education Credits Available (1.5 hrs):
ND SHRM Recertification Credit
ND Continuing Legal Education Credit

SHRM recertification credits are being applied for this program courtesy of ND SHRM, a statewide organization focused on connecting business, leadership, and HR professionals together.



Organization Chart – January 2025



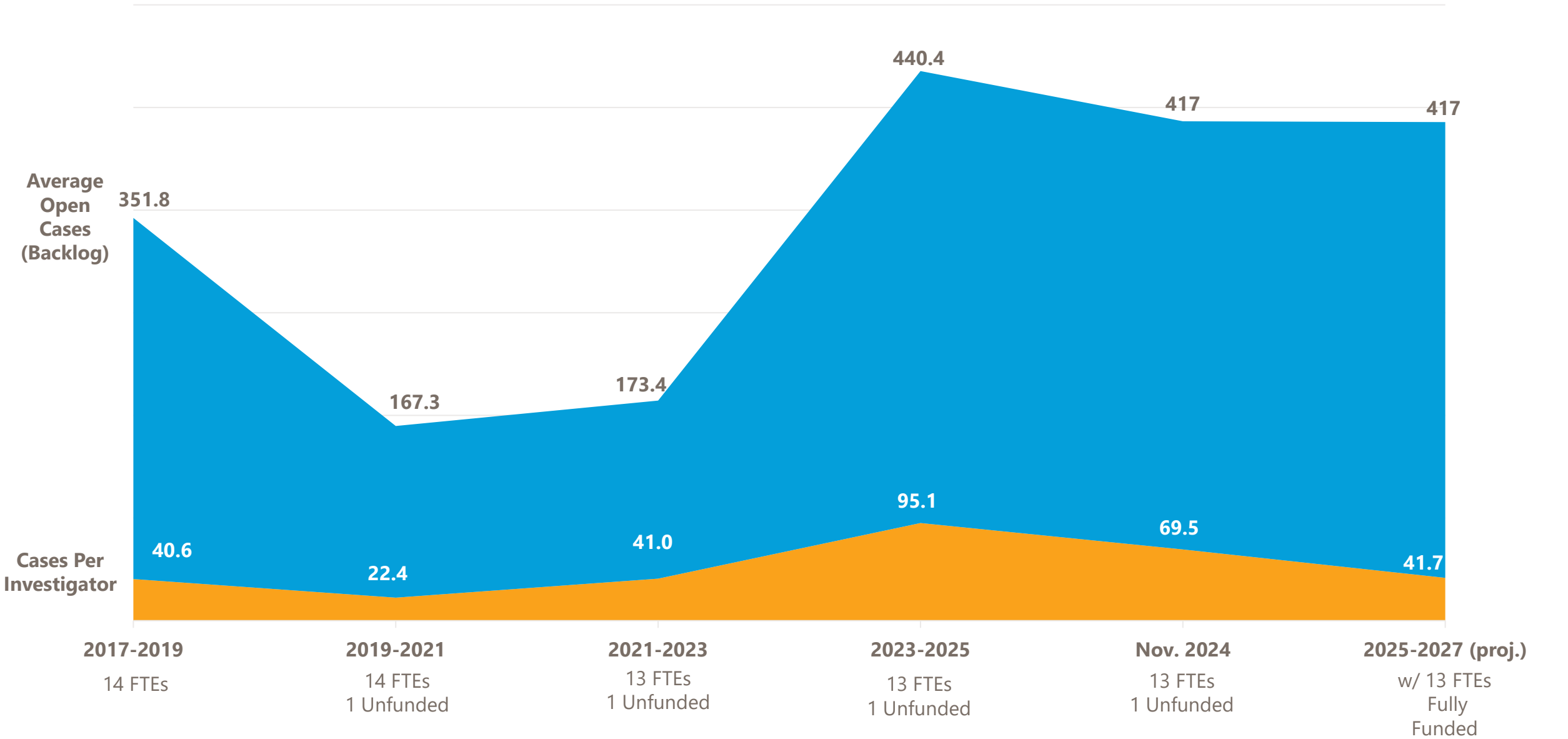
AGENCY ACCOMPLISHMENTS

- Reduced backlog
- Increase in closures from the 2021-2023 biennium
- Launched “Workplace Wise” outreach program

Claim Type	Opened	Closed	Damages Recovered
Wage Claims	653	679	\$571,059.90
Employment	394	322	\$528,600.42
Retaliation	83	87	\$119,812.00
Housing	52	62	\$41,327.63
PS/PA/Credit	19	15	\$8,350.00
<u>TOTAL</u>	<u>1,201</u>	<u>1,165</u>	<u>\$1,269,149.95</u>

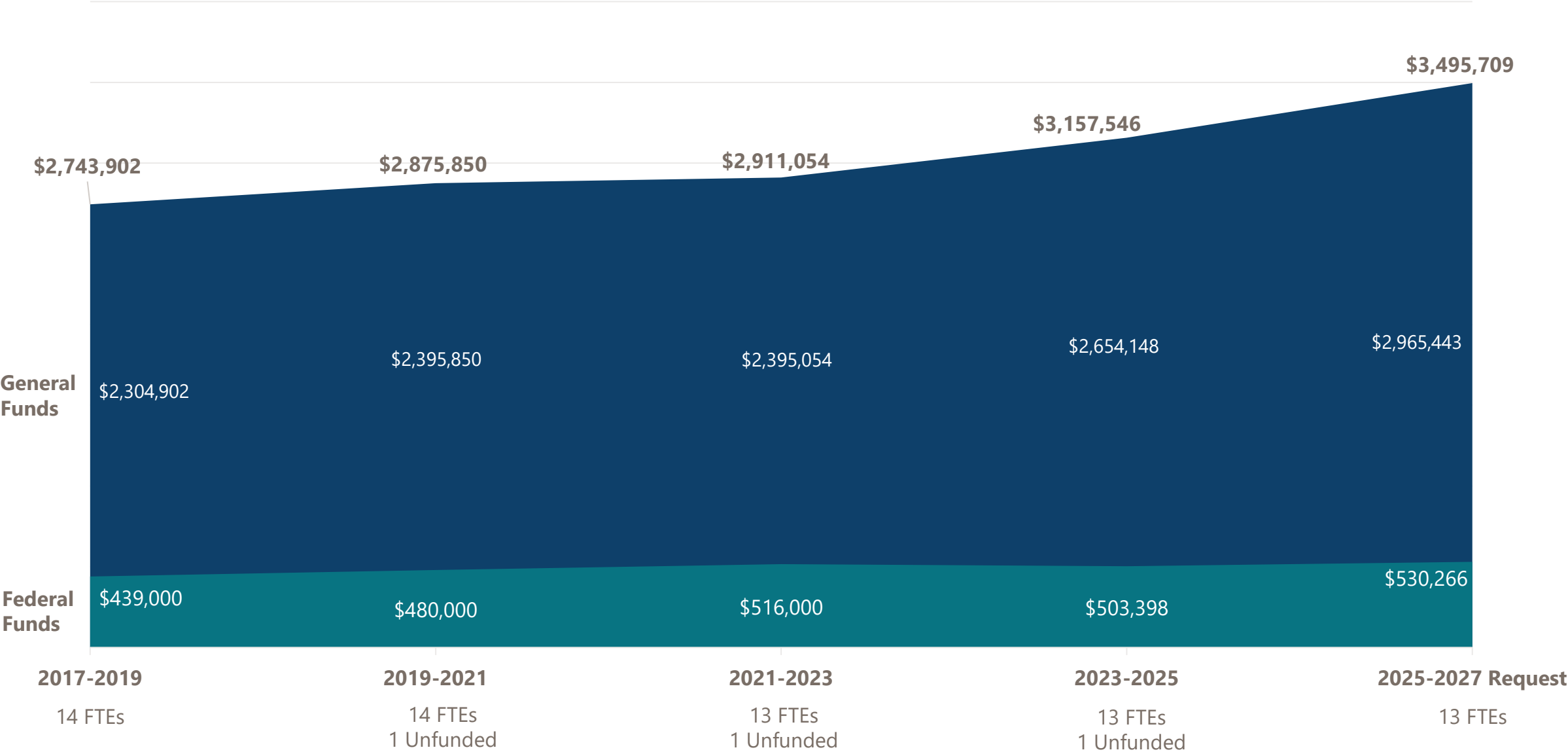
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RATIONALE: REDUCED CASELOAD PER INVESTIGATOR INCREASES RESPONSE TIME



DEPARTMENT OF LABOR AND HUMAN RIGHTS

BUDGET HISTORY



2025-2027 REQUEST

\$3,495,709 total

- (\$2,965,443 from general funds + \$530,266 from federal funds)
- \$3,108,338 used for Salary and Wages
- \$387,371 used for Agency Operations

13 Funded FTEs

- Increased claims processed

N O R T H
Dakota

Be Legendary.™

69th Legislative Assembly
Regular Session (2025)

H.B. 1007

SUPPORT

House Appropriations Committee

Government Operations Division

Rep. David Monson, Chairman

Rep. Mike Brandenburg, Vice Chairman

Testimony of Zachary Greenberg

Interim Commissioner of Labor

N.D. Department of Labor and Human Rights

January 16, 2023

I. Introductory Summary

Chairman Monson, Vice Chairman Brandenburg, and members of the House Appropriations Committee, Government Operations Division, my name is Zachary Greenberg, and I was appointed as the Interim Commissioner of the North Dakota Department of Labor and Human Rights, just last week. I am a licensed attorney in the State and prior to my appointment, I worked as a Legal & Policy Advisor in the Office of Governor Burgum. While in that capacity, I was fortunate to have the Department as a part of my portfolio. It's crazy for me to think that just two years ago, I would often sit in on this committee during my legislative externship through UND School of Law. I am grateful to Governor Armstrong for his faith in me, and to the committee for the opportunity to appear before you today.

