

**2025 SENATE APPROPRIATIONS**

**SB 2016**

## DEPARTMENT 380 - JOB SERVICE NORTH DAKOTA 2025-27 BASE-LEVEL BUDGET

### Base Budget - Summary

	<u>Base Level</u>
Salaries and wages	\$34,722,502
Operating expenses	22,290,155
Capital assets	20,000
Grants	8,054,512
Reed Act - unemployment insurance computer modernization	<u>10,915,000</u>
Total all funds	\$76,002,169
Less other funds	<u>69,268,250</u>
Total general fund	\$6,733,919
Full-time equivalent (FTE) positions	158.61

### Selected Base Budget Information

	General Fund	Other Funds	Total
1. Includes funding for salaries and wages of 158.61 FTE positions, including \$5,192,748 for temporary salaries	\$3,049,564	\$31,672,938	\$34,722,502
2. Includes funding for operating expenses, primarily related to data processing (\$7,394,437) and contractual services (\$8,760,425)	\$3,384,355	\$18,905,800	\$22,290,155
3. Includes federal funding for capital assets	\$0	\$20,000	\$20,000
4. Includes funding for grants, primarily related to the Workforce Innovation and Opportunity Act grant program (\$6,287,335) and the Trade Adjustment Assistance grant program (\$1,467,177)	\$300,000	\$7,754,512	\$8,054,512
5. Includes funding for the Reed Act - unemployment insurance computer modernization, primarily related to contractual services (\$10,888,432)	\$0	\$10,915,000	\$10,915,000

### 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. For the 2021-23 biennium, the fund had \$2,805,502 of revenue, \$691,885 of expenditures, and a fund balance of \$9,661,314 on June 30, 2023.

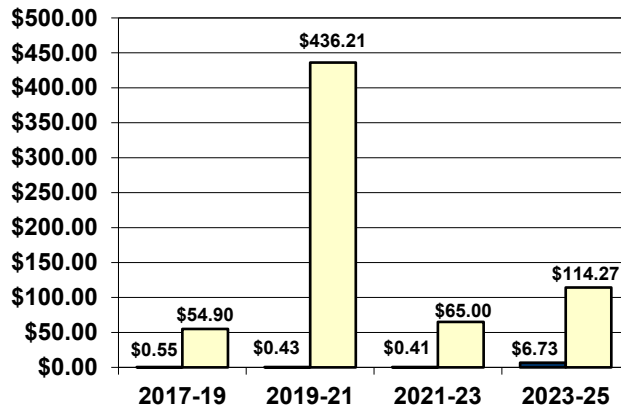
**Unemployment insurance tax fund** - Section 52-03-04 - Collection of unemployment taxes and the payments of unemployment benefits. For the 2021-23 biennium, the fund had \$174,132,259 of revenue, \$110,093,754 of expenditures, and a fund balance of \$301,489,589 on June 30, 2023.

**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. For the 2021-23 biennium, the fund had no revenue, no expenditures, and a fund balance of \$0 on June 30, 2023.

# Historical Appropriations Information

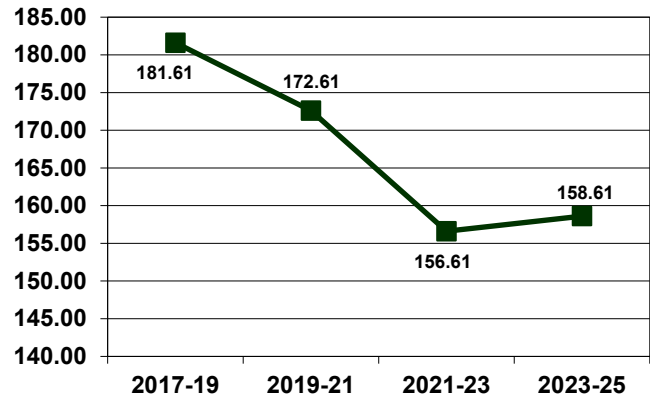
## Agency Appropriations and FTE Positions