Chapter (Ch.) 34-05 of the North Dakota Century Code (N.D.C.C.) created the North Dakota Department of Labor and Human Rights and prescribes the powers and duties of the Commissioner of Labor (Labor Commissioner). The Department's statutory duties can be most concisely summarized as ensuring citizens can live, work, and prosper in North Dakota. It is my deeply held belief that the mission of the Department is an essential service to the public. To fulfill our mission and adequately serve our state's businesses and individuals, I am requesting a biennial budget of \$3,495,709.

II. Agency Overview

We have three key areas in which we provide services to the public - Human Rights, Wage & Hour, and Public Education:

A. Human Rights

The Human Rights Division administers and enforces the North Dakota Human Rights Act (N.D.C.C. ch. 14-02.4) and the North Dakota Housing Discrimination Act (N.D.C.C. ch. 14- 02.5).

Under these anti-discrimination laws, the Department receives and investigates complaints alleging discrimination in employment, housing, public services, public accommodations, and credit transactions. As required by law, the Department emphasizes conciliation to resolve complaints, provides administrative hearings on complaints where there is probable cause to believe a discriminatory practice has occurred, and fosters prevention of discrimination through education about the rights and responsibilities provided under North Dakota's human rights and housing laws. Finally, the Human Rights Division handles complaints of retaliation under North Dakota's "whistleblower" law (N.D.C.C. § 34-01-20) and Public Employee Relations Act (N.D.C.C. § 34-11.1-04.1).

In addition to receiving and investigating complaints directly from individuals who believe they have been victims of unlawful discrimination under state anti-discrimination and whistleblower laws, the Department's Human Rights Division also investigates cases for the U.S. Department of Housing and Urban Development (HUD) and the Equal Employment Opportunity Commission (EEOC).

B. Wage & Hour

The Wage and Hour Division enforces minimum wage and overtime laws and regulations (N.D.C.C. ch. 34-06). In addition, the Division enforces North Dakota's laws and regulations dealing with equal pay for men and women, child labor, unions, employment agencies, and wage collection (N.D.C.C. chs. 34-06.1, 34-07, 34-12, 34-13, and 34-14). The Wage and Hour Division receives and investigates claims of unpaid wages or overtime, failure to pay minimum wage, misclassification of employees, and other general complaints that North Dakota's labor laws are being violated. The Division also reviews requests to issue youth employment certificates for 14 and 15-year-old workers.

C. Public Education

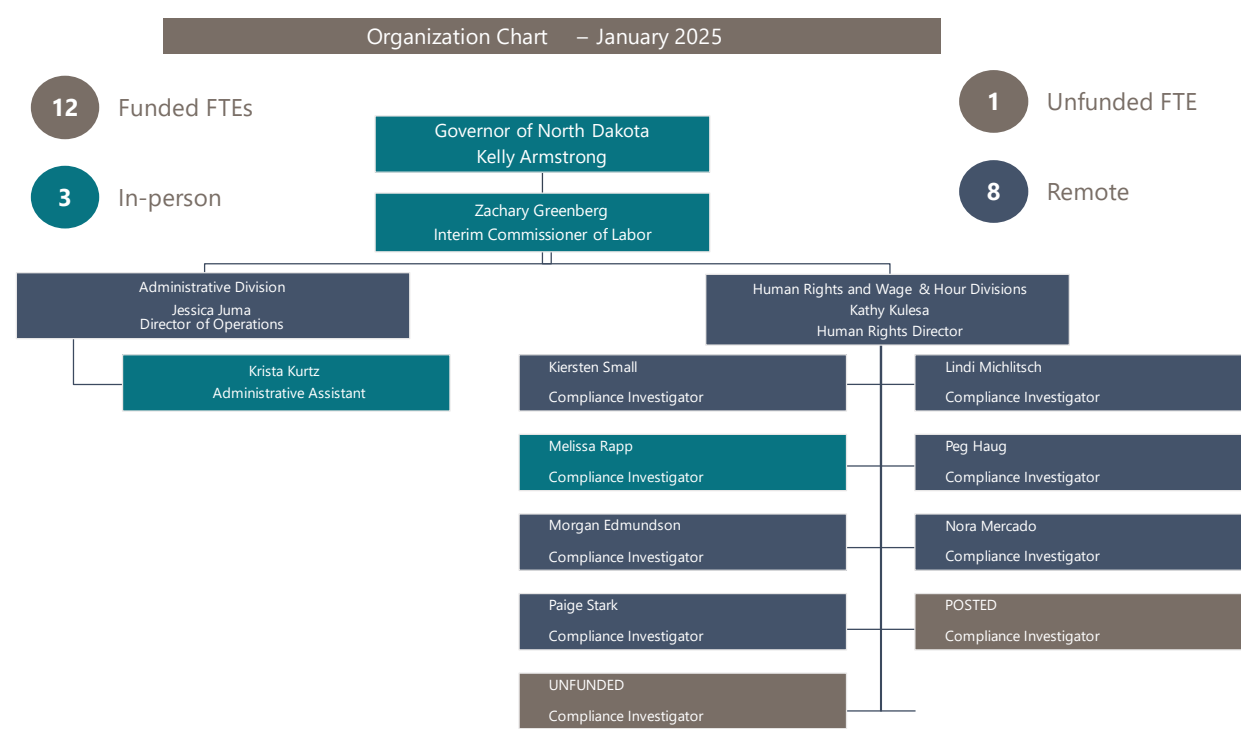
In addition to the Department's enforcement duties, the Commissioner of Labor is required to "improve working conditions and living conditions of employees and advance their opportunities for profitable employment . . . foster, promote, and develop welfare of both wage earners and industries in N.D. . . . and promote friendly and cooperative relations between employers and employees." To do this, the Department continues to broaden awareness of its enforcement areas with the goal of reducing violations and increasing compliance in North Dakota. These areas include working with groups representing human rights, businesses, labor unions, professional, and non-profit organizations. The Department continues to provide speakers and trainers for conferences, workshops, schools, employers, labor organizations, businesses, landlord and tenant organizations, government agencies, and other community groups. The Department has made strides in educating the public and I continue to identify additional ways to provide information, such as newsletters and presentations, to both employers and employees in North Dakota.

III. Organizational Chart

The Department currently has 13 FTEs, one of which remained unfunded in the last biennium. While one FTE is currently vacant, I want to emphasize that all positions were filled until a resignation occurred last week. The Department has already posted the vacancy and received multiple applications. We will move forward with the selection process once the posting period closes.

Our primary focus for the first quarter of 2025 is to fill our remaining compliance investigator position. A key goal of mine is to increase the Department's claim processing volume by reducing the time it takes to complete each claim. I look to continue the great work started by former Commissioner Svihovec to modernize the Department and increase efficiencies at every opportunity. There are certain duties, however, that require employee time and cannot be automated. In

particular, the investigations require interviews of witnesses to ascertain the facts of each case. There is also a significant amount of time required of investigators to review records and draft determinations. Thus, only through adequate staffing can the Department decrease the time it takes to render determinations. The Department’s present organizational structure is outlined in the following graphic:



The current proposal simply requests funding for our 13th unfunded FTE for a compliance investigator. The department’s goal is to further reduce case duration and increase the number of cases process.

IV. Agency Accomplishments

Claims – From January 1, 2023, through December 31, 2024, the Department received and closed the following cases: As shown, the Department closed 36 more cases than it opened, further reducing the backlog. Additionally, the Department closed over 200 more cases during the 2023

biennium compared to the 2021 biennium.

Claim Type	Opened	Closed	Damages Recovered
Wage Claims	653	679	\$571,059.90
Employment	394	322	\$528,600.42
Retaliation	83	87	\$119,812.00
Housing	52	62	\$41,327.63
PS/PA/Credit	19	15	\$8,350.00
TOTAL	1,201	1,165	\$1,269,149.95

Public Education – The Department provided education through at least 40 training seminars and by having information publicly available on our website, including: (1) Required Employer Posters; (2) Printable Brochures; (3) Public Speaking Events; and (4) Educational Booths. Furthermore, the Department also launched “Workplace Wise” an outreach program that provides small business owners and employees the opportunity to engage with the department to promote employer & employee relationships and improve working conditions. The first round of presentations was held in October in Bowman, Watford City, Kenmare & Garrison. The next presentations are scheduled for February 26-27 in Napoleon, Lisbon, Mayville & Harvey.

V. Financial Audit Findings

The Department’s most recent financial audit, conducted and concluded in July 2024, resulted in a clean audit with no outstanding financial findings.

VI. Agency Challenges

In the past, the Department faced difficulty in finding adequate applicants for the Compliance Investigator positions. At this time two years ago, the Department had not one, but five vacant compliance investigator positions. Our most recent posting just last week has already resulted in multiple applications. With this said, it has still been a struggle to find qualified applicants. It is my understanding that, in many other states, Compliance Investigators are either licensed attorneys or

paralegals. This isn't true for North Dakota but given the highly technical nature and requirement of complex legal analyses, a competent Compliance Investigator applicant will need to have a bachelor's degree and experience conducting investigations. The importance of finding qualified applicants in our one vacant, and one unfunded compliance investigator roles is paramount to eliminating our backlog of cases.

VII. Budget History

2019-2021 Biennium

The Legislature appropriated the Department \$2,875,850, which was comprised of \$2,395,169 in general funds + \$480,681 in federal funding authority. Included in these figures is \$118,659 in one-time funding for Phase 1 of a paperless project. The Department was authorized for 14 FTEs (1 unfunded, 1 partially funded).

2021-2023 Biennium

The Legislature appropriated the Department \$2,911,054 which was comprised of \$2,394,186 in general funds + \$516,868 in federal funding authority. Included in these figures is \$147,717 in one-time funding for Phase 2 of a paperless project. The Department was authorized for 13 FTEs (-1 FTE from the prior biennium; 1 FTE unfunded to grant equity adjustments).

2023-2025 Biennium

We are grateful that the 68th Legislature appropriated the Department \$3,107,546, just under 94% of our total request for the biennium. This was comprised of \$2,604,148 in general funds + \$503,398 in federal funding authority. The Department was authorized for 13 FTES, with one unfunded.

VIII. Budget Request

The Department requests \$3,495,709, comprised of \$2,965,443 in general funds + \$530,266 in federal funding authority. The Department is also requesting to retain its 13 FTEs, and fully fund

our 13th to fully staff the agency and increase claim processing and further reduce backlog.

This request will adequately allow the Department to become competitive with applicants and decrease the time it takes to process claims and issue determinations. This request also allows the Department to ensure Compliance Investigators attend necessary training to increase their competencies and provide the highest quality services to North Dakota.

IX. Conclusion

The Department's duties impact every citizen in North Dakota through employment, housing, and other key areas administered by the agency. I humbly request the Committee demonstrate its support for the statutory duties granted to the Department by the Legislature and recommend a Do Pass for the requested \$3,495,709 budget and 13 funded FTEs. Thank you for your time and service to North Dakota.

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division

Brynhild Haugland Room, State Capitol

HB 1007

1/23/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the department of labor and human rights.

2:02 p.m. Chairman Monson called the meeting to order.

Members Present: Chairman Monson, Vice Chairman Brandenburg, Representatives: Bosch, Fischer, Kempenich, Meier, Pyle.

Discussion Topics:

- Department of Labor and Human Rights vacancies
- Department of Labor and Human Rights salary
- Department of Labor and Human Rights temporary positions
- Department of Labor and Human Rights base budget
- Workplace Wise Program

2:02 p.m. Zachary Greenberg, Interim Commissioner, ND Department of Labor and Human Rights, testified in favor and continued with testimony #29377 and provided testimony #31108.

2:32 p.m. Representative Bosch moved an amendment to increase the enhancements for the base budget.

2:32 p.m. Representative Meier seconded the motion.

Representatives	Vote
Representative David Monson	Y
Representative Mike Brandenburg	AB
Representative Glenn Bosch	Y
Representative Jay Fisher	Y
Representative Keith Kempenich	AB
Representative Lisa Meier	Y
Representative Brandy L. Pyle	Y

Motion passed 5-0-2.

2:34 p.m. Representative Bosch moved a Do Pass as Amended

2:34 p.m. Representative Meier seconded the motion.

2:35 p.m. Representative Bosch withdrew his motion to Do Pass as Amended.

2:37 p.m. Representative Bosch moved to further amend to accommodate the FTE Pool.

2:37 p.m. Representative Meier seconded the motion.

Representatives	Vote
Representative David Monson	Y
Representative Mike Brandenburg	AB
Representative Glenn Bosch	Y
Representative Jay Fisher	Y
Representative Keith Kempenich	AB
Representative Lisa Meier	Y
Representative Brandy L. Pyle	Y

Motion passed as Amended 5-0-2.

2:38 p.m. Representative Bosch moved a Do Pass as Amended.

2:38 p.m. Representative Meier seconded the motion.

Representatives	Vote
Representative David Monson	Y
Representative Mike Brandenburg	AB
Representative Glenn Bosch	Y
Representative Jay Fisher	Y
Representative Keith Kempenich	AB
Representative Lisa Meier	Y
Representative Brandy L. Pyle	Y

Motion passed as Amended 5-0-2

Representative Meier will carry the bill.

Additional written testimony:

Grant Gader, Fiscal Analyst, Legislative Council, submitted neutral testimony #31094.

Adam Mathiak, Fiscal Analyst, Legislative Council submitted neutral testimony #31692.

2:42 p.m. Chairman Monson adjourned the meeting.

Madaline Cooper, Committee Clerk



Department of Labor and Human Rights - Budget No. 406
Agency Worksheet - House Bill No. 1007

	Burgum Budget				Armstrong Budget				Armstrong Budget Compared to Burgum Budget			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	Increase (Decrease)			
									FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	13.00	\$2,654,336	\$511,925	\$3,166,261	13.00	\$2,654,336	\$511,925	\$3,166,261	0.00	\$0	\$0	\$0
2025-27 Ongoing Funding Changes												
Base payroll changes		\$130,757	(\$10,689)	\$120,068		\$130,757	(\$10,689)	\$120,068				\$0
Adds funding for cost to continue salaries		34,046	7,129	41,175		34,046	7,129	41,175				0
Salary increase		124,821	14,806	139,627		102,039	12,101	114,140		(\$22,782)	(\$2,705)	(25,487)
Health insurance increase		68,881	9,188	78,069		68,881	9,188	78,069				0
Adds funding to replace the 2023-25 vacant FTE pool		65,389	13,776	79,165		65,389	13,776	79,165				0
Adjusts base funding for temporary salaries		80,080		80,080		80,080		80,080				0
Adjusts base funding for travel		835	8,129	8,964		835	8,129	8,964				0
Total ongoing funding changes	0.00	\$504,809	\$42,339	\$547,148	0.00	\$482,027	\$39,634	\$521,661	0.00	(\$22,782)	(\$2,705)	(\$25,487)
One-Time Funding Items												
No one-time funding items				\$0				\$0				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	0.00	\$504,809	\$42,339	\$547,148	0.00	\$482,027	\$39,634	\$521,661	0.00	(\$22,782)	(\$2,705)	(\$25,487)
2025-27 Total Funding	13.00	\$3,159,145	\$554,264	\$3,713,409	13.00	\$3,136,363	\$551,559	\$3,687,922	0.00	(\$22,782)	(\$2,705)	(\$25,487)
Federal funds included in other funds			\$554,264				\$551,559				(\$2,705)	
Total ongoing changes - Percentage of base level	0.0%	19.0%	8.3%	17.3%	0.0%	18.2%	7.7%	16.5%	N/A	N/A	N/A	N/A
Total changes - Percentage of base level	0.0%	19.0%	8.3%	17.3%	0.0%	18.2%	7.7%	16.5%	N/A	N/A	N/A	N/A

69th Legislative Assembly
Regular Session (2025)

H.B. 1007

SUPPORT

House Appropriations Committee

Government Operations Division

Rep. David Monson, Chairman

Rep. Mike Brandenburg, Vice Chairman

Testimony of Zachary Greenberg

Interim Commissioner of Labor

N.D. Department of Labor and Human Rights

January 23, 2023

I. Introductory Summary

Chairman Monson, Vice Chairman Brandenburg, and members of the House Appropriations Committee, Government Operations Division, my name is Zachary Greenberg, and I serve as the Interim Commissioner of the North Dakota Department of Labor and Human Rights. Joining me online is our Human Rights Director, Kathy Kulesa, and seated directly behind me is our Director of Operations, Jes Juma.