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	\$1,888,080	\$445,793	\$430,624	\$410,229	\$6,733,919
Increase (decrease) from previous biennium	N/A	(\$1,442,287)	(\$15,169)	(\$20,395)	\$6,323,690
Percentage increase (decrease) from previous biennium	N/A	(76.4%)	(3.4%)	(4.7%)	1,541.5%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	(76.4%)	(77.2%)	(78.3%)	256.7%

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

#### 2017-19 Biennium

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

#### 2019-21 Biennium

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

#### 2021-23 Biennium

1. Reduced funding for unemployment insurance operating expenses, primarily related to information technology (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

1. Added funding for FTE positions for the H2A foreign agriculture workers program, of which \$439,818 was for salaries and wages and \$23,460 was for related operating expenses \$463,278
2. Added funding for a job placement pilot program for recently incarcerated individuals, of which \$340,000 was for temporary salaries and \$300,000 was for grants \$640,000
3. Adjusted funding for salaries and wages from federal funds to the general fund \$2,500,000
4. Adjusted funding for unemployment insurance administration and IT inflation costs \$3,000,000

### One-Time General Fund Appropriations

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

### Major One-Time General Fund Appropriations

#### 2017-19 Biennium

- |   |           |
|---|-----------|
| 1. Relocation of Job Service North Dakota from the Bismarck central office to the Bismarck regional office and renovations costs of the Bismarck regional office necessary for normal business operations | \$100,000 |
|---|-----------|

#### 2019-21 Biennium

None	\$0
------	-----

#### 2021-23 Biennium

None	\$0
------	-----

#### 2023-25 Biennium

None	\$0
------	-----





**Job Service North Dakota  
Department No. 380  
2025 Senate Bill No. 2016**

**EXECUTIVE BUDGET RECOMMENDATION  
2025-27 BIENNIUM**

**Budget Summary**

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
Executive budget recommendation	<b>158.61</b>	<b>\$8,419,867</b>	<b>\$71,355,699</b>	<b>\$79,775,566</b>
Base level	158.61	6,733,919	69,268,250	76,002,169
Increase (decrease)	0.00	\$1,685,948	\$2,087,449	\$3,773,397
Percentage increase (decrease)	0.0%	25.0%	3.0%	5.0%

**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 \$1,443,529, of which \$153,388 is from the general fund and \$1,290,141 is from other funds, for salary increases of up to 4 percent effective July 1, 2025, and 3 percent effective July 1, 2026
- Adds \$930,818, of which \$99,713 is from the general fund and \$831,105 is from other funds, for a health insurance increase of \$250 per month (15.2 percent), from \$1,643 to \$1,893, per employee
- Adds \$2,048,653, of which \$460,937 is from the general fund and \$1,587,716 is from federal funds, to replace the 2023-25 biennium new FTE pool (\$439,818) and 2023-25 biennium vacant FTE pool (\$1,608,835)
- Reduces \$2,917,152 of federal funds for operating expenses
- Adds \$1,791,163, of which \$734,910 is from the general fund and \$1,056,253 is from other funds, for increased information technology (IT) costs
- Adds \$474,000, of which \$237,000 is from the general fund and \$237,000 is from federal funds, for increased mainframe IT costs

**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 has one fee. The agency did not recommend any changes to the fee.