As we discussed last week, our budget is relatively straightforward, so I will keep my remarks brief. During last week's discussion, questions arose regarding federal funding. Our federal contract with the Equal Employment Opportunity Commission (EEOC) is based on a three-year average with a fixed price per case, along with some additional training funds. In contrast, our federal contract with the Department of Housing and Urban Development (HUD) reimburses us for work completed in the prior year, with reimbursement amounts varying depending on the type of case closure. Since the volume and type of cases submitted by the public are beyond our control, we cannot predict or influence the exact funding we receive. These contracts are pre-established, and we do not have the option to request additional funding from the federal government to address our unfunded FTE.

I would also like to provide an update regarding our sole vacancy for a compliance investigator. Last week, I mentioned the resignation we experienced earlier this year. Since then, we have posted and closed the job opening, receiving a total of 19 qualified applications. We are currently conducting interviews, with two interviews completed this morning. Our goal is to conclude the interview process and fill the position by late next week. Once this position is filled, our department will be fully staffed—except for our one unfunded FTE. This unfunded position is also for a compliance investigator, which

brings me to the role of this committee and the legislative body. I am confident that, if funded, we will receive another strong pool of qualified applicants when the position is posted.

I want to reiterate the current backlog our department faces. The only way to efficiently reduce this backlog is by being fully staffed, and to achieve full staffing, we require full funding. Therefore, I respectfully request the Committee's support for the statutory duties assigned to the Department by the Legislature and ask that you recommend a Do Pass for the requested \$3,495,709 budget and 13 funded FTEs. Thank you for your time and service to North Dakota. I am happy to stand for any questions.

25.0151.01001
Title.
Fiscal No. 1

Prepared by the Legislative Council
staff for House Appropriations -
Government Operations Division
Committee

January 24, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1007

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the department of
2 labor and human rights.

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

4 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
5 as may be necessary, are appropriated out of any moneys in the general fund in the state
6 treasury, not otherwise appropriated, and from other funds derived from federal funds, to the
7 department of labor and human rights for the purpose of defraying the expenses of the
8 department of labor and human rights, for the biennium beginning July 1, 2025, and ending
9 June 30, 2027, as follows:

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
12 Salaries and wages	\$2,787,854	\$0	\$2,787,854
13 Operating expenses	378,407	0	378,407
14 Total all funds	\$3,166,261	\$0	\$3,166,261
15 Less other funds	511,925	0	511,925
16 Total general fund	\$2,654,336	\$0	\$2,654,336
17 Full-time equivalent positions	13.00	0.00	13.00
18 <u>Salaries and wages</u>	<u>\$2,787,854</u>	<u>\$416,083</u>	<u>\$3,203,937</u>
19 <u>New and vacant FTE pool</u>	<u>0</u>	<u>67,629</u>	<u>67,629</u>

Sixty-ninth
Legislative Assembly

1	<u>Operating expenses</u>	<u>378,407</u>	<u>8,964</u>	<u>387,371</u>
2	<u>Total all funds</u>	<u>\$3,166,261</u>	<u>\$492,676</u>	<u>\$3,658,937</u>
3	<u>Less other funds</u>	<u>511,925</u>	<u>36,498</u>	<u>548,423</u>
4	<u>Total general fund</u>	<u>\$2,654,336</u>	<u>\$456,178</u>	<u>\$3,110,514</u>
5	<u>Full-time equivalent positions</u>	<u>13.00</u>	<u>0.00</u>	<u>13.00</u>

6 **SECTION 2. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** The
7 department of labor and human rights may not spend funds appropriated in the new and vacant
8 FTE pool line item in section 1 of this Act, but may request the office of management and
9 budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages
10 line item in accordance with the guidelines and reporting provisions included in House Bill
11 No. 1015, as approved by the sixty-ninth legislative assembly.

STATEMENT OF PURPOSE OF AMENDMENT:**House Bill No. 1007 - Labor Commissioner - House Action**

	Base Budget	House Changes	House Version
Salaries and wages	\$2,787,854	\$416,083	\$3,203,937
New and vacant FTE pool		67,629	67,629
Operating expenses	378,407	8,964	387,371
Total all funds	\$3,166,261	\$492,676	\$3,658,937
Less estimated income	511,925	36,498	548,423
General fund	\$2,654,336	\$456,178	\$3,110,514
FTE	13.00	0.00	13.00

Department 406 - Labor Commissioner - Detail of House Changes

	Adjusts Funding for Base Payroll Changes ¹	Adds Funding for Cost to Continue Salaries ²	Adds Funding for Salary and Benefit Increases ³	Adds Funding to Replace 2023-25 Vacant FTE Pool ⁴	Transfers Funding for 2025-27 New and Vacant FTE Pool ⁵	Adds Funding for Unfunded FTE Position ⁶
Salaries and wages	(\$112,036)	\$41,175	\$192,209	\$79,165	(\$96,614)	\$232,104
New and vacant FTE pool					67,629	
Operating expenses						
Total all funds	(\$112,036)	\$41,175	\$192,209	\$79,165	(\$28,985)	\$232,104
Less estimated income	(10,689)	7,129	21,289	13,776	(3,136)	0
General fund	(\$101,347)	\$34,046	\$170,920	\$65,389	(\$25,849)	\$232,104
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds Funding for Temporary Salaries ⁷	Adjusts Funding for Travel ⁸	Total House Changes
Salaries and wages	\$80,080		\$416,083
New and vacant FTE pool			67,629
Operating expenses		\$8,964	8,964
Total all funds	\$80,080	\$8,964	\$492,676
Less estimated income	0	8,129	36,498
General fund	\$80,080	\$835	\$456,178
FTE	0.00	0.00	0.00

¹ Funding is adjusted for base payroll changes.

² Adds funding for cost to continue salaries.

³ The following funding is added for 2025-27 biennium salary adjustments of 3 percent on July 1, 2025, and 3 percent on July 1, 2026, and increases in health insurance premiums from \$1,643 to \$1,893 per month:

	General Fund	Federal Funds	Total
Salary increase	\$102,039	\$12,101	\$114,140
Health insurance increase	68,881	9,188	78,069
Total	170,920	21,289	\$192,209

⁴ Funding is added to replace 2023-25 biennium vacant FTE pool funding.

⁵ Funding of \$96,614 is removed for estimated savings from vacant 2025-27 FTE positions and \$67,629 is added for a new and vacant FTE pool line item as follows:

	General Fund	Other Funds	Total
Vacant FTE positions	(\$86,162)	(\$10,452)	(\$96,614)
Funding pool line item	60,313	7,316	67,629
Net savings	(\$25,849)	(\$3,136)	(\$28,985)

⁶ Adds funding for an unfunded FTE compliance investigator II position.

⁷ Funding is added for temporary salaries to provide a total of \$80,080.

⁸ Adjusts base funding for travel to provide a total of \$28,964.

House Bill No. 1007 - Other Changes - House Action

A section is added regarding the use of funding in the new and vacant FTE pool line item.

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

HB 1007
2/3/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the department of labor and human rights.

9:56 a.m. Chairman Vigesaa called the meeting to order.

Members Present: Chairman Vigesaa, Vice Chair Kempenich, Representatives: Anderson, Berg, Bosch, Brandenburg, Fisher, Hanson, Louser, Martinson, Meier, Mitskog, Monson, Murphy, Nathe, Nelson, O'Brien, Pyle, Richter, Sanford, Stemen, Swiontek, Wagner.

Discussion Topics:

- Department and Labor and Human Rights Budget
- Salary and Benefit increases
- General funding and special

9:56a.m. Representative Meier introduced the bill.

10:04 a.m. Representative Meier moved to adopt amendment 25.0151.01001.

10:04 a.m. Representative Monson seconded the motion.

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Mike Berg	Y
Representative Glen Bosch	Y
Representative Mike Brandenburg	AB
Representative Jay Fisher	Y
Representative Karla Rose Hanson	Y
Representative Scott Louser	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative David Monson	Y
Representative Eric J. Murphy	AB
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy L. Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Gregory Stemen	Y

Representative Steve Swiontek	Y
Representative Scott Wagner	Y

Motion Passed 21-0-2.

10:05 a.m. Representative Meier motioned a Do Pass as Amended.

10:05 a.m. Representative Pyle seconded the motion.

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Mike Berg	Y
Representative Glen Bosch	Y
Representative Mike Brandenburg	AB
Representative Jay Fisher	Y
Representative Karla Rose Hanson	Y
Representative Scott Louser	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative David Monson	Y
Representative Eric J. Murphy	AB
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy L. Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Gregory Stemen	Y
Representative Steve Swiontek	Y
Representative Scott Wagner	Y

Motion Passed 21-0-2.

Representative Meier will carry the bill.

10:06 a.m. Chairman Vigesaa closed the meeting.

Madaline Cooper, Committee Clerk for Sierra Schartz, Committee Clerk

25.0151.01001
Title.02000
Fiscal No. 1

Prepared by the Legislative Council
staff for House Appropriations -
Government Operations Division
Committee

January 24, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1007

Introduced by

Appropriations Committee

2-3-25
JH 102

- 1 A BILL for an Act to provide an appropriation for defraying the expenses of the department of
2 labor and human rights.

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

- 4 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
5 as may be necessary, are appropriated out of any moneys in the general fund in the state
6 treasury, not otherwise appropriated, and from other funds derived from federal funds, to the
7 department of labor and human rights for the purpose of defraying the expenses of the
8 department of labor and human rights, for the biennium beginning July 1, 2025, and ending
9 June 30, 2027, as follows:

	Adjustments or		
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17 Full-time equivalent positions	13.00	0.00	13.00
18 <u>Salaries and wages</u>	<u>\$2,787,854</u>	<u>\$416,083</u>	<u>\$3,203,937</u>
19 <u>New and vacant FTE pool</u>	<u>0</u>	<u>67,629</u>	<u>67,629</u>

JB 202

1	Operating expenses	378,407	8,964	387,371
2	Total all funds	\$3,166,261	\$492,676	\$3,658,937
3	Less other funds	511,925	36,498	548,423
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10 line item in accordance with the guidelines and reporting provisions included in House Bill
11 No. 1015, as approved by the sixty-ninth legislative assembly.

**REPORT OF STANDING COMMITTEE
HB 1007**

Appropriations Committee (Rep. Vigesaa, Chairman) recommends **AMENDMENTS** ([25.0151.01001](#)) and when so amended, recommends **DO PASS** (21 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1007 was placed on the Sixth order on the calendar.

2025 SENATE APPROPRIATIONS

HB 1007

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Human Resources Division Harvest Room, State Capitol

HB 1007
3/6/2025

A Bill for an Act to provide an appropriation for defraying the expenses of the department of labor and human rights.

3:25 p.m. Senator Dever opened the hearing.

Members present: Chairman Dever and Senators Cleary, Davison, Magrum and Mathern.

Discussion Topics:

- Case Load Back Log
- 2025-2027 Requests
- Full-Time Employee Request

3:35 p.m. Adam Mathiak, Senior Financial Analyst, LC, submitted testimony #39363.

3:36 p.m. Zachary Greenburg, Interim Commissioner, ND Department of Labor and Human Rights, testified in favor and submitted testimony #39230 and #39294.

3:58 p.m. Senator Dever closed the hearing.

Joan Bares, Committee Clerk



Senate Appropriations Committee
H.B. 1007

DEPT. OF LABOR AND HUMAN RIGHTS **NORTH Dakota**
Zachary Greenberg, Interim Labor Commissioner Be Legendary.™

PURPOSE: TO IMPROVE WELFARE OF NORTH DAKOTANS AND THEIR INDUSTRIES

(NDCC 34-05)

Labor Relations:

- Improve working conditions
- Promote cooperative relations and mediate disputes between employers and employees
- Enforce ND labor laws (NDCC Title 34)

Individual Rights:

- Enforce ND Human Rights Act (NDCC 14-02.4)
- Enforce ND Housing Discrimination Act (NDCC 14-02.5)
- Represent ND in dealings with US Dept. of Labor and HUD

Education:

- Disseminate information on labor, employer/employee relations, and working conditions
- Encourage and assist with career and technical education training

HISTORY OF THE DEPARTMENT

1889: ND Const.
created Dept. of
Agriculture and
Labor



1960: ND Const.
amendment
separated Labor
from Dept. of
Agriculture

1995: Legislature
changed Labor
Commissioner
from elected to
appointed



2013: Legislature
changed name to
Department of
Labor and
Human Rights



HUMAN RIGHTS DIVISION

(NDCC 14-02.4 & 14-02.5)

- Employment
- Housing
- Public Services
- Public Accommodations
- Credit Transactions
- Retaliation





WAGE & HOUR DIVISION

(NDCC – TITLE 34)

- Minimum Wage
- Overtime
- Equal Pay
- Child Labor
- Unions
- Employment Agencies
- Wage Collection

PUBLIC EDUCATION

- Improve working conditions
- Promote employer & employee relationships
- Goal = Reduce Violations

WORKPLACE Wise

How to ensure compliance and create a healthy workplace environment

You're invited to a free event with the North Dakota Department of Labor and Human Rights in February

Join us in person or virtually to learn from experienced Compliance Investigators about the key information employers and employees need to know regarding wages, hours, reasonable accommodations and more!

WEDNESDAY, FEBRUARY 26

Napoleon

10:00 a.m. – 11:30 a.m. CST
City Hall Meeting Room - 225 W Lake Ave

Lisbon

6:30 p.m. – 8:00 p.m. CST
Lisbon Fire Hall Training Room (North Door) - 1401 Elm St

THURSDAY, FEBRUARY 27

Mayville

9:30 a.m. – 11:00 a.m. CST
MSU Campus Center Heritage Room - 330 3rd St NE

Harvey

3:00 p.m. – 4:30 p.m. CST
City Hall - Kiwanis Room · 120 8th St E

NORTH
Dakota | Labor and Human Rights
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www.nd.gov/labor • labor@nd.gov

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ND SHRM Recertification Credit (pending)
ND Continuing Legal Education Credit