**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.



## Job Service North Dakota - Budget No. 380

### Agency Worksheet - Senate Bill No. 2016

	Executive Budget			
	FTE Positions	General Fund	Other Funds	Total
<b>2025-27 Biennium Base Level</b>	158.61	\$6,733,919	\$69,268,250	\$76,002,169
<b>2025-27 Ongoing Funding Changes</b>				
Salary increase		\$153,388	\$1,290,141	\$1,443,529
Health insurance increase		99,713	831,105	930,818
Adds funding to replace the 2023-25 new FTE pool		439,818		439,818
Adds funding to replace the 2023-25 vacant FTE pool		21,119	1,587,716	1,608,835
Adjusts base level funding for operating expenses			(2,914,766)	(2,914,766)
Transfers \$659,489 from operating to salaries				0
Adds funding for increased IT costs		734,910	1,056,253	1,791,163
Adds funding for increased mainframe IT costs		237,000	237,000	474,000
Total ongoing funding changes	<b>0.00</b>	<b>\$1,685,948</b>	<b>\$2,087,449</b>	<b>\$3,773,397</b>
<b>One-Time Funding Items</b>				
No one-time funding items				\$0
Total one-time funding changes	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Changes to Base Level Funding</b>	<b>0.00</b>	<b>\$1,685,948</b>	<b>\$2,087,449</b>	<b>\$3,773,397</b>
<b>2025-27 Total Funding</b>	<b>158.61</b>	<b>\$8,419,867</b>	<b>\$71,355,699</b>	<b>\$79,775,566</b>
<i>Federal funds included in other funds</i>			\$70,739,028	

Total ongoing changes - Percentage of base level

0.0%

25.0%

3.0%

5.0%

Total changes - Percentage of base level

0.0%

25.0%

3.0%

5.0%

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

Section Description	Executive Budget
Reed Act appropriation	Section 3 would identify \$10,915,000 of funding appropriated in Section 1 as from federal Reed Act funds to develop a modernized unemployment insurance computer system.
Federal funds appropriation authority	Section 4 would appropriate all federal funds received by Job Service North Dakota to the agency for the 2025-27 biennium.
Exemption - Federal State Fiscal Recovery Fund	Section 5 would provide Job Service North Dakota an exemption to continue any unexpended 2023-25 biennium funds from the State Fiscal Recovery Fund into the 2025-27 biennium.
FTE position adjustments	Section 6 would authorize Job Service North Dakota to increase or decrease authorized FTE positions subject to the availability of funds.

Sixty-ninth  
Legislative Assembly  
of North Dakota

**SENATE BILL NO. 2016**  
**(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; 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 job service North Dakota for the purpose of defraying the expenses of job service North Dakota, 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	\$34,722,502	\$5,082,489	\$39,804,991
Operating Expenses	22,290,155	(1,309,092)	20,981,063
Capital Assets	20,000	0	20,000
Grants	8,054,512	0	8,054,512
Reed Act–UI Computer Modernization	10,915,000	0	10,915,000
Total All Funds	<u>\$76,002,169</u>	<u>\$3,773,397</u>	<u>\$79,775,566</u>
Less Estimated Income	<u>69,268,250</u>	<u>2,087,449</u>	<u>71,355,699</u>
Total General Fund	\$ 6,733,919	\$ 1,685,948	\$ 8,419,867
Full-time Equivalent Positions	158.61	0.00	158.61

**SECTION 2. ONE-TIME FUNDING.** The following amounts reflect the one-time funding items approved by the sixty-eighth legislative assembly for the 2023-25 biennium:

<u>One-Time Funding Description</u>	<u>2023-25</u>	<u>2025-27</u>
Unemployment Insurance Modernization Project	<u>\$45,000,000</u>	\$0
Total All Funds	\$45,000,000	\$0
Total Special Funds	<u>45,000,000</u>	<u>0</u>
Total General Fund	\$0	\$0

**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, 2025, and ending June 30, 2027.

**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, 2025, and ending June 30, 2027.

**SECTION 5. EXEMPTION – FEDERAL STATE FISCAL RECOVERY FUND.** The sum of \$45,000,000 from federal fund derived from the state fiscal recovery fund appropriated to job service of North Dakota for the

unemployment insurance modernization project is not subject to section 54-44.1-11, and any unexpended funds from this appropriation may be continued and used during the biennium beginning July 1, 2025, and ending June 30, 2027.

**SECTION 6. EXEMPTION - FULL-TIME EQUIVALENT POSITION ADJUSTMENTS.** Notwithstanding any other provisions of law, the job service of North Dakota 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 job service of North Dakota shall report to the office of management and budget and legislative council any adjustments made pursuant to this section.