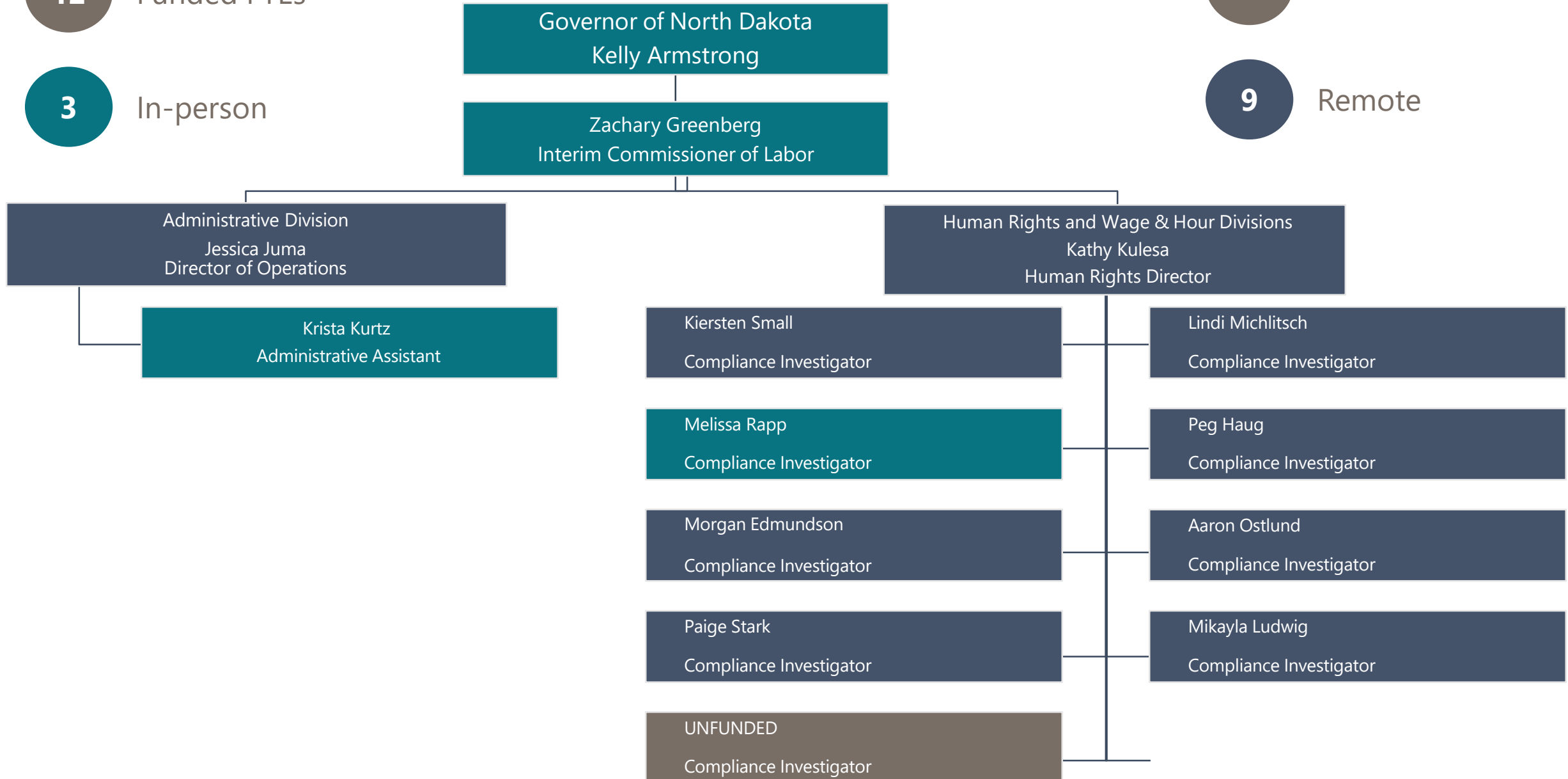
Organization Chart – March 2025

12 Funded FTEs

1 Unfunded FTE

3 In-person

9 Remote



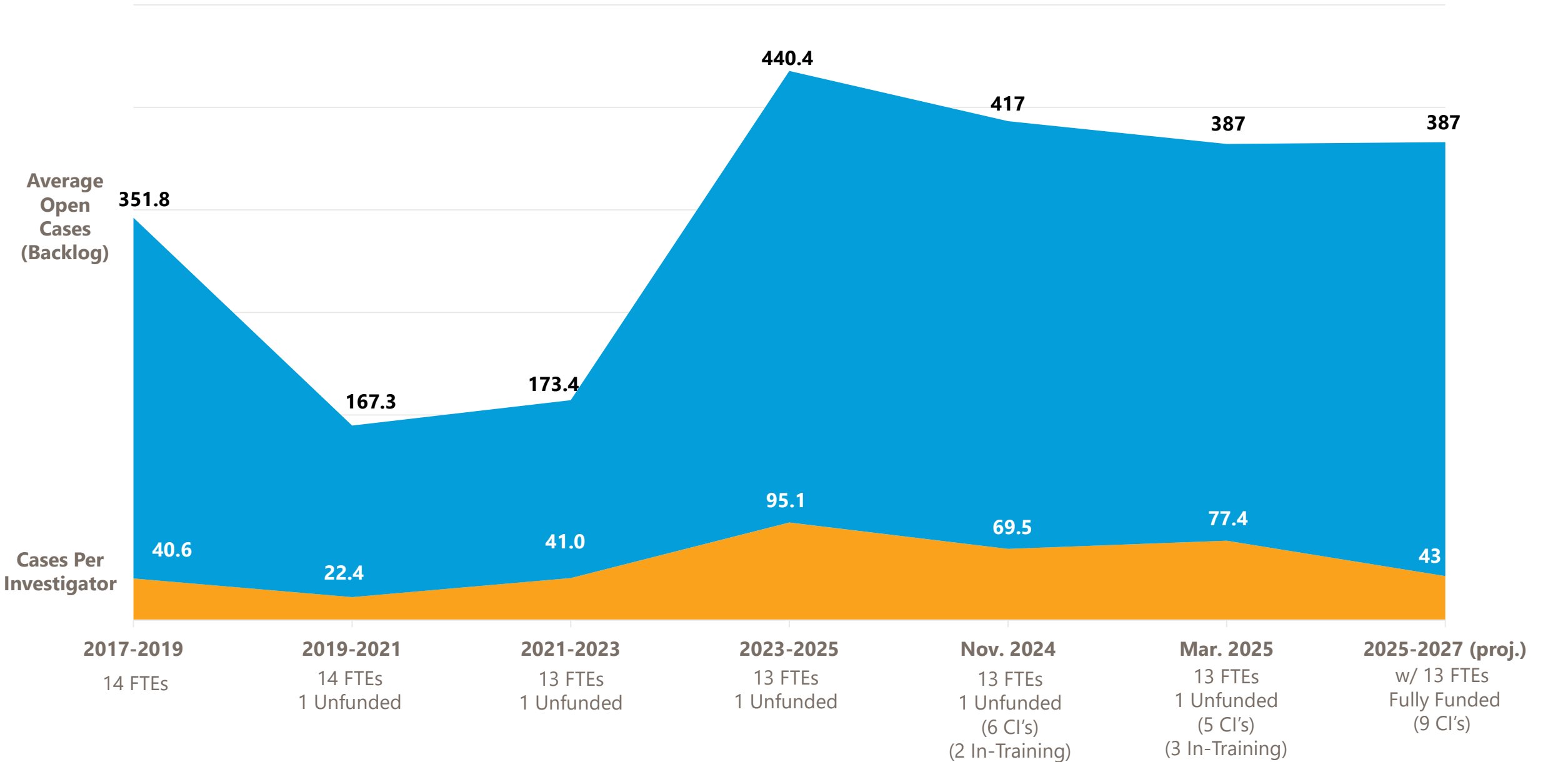
AGENCY ACCOMPLISHMENTS

- Reduced backlog
- Increase in closures from the 2021-2023 biennium
- Launched “Workplace Wise” outreach program

Claim Type	Opened	Closed	Damages Recovered
Wage Claims	692	726	\$645,148.05
Employment	422	369	\$575,100.42
Retaliation	89	96	\$131,462.00
Housing	54	63	\$41,327.63
PS/PA/Credit	22	17	\$8,350.00
<u>TOTAL</u>	<u>1,279</u>	<u>1,271</u>	<u>\$1,401,388.10</u>

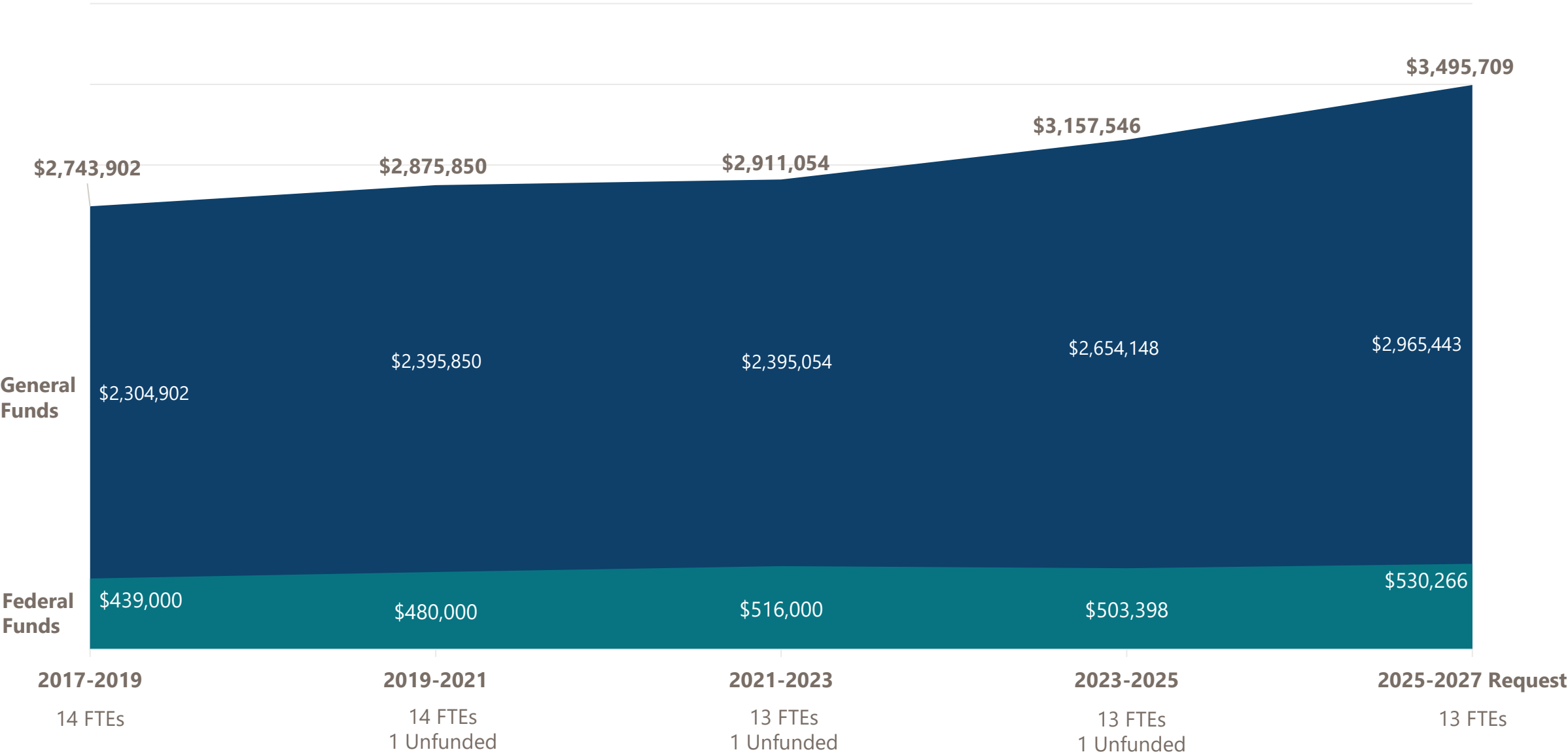
Closed the gap by
another 24 cases in the
last two months!

RATIONALE: REDUCED CASELOAD PER INVESTIGATOR INCREASES RESPONSE TIME



DEPARTMENT OF LABOR AND HUMAN RIGHTS

BUDGET HISTORY



2025-2027 REQUEST

\$3,495,709 total

- (\$2,965,443 from general funds + \$530,266 from federal funds)
- \$3,108,338 used for Salary and Wages
- \$387,371 used for Agency Operations

13 Funded FTEs

- Increased claims processed

N O R T H
Dakota

Be Legendary.™

69th Legislative Assembly
Regular Session (2025)

H.B. 1007

SUPPORT

Senate Appropriations Committee

Human Resources Division

Sen. Dick Dever, Chairman

Testimony of Zachary Greenberg

Interim Commissioner of Labor

N.D. Department of Labor and Human Rights

March 6, 2025

I. Introductory Summary

Chairman Dever, and members of the Senate Appropriations Committee, Human Resources Division, my name is Zachary Greenberg, and I am the Interim Commissioner of the North Dakota Department of Labor and Human Rights. I am a licensed attorney in the State and prior to my appointment, I worked as a Legal & Policy Advisor in the Office of Governor Burgum. While in that capacity, I was fortunate to have the Department as a part of my portfolio. I am grateful to Governor Armstrong for his faith in me, and to the committee for the opportunity to appear before you today.

Chapter (Ch.) 34-05 of the North Dakota Century Code (N.D.C.C.) created the North Dakota Department of Labor and Human Rights and prescribes the powers and duties of the Commissioner of Labor (Labor Commissioner). The Department's statutory duties can be most concisely summarized as ensuring citizens can live, work, and prosper in North Dakota. It is my deeply held belief that the mission of the Department is an essential service to the public. To fulfill our mission and adequately serve our state's businesses and individuals, I am requesting a biennial budget of \$3,495,709.

II. Agency Overview

We have three key areas in which we provide services to the public - Human Rights, Wage & Hour, and Public Education:

A. Human Rights

The Human Rights Division administers and enforces the North Dakota Human Rights Act (N.D.C.C. ch. 14-02.4) and the North Dakota Housing Discrimination Act (N.D.C.C. ch. 14- 02.5). Under these anti-discrimination laws, the Department receives and investigates complaints alleging discrimination in employment, housing, public services, public accommodations, and credit

transactions. As required by law, the Department emphasizes conciliation to resolve complaints, provides administrative hearings on complaints where there is probable cause to believe a discriminatory practice has occurred, and fosters prevention of discrimination through education about the rights and responsibilities provided under North Dakota's human rights and housing laws. Finally, the Human Rights Division handles complaints of retaliation under North Dakota's "whistleblower" law (N.D.C.C. § 34-01-20) and Public Employee Relations Act (N.D.C.C. § 34-11.1-04.1).

In addition to receiving and investigating complaints directly from individuals who believe they have been victims of unlawful discrimination under state anti-discrimination and whistleblower laws, the Department's Human Rights Division also investigates cases for the U.S. Department of Housing and Urban Development (HUD) and the Equal Employment Opportunity Commission (EEOC).

B. Wage & Hour

The Wage and Hour Division enforces minimum wage and overtime laws and regulations (N.D.C.C. ch. 34-06). In addition, the Division enforces North Dakota's laws and regulations dealing with equal pay for men and women, child labor, unions, employment agencies, and wage collection (N.D.C.C. chs. 34-06.1, 34-07, 34-12, 34-13, and 34-14). The Wage and Hour Division receives and investigates claims of unpaid wages or overtime, failure to pay minimum wage, misclassification of employees, and other general complaints that North Dakota's labor laws are being violated. The Division also reviews requests to issue youth employment certificates for 14 and 15-year-old workers.

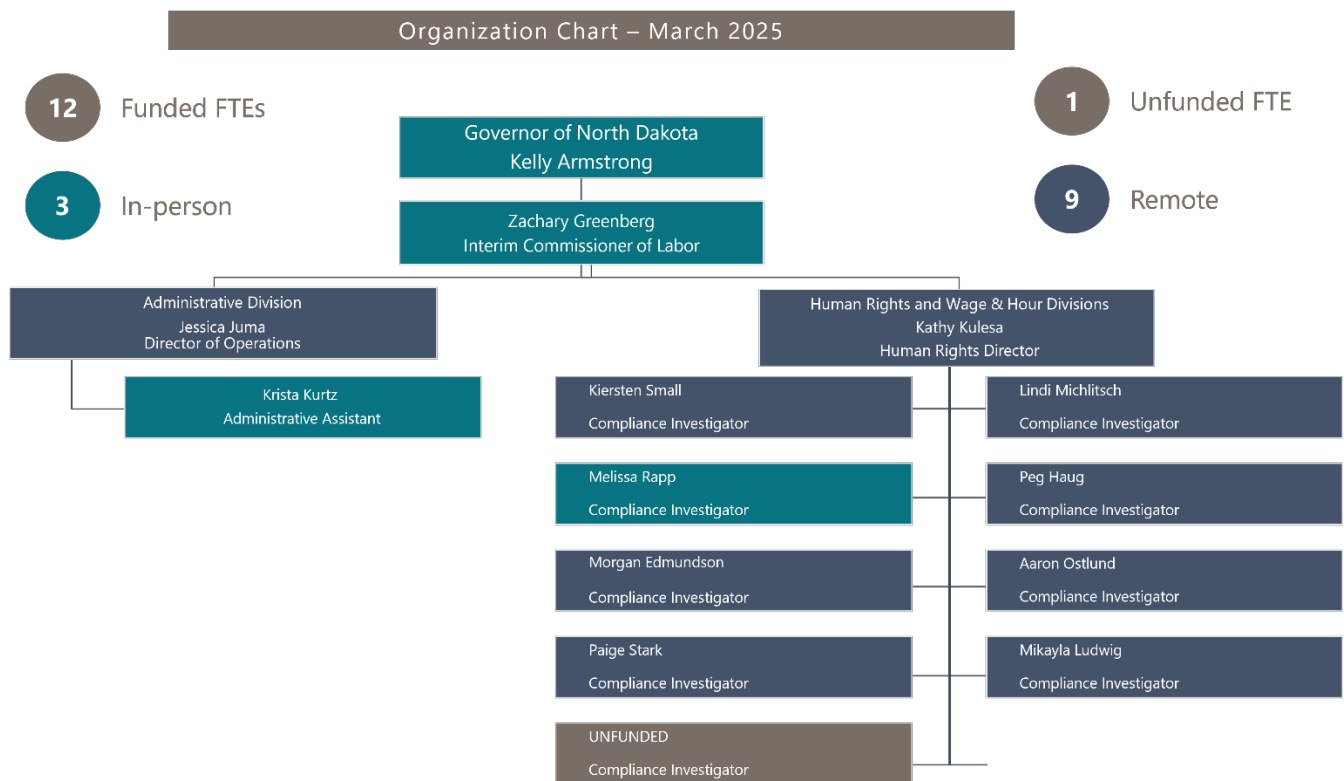
C. Public Education

In addition to the Department's enforcement duties, the Commissioner of Labor is required to "improve working conditions and living conditions of employees and advance their opportunities

for profitable employment . . . foster, promote, and develop welfare of both wage earners and industries in N.D. . . . and promote friendly and cooperative relations between employers and employees.” To do this, the Department continues to broaden awareness of its enforcement areas with the goal of reducing violations and increasing compliance in North Dakota. These areas include working with groups representing human rights, businesses, labor unions, professional, and non-profit organizations. The Department continues to provide speakers and trainers for conferences, workshops, schools, employers, labor organizations, businesses, landlord and tenant organizations, government agencies, and other community groups.

III. Organizational Chart

The Department currently has 13 FTEs, one of which remained unfunded in the last biennium. I am happy to report that the Department is now fully staffed for the first time in 5 years. Our primary objective for the first quarter of 2025 was to fill the remaining compliance investigator position, a goal we successfully achieved in early February. This hiring milestone will enable the Department to further increase claim processing volume by reducing the time required to complete each claim. I am committed to building on the progress initiated by former Commissioner Svihovec to modernize the Department and enhance efficiency wherever possible. However, certain responsibilities cannot be automated and require staff time. Investigations involve interviewing witnesses to establish case facts, as well as extensive record review and determination drafting. Therefore, maintaining adequate staffing levels is essential to reducing the time needed to issue determinations. The Department’s current organizational structure is outlined in the following graphic:



The current proposal simply requests funding for our 13th unfunded FTE for one more compliance investigator. The department’s goal is to further reduce case duration and increase the number of cases processed, funding this FTE will help us do that.

IV. Agency Accomplishments

Claims – In the last two months alone, the Department closed our case load gap by another 24 cases. Additionally, the Department closed over 200 more cases during the 2023 biennium compared to the 2021 biennium.