**Job Service North Dakota  
Department No. 380  
2025 Senate Bill No. 2016**

**REVISED EXECUTIVE BUDGET RECOMMENDATION  
2025-27 BIENNIUM**

**Budget Summary**

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
Burgum executive budget recommendation	158.61	\$8,419,867	\$71,355,699	\$79,775,566
Revisions - Increase (decrease)	1.00	2,318,345	(2,335,478)	(17,133)
<b>Armstrong executive budget recommendation</b>	<b>159.61</b>	<b>\$10,738,212</b>	<b>\$69,020,221</b>	<b>\$79,758,433</b>
Base level	158.61	6,733,919	69,268,250	76,002,169
Increase (decrease)	1.00	\$4,004,293	(\$248,029)	\$3,756,264
Percentage increase (decrease)	0.6%	59.5%	(0.4%)	4.9%

**NOTE:**

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

**Selected Highlights**

- **Adds \$1,186,718, of which \$132,055 is from the general fund and \$1,054,663 is from other funds, for salary increases of up to 3 percent effective July 1, 2025, and 3 percent effective July 1, 2026**
- **Adds \$936,824, of which \$105,719 is from the general fund and \$831,105 is from other funds, for a health insurance increase of \$250 per month (15.2 percent), from \$1,643 to \$1,893, per employee**
- Adds \$2,048,653, of which \$460,937 is from the general fund and \$1,587,716 is from federal funds, to replace the 2023-25 biennium new FTE pool (\$439,818) and 2023-25 biennium vacant FTE pool (\$1,608,835)
- **Adds \$233,672 from the general fund for 1 FTE H2A foreign agricultural workers program position**
- Reduces \$2,917,152 of federal funds for operating expenses
- Adds \$1,791,163, of which \$734,910 is from the general fund and \$1,056,253 is from other funds, for increased information technology (IT) costs
- Adds \$474,000, of which \$237,000 is from the general fund and \$237,000 is from federal funds, for increased mainframe IT costs
- **Adds one-time funding of \$2.1 million from the general fund for salaries and wages, replacing other funds**

**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 has one fee. The agency did not recommend any changes to the fee.

**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.



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

	Armstrong Executive Budget			
	FTE Positions	General Fund	Other Funds	Total
<b>2025-27 Biennium Base Level</b>	158.61	\$6,733,919	\$69,268,250	\$76,002,169
<b>2025-27 Ongoing Funding Changes</b>				
Salary increase		\$132,055	\$1,054,663	\$1,186,718
Health insurance increase		105,719	831,105	936,824
Adds funding to replace the 2023-25 new FTE pool		439,818		439,818
Adds funding to replace the 2023-25 vacant FTE pool		21,119	1,587,716	1,608,835
Adjusts base level funding for operating expenses			(2,914,766)	(2,914,766)
Transfers \$659,489 from operating to salaries				0
Adds funding for increased IT costs		734,910	1,056,253	1,791,163
Adds funding for increased mainframe IT costs		237,000	237,000	474,000
Adds funding for an FTE H2A foreign agricultural workers program position	1.00	233,672		233,672
<b>Total ongoing funding changes</b>	<b>1.00</b>	<b>\$1,904,293</b>	<b>\$1,851,971</b>	<b>\$3,756,264</b>
<b>One-Time Funding Items</b>				
Salaries funding source change		\$2,100,000	(\$2,100,000)	\$0
<b>Total one-time funding changes</b>	<b>0.00</b>	<b>\$2,100,000</b>	<b>(\$2,100,000)</b>	<b>\$0</b>
<b>Total Changes to Base Level Funding</b>	<b>1.00</b>	<b>\$4,004,293</b>	<b>(\$248,029)</b>	<b>\$3,756,264</b>
<b>2025-27 Total Funding</b>	<b>159.61</b>	<b>\$10,738,212</b>	<b>\$69,020,221</b>	<b>\$79,758,433</b>

*Federal funds included in other funds*

*\$68,403,726*

*Total ongoing changes - Percentage of base level*

*0.6%*

*28.3%*

*2.7%*

*4.9%*

*Total changes - Percentage of base level*

*0.6%*

*59.5%*

*(0.4%)*

*4.9%*

# **2025 SENATE STANDING COMMITTEE MINUTES**

## **Appropriations - Education and Environment Division** Sakakawea Room, State Capitol

SB 2016  
1/13/2025

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

9:31 a.m. Chairman Sorvaag called the meeting to order.

Members Present: Chairman Ronald Sorvaag, Senator Cole Conley, Senator Scott Meyer, Senator Donald Schaible, Senator Paul J. Thomas.

### Discussion Topics:

- Information regarding Job Service ND.
- Workforce services.
- H-2A Foreign labor program.

9:32 a.m. Patrick Bertagnolli, Executive Director at Job Service ND, testified in favor and submitted testimony #28435.

9:48 a.m. Phil Davis, Workforce Service Director, testified in neutral.

10:09 a.m. Chairman Sorvaag adjourned the meeting.

*Steven Hall, Committee Clerk*

# SENATE APPROPRIATIONS COMMITTEE

## JOB SERVICE NORTH DAKOTA TESTIMONY



SENATE BILL 2016  
PAT BERTAGNOLLI  
JANUARY 13, 2025



# **SENATE APPROPRIATIONS COMMITTEE**

## **SB 2016**

### TABLE OF CONTENTS

#### **SECTION 1: Job Service North Dakota Testimony**

#### **SECTION 2: Slide Deck**

#### **SECTION 3: Appendix**

- Appendix A: Organizational Chart - Leadership Team
- Appendix B: Workforce Services
- Appendix C: H2A Program History

TESTIMONY

# APPROPRIATIONS TESTIMONY

## JANUARY 13, 2025

(slide 1)

### WELCOME and INTRODUCTION

Good morning, Mr. Chairman and members of the Senate Appropriations Committee. My name is Patrick Bertagnoli, and I am the Executive Director for Job Service North Dakota (Job Service). I am here today to provide the appropriations testimony. Joining me today are four members of our leadership team including McKenna Thielges, our Finance Manager, Darren Brostrom, our Unemployment Insurance Director and Deputy Director, Phil Davis, our Workforce Services Director, and Jaime Lawler, our Unemployment Insurance Data and Quality Assurance Manager.

Job Service was established under North Dakota Century Code title 52 and is charged with administering the unemployment compensation program and the state's employment services. I have been the Executive Director of Job Service since February of 2022. I'd like to start our testimony today with some background information about our agency and the work we do.

(slide 2)

### ORGANIZATIONAL STRUCTURE

Our agency is structured to provide the best service to our North Dakota citizens and deliver on our mission of *Meeting Workforce Needs*. We have a strong leadership team leading each of our three main business units. [See Appendix A for our Leadership Team Structure].

Our Workforce Services Department serves our communities through outreach, statewide events, education, career expos, and partnerships. There are several grants and contracts we work under to remove barriers to employment to help individuals successfully find meaningful employment. We also connect employers and job seekers via our career and employer services and hiring events.

Our Unemployment Insurance Department provides critical financial assistance to individuals during periods of temporary layoff through the payment of unemployment insurance benefits. These benefit payments provide a direct benefit to individuals and businesses throughout the state. By relieving some of the financial pressures of job loss, workers are able to support their families and are more likely to remain within their community. Business is benefited by the continued spending of unemployed individuals. The Unemployment Insurance Department also works with over 26,000 employers, sets tax rates, and ensures the trust fund is solvent.

Our third function is our Labor Market Information Department. This department turns data into insights, allowing businesses, job seekers, policy makers, and others to make informed decisions based on labor market and economic data.

At this time, I'm going to share more information about our workforce services and the impact we have on the workforce in North Dakota.

# APPROPRIATIONS TESTIMONY

## JANUARY 13, 2025

(slide 3)

### WORKFORCE SERVICES

Workforce Services includes our Workforce Centers and our Workforce Programs Department. We have nine Workforce Centers across the state delivering key services to the citizens of North Dakota. Workforce Centers serve an average of 3,400 customers per month and take approximately 2,400 phone calls each month. During the last year, our Workforce Centers also provided over 36,700 services to employers throughout the state.

During the last 11 months of 2024, our workforce team hosted 68 job fairs, 82 hiring events, held 176 student events at high schools and colleges, and attended 293 community events. They also provided individualized services to 9,856 participants who participate in the programs we administer. During this same time, our team also conducted statewide outreach to provide workforce information and services to our veterans, tribal nations, treatment and recovery centers, and the Department of Corrections. We recently held our 4<sup>th</sup> annual virtual job fair attracting 511 job seekers from 24 states and 17 countries. In total, we reached over 51,000 individuals.

Our Workforce Centers are also home to the Virtual One Stop System. This is North Dakota's largest ad-free job board. The platform is offered at no charge to job seekers and employers. We currently have over 203,000 users with 135,759 of those being new users. In the last year, our staff placed 45,155 job orders for employers, and we made 32,234 job referrals.

(slide 4)

### Program Highlights

We manage 15 workforce programs that are designed to remove barriers to employment. The clients we work with will typically have one or more significant barriers impacting the ability to be hired and maintain employment. Barriers may be as simple as obtaining the necessary tools or transportation, or they could be more complex cases such as substance abuse, a criminal record, insufficient support services, inadequate access to technology, or a lack of technical or soft skills to succeed in today's workplace.

Every client we work with is different and we strive to positively impact our clients by helping them remove barriers to obtaining meaningful employment and becoming self-sufficient. I've provided some of our program highlights on this slide, but I encourage you to read through the appendix included with our testimony to learn more about the many services and successes we have within these programs. *[See Appendix B for more information on our Workforce Services area including numbers served and performance measurements]*

(slide 5)

### JP3

I'd like to tell you a little bit about the Job Placement Pilot Program (JP3) a state-sponsored program recommended by the Workforce Development Council (WDC) and approved during the last legislative session. Ex-Offenders were identified by the WDC as a population who experience barriers to entering

## APPROPRIATIONS TESTIMONY

### JANUARY 13, 2025

the workforce, including the life-long impact of a criminal conviction on their record. As of 2020, North Dakota averaged 1,400 prisoner releases each year. Without a steady paycheck allowing for basic needs to be met, such as housing and food, many ex-offenders return to the prisons as indicated by North Dakota's recidivism rate of 37.6% as reported by the Department of Corrections and Rehabilitation (DOCR). Ex-offenders are a target group to fill in-demand positions in skilled trades, transportation, IT, and a wide variety of other industries. Without tapping into this labor pool and preparing ex-offenders for the workforce, employers will continue to have difficulty filling in-demand positions.

During the last legislative session, we were allocated \$640,000 in general funds with a main objective to connect recently or soon-to-be released ex-offenders with in-demand positions within North Dakota. Through this program, we collaborated with DOCR to meet with residents who were within 90 days of release to determine their individual needs. We then provided access to employment services and training programs and referred them to needed services.

(slide 6)

Our goal for this program over the two-year pilot period was to prepare 300 individuals to re-enter the workforce. After 18 months since starting this program in July of 2023, we have had great success with receiving 277 referrals from DOCR. Once referred, the individual goes through an intake process so we can assess their skills and needs. We have conducted 213 intakes and currently have 86 participants active in the program with a 73% employment rate. There have been 126 participants who have exited the program. For comparison purposes, for those who have successfully exited the program after completing six months of continuous employment, they are earning \$12,655 per quarter as compared to those who did not successfully complete the program who are earning \$1,038 per quarter or those who never enrolled who are earning \$6,633 per quarter. These figures are significant as it shows when working with one of our employment advisors, individuals are better prepared to enter the workforce and make a living wage to ultimately obtain self-sufficiency.

This program has also been successful because of the work our staff has done in educating employers. We meet with employers during outreach and at events to provide education and information about this untapped labor pool and the benefits they may experience by being part of the change in hiring individuals who are justice involved. We also hosted a webinar in October of 2024 titled, *Breaking Barriers: Hiring Justice-Involved Individuals*. This collaborative effort with DOCR, employers, and those who have lived the experience is another example of our commitment to this program and making a difference in the lives of those we serve.

(slide 7)

At this time, I'd like to share with you a story about Antwan. Antwan is originally from California and grew up amongst the gangs. For most of his life, he had been in and out of prison. He came to North Dakota and found himself back in prison. This was the only life he knew, but he also knew he wanted a better life to support his family. Antwan was hired by Harlow's Bus Service as a tech trainee, but like many tech positions in mechanics, electrical, or plumbing, tools are required to begin training as a technician. The tools needed for Antwan to participate in the training program were expensive, requiring funds to be dispersed not only from the Workforce Innovation and Opportunity Act (WIOA),

## APPROPRIATIONS TESTIMONY

### JANUARY 13, 2025

but also the JP3 program. After six months, Antwan completed the technician training and is now a Navistar Certified Technician and he is working on his second certification. Without these tools, Antwan would never have been able to participate in the training program, never would have been hired by an employer who took the time to mentor and guide him, never would have become a certified technician, and never would have had the opportunity to change his life for the better.

We have more stories like Antwan where individuals have experienced success because of the direct support they received. These individuals are thankful for the opportunities to become self-sufficient through the work we do and the support they receive with the JP3 program.

(slide 8)

#### H2A Visa Agricultural Program

Another program I would like to highlight is the H2A Visa Agricultural Program, also known as the Foreign Labor Certification Program. The program provides assistance to agricultural employers who have a shortage of domestic workers by bringing non-immigrant foreign workers to the U.S. to perform agricultural labor on a temporary or seasonal basis. Job Service facilitates this program by processing the application, placing the job order, and providing a quality housing inspection as required by the US Department of Labor. During this last program year, Job Service processed 1,315 applications and drove 91,002 miles to perform 1,910 inspections. This work facilitated the placement of 4,321 foreign workers for our agricultural employers. David Lagein, a farmer, and Towner County Commissioner said, *"The H2A Program was a lifesaver for us!"*

(slide 9)

Job Service has been administering the H2A program since 2007 and over the last almost 25 plus years, the program has experienced exponential growth. [See Appendix C for Historical Foreign Labor Statistics] From Fiscal Year (FY)21 through FY24, Job Service has facilitated the placement of 13,332 workers through the H2A program. This is a significant impact on employers and the workforce. In FY24 alone, we facilitated the placement of 4,321 workers. With the increase in workers, comes an increase in housing inspections, which must be done prior to the worker being placed. With North Dakota's rural landscape and remote farming communities, our employees must drive extensively to conduct these inspections.

(slide 10)

The H2A program is impactful in bringing needed seasonal workers to our agricultural employers across the state; However, it's growth hinders our ability to dedicate time to our other workforce services. To continue providing these valuable services, we are making a request for general funds in the amount of \$246,346. This request is for one additional full-time employee and related expenses. Without this funding, there will be a direct impact on Ag producers as there could be a delay in receiving foreign workers due to a shortage of staff to conduct the 20% year-over-year increase in housing inspections. The amount of time needed to dedicate to this program will also significantly impact our other workforce services and programs.

(slide 11)

## MODERNIZATION UPDATE

At this time, I would like to give a brief update on our Unemployment Insurance Modernization project. During the 2023-2025 legislative session, Job Service received \$45,000,000 in ARPA funds for this project. Since that time, we have selected a vendor and have a project plan in place, including how we will use the ARPA dollars due to limitations on the timeline. We have also spent significant time cleaning and validating the data, identifying system requirements, and preparing our systems to ensure a positive customer experience. Our implementation efforts continue with a goal date for full implementation by the fourth quarter of 2026.

(slide 12)

## FUNDING

Now I would like to take some time to talk about the Job