Claim Type	Opened	Closed	Damages Recovered
Wage Claims	692	726	\$645,148.05
Employment	422	369	\$575,100.42
Retaliation	89	96	\$131,462.00
Housing	54	63	\$41,327.63
PS/PA/Credit	22	17	\$8,350.00
TOTAL	1,279	1,271	\$1,401,388.10

Public Education – The Department provided education through at least 40 training seminars and by having information publicly available on our website, including: (1) Required Employer Posters; (2) Printable Brochures; (3) Public Speaking Events; and (4) Educational Booths. Furthermore, the Department also launched “Workplace Wise” an outreach program that provides small business owners and employees the opportunity to engage with the Department. The first round of presentations were held in October, in Bowman, Watford City, Kenmare & Garrison. Just last week, we did another round in Napoleon, Lisbon, Mayville & Harvey. Next, we are looking at June in the Northeast corner of the state.

V. Financial Audit Findings

The Department’s most recent financial audit, conducted and concluded in July 2024, resulted in a clean audit with no outstanding financial findings.

VI. Agency Challenges

In the past, the Department faced difficulty in finding adequate applicants for the Compliance Investigator positions. At this time two years ago, the Department had five vacant compliance investigator positions. Our most recent posting at the beginning of January resulted in two successful hires. Prior to this, it has been a struggle to find qualified applicants. It is my understanding that, in many other states, Compliance Investigators are either licensed attorneys or paralegals. This isn’t true for North Dakota but given the highly technical nature and requirement of complex legal analyses, a competent Compliance Investigator applicant will need to have a bachelor’s degree and experience conducting investigations. The importance of finding qualified applicants in our one vacant, unfunded compliance investigator position is paramount to eliminating our backlog of cases.

VII. Budget History

2019-2021 Biennium

The Legislature appropriated the Department \$2,875,850, which was comprised of \$2,395,169 in general funds + \$480,681 in federal funding authority. Included in these figures is \$118,659 in one-time funding for Phase 1 of a paperless project. The Department was authorized for 14 FTEs (1 unfunded, 1 partially funded).

2021-2023 Biennium

The Legislature appropriated the Department \$2,911,054 which was comprised of \$2,394,186 in general funds + \$516,868 in federal funding authority. Included in these figures is \$147,717 in one-time funding for Phase 2 of a paperless project. The Department was authorized for 13 FTEs (-1 FTE from the prior biennium; 1 FTE unfunded to grant equity adjustments).

2023-2025 Biennium

We are grateful that the 68th Legislature appropriated the Department \$3,107,546, just under 94% of our total request for the biennium. This was comprised of \$2,604,148 in general funds + \$503,398 in federal funding authority. The Department was authorized for 13 FTES, with one unfunded.

VIII. Budget Request

The Department requests \$3,495,709, comprised of \$2,965,443 in general funds + \$530,266 in federal funding authority. The Department is also requesting to retain its 13 FTEs, and fully fund our 13th to fully staff the agency and increase claim processing and further reduce backlog.

This request will adequately allow the Department to become competitive with applicants and decrease the time it takes to process claims and issue determinations. This request also allows the Department to ensure Compliance Investigators attend necessary training to increase their competencies and provide the highest quality services to North Dakota.

IX. Conclusion

The Department's duties impact every citizen in North Dakota through employment, housing, and other key areas administered by the agency. I humbly request the Committee demonstrate its support for the statutory duties granted to the Department by the Legislature and recommend a Do Pass for the requested \$3,495,709 budget and 13 funded FTEs. Thank you for your time and service to North Dakota. I will stand for any questions.

HB 1007
3-6-25



Department of Labor and Human Rights - Budget No. 406
Agency Worksheet - House Bill No. 1007

	Armstrong Executive Budget				House Version				House Compared to Executive Budget			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	Increase (Decrease)			
									FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	13.00	\$2,654,336	\$511,925	\$3,166,261	13.00	\$2,654,336	\$511,925	\$3,166,261	0.00	\$0	\$0	\$0
2025-27 Ongoing Funding Changes												
Base payroll changes		(\$101,347)	(\$10,689)	(\$112,036)		(\$101,347)	(\$10,689)	(\$112,036)				\$0
Adds funding for cost to continue salaries		34,046	7,129	41,175		34,046	7,129	41,175				0
Salary increase		102,039	12,101	114,140		102,039	12,101	114,140				0
Health insurance increase		68,881	9,188	78,069		68,881	9,188	78,069				0
Adds funding to replace the 2023-25 vacant FTE pool		65,389	13,776	79,165		65,389	13,776	79,165				0
Removes funding for the 2025-27 vacant FTE pool				0		(25,849)	(3,136)	(28,985)		(\$25,849)	(\$3,136)	(28,985)
Adds funding for an unfunded FTE compliance investigator position		232,104		232,104		232,104		232,104				0
Adjusts base funding for temporary salaries		80,080		80,080		80,080		80,080				0
Adjusts base funding for travel		835	8,129	8,964		835	8,129	8,964				0
Total ongoing funding changes	0.00	\$482,027	\$39,634	\$521,661	0.00	\$456,178	\$36,498	\$492,676	0.00	(\$25,849)	(\$3,136)	(\$28,985)
One-Time Funding Items												
No one-time funding items				\$0				\$0				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	0.00	\$482,027	\$39,634	\$521,661	0.00	\$456,178	\$36,498	\$492,676	0.00	(\$25,849)	(\$3,136)	(\$28,985)
2025-27 Total Funding	13.00	\$3,136,363	\$551,559	\$3,687,922	13.00	\$3,110,514	\$548,423	\$3,658,937	0.00	(\$25,849)	(\$3,136)	(\$28,985)
Federal funds included in other funds			\$551,559					\$548,423				
Total ongoing changes - Percentage of base level			0.0%	18.2%	7.7%	16.5%	0.0%	17.2%	7.1%	15.6%	N/A	N/A
Total changes - Percentage of base level			0.0%	18.2%	7.7%	16.5%	0.0%	17.2%	7.1%	15.6%	N/A	N/A

Other Sections in Department of Labor and Human Rights - Budget No. 406

Section Description	Armstrong Executive Budget	House Version
New and vacant FTE pool		Section 2 provides the Department of Labor and Human Rights may not spend funds appropriated in the new and vacant FTE pool line item, and allows the department to request the Office of Management and Budget transfer funds from the new and vacant FTE pool line item to the salaries and wages line item.

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Human Resources Division Harvest Room, State Capitol

HB 1007
3/14/2025

A Bill for an Act to provide an appropriation for defraying the expenses of the department of labor and human rights.

8:06 a.m. Chairman Dever opened the hearing.

Members present: Chairman Dever and Senators Cleary, Davison, Magrum and Mathern.

Discussion Topics:

- Committee Action

8:07 a.m. Senator Davison moved a Do Pass.

8:07 a.m. Senator Mathern seconded the motion.

Senators	Vote
Senator Dick Dever	Y
Senator Sean Cleary	Y
Senator Kyle Davison	Y
Senator Jeffrey J. Magrum	Y
Senator Tim Mathern	Y

Motion passed 5-0-0.

Senator Mathern will carry the bill.

8:10 a.m. Chairman Dever closed the hearing.

Joan Bares, Committee Clerk

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

HB 1007
3/17/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the department of labor and human rights.

4:26 p.m. Chairman Bekkedahl opened the hearing.

Members Present: Chairman Bekkedahl, Vice-Chairman Erbele, and Senators Burckhard, Cleary, Conley, Davison, Dever, Dwyer, Magrum, Mathern, Meyer, Schaible, Sickler, Sorvaag, Thomas, Wanzek.

Discussion Topics:

- Disputes on Wages and Labor Rights
- Human Rights Questions
- Discrimination Issues

4:26 p.m. Senator Mathern introduced the bill.

4:27 p.m. Senator Mathern moved a Do Pass.

4:27 p.m. Senator Wanzek seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y
Senator Sean Cleary	Y
Senator Cole Conley	Y
Senator Kyle Davison	A
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Jonathan Sickler	Y
Senator Ronald Sorvaag	A
Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	Y

Motion Passed 14-0-2.

Senator Mathern will carry the bill.

Senate Appropriations Committee

HB 1007

03/17/2025

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4:30 p.m. Chairman Bekkedahl closed the hearing.

Elizabeth Reiten, Committee Clerk

**REPORT OF STANDING COMMITTEE
ENGROSSED HB 1007 ([25.0151.02000](#))**

Appropriations Committee (Sen. Bekkedahl, Chairman) recommends **DO PASS** (14 YEAS, 0 NAYS, 2 ABSENT OR EXCUSED AND NOT VOTING). HB 1007 was placed on the Fourteenth order on the calendar. This bill does not affect workforce development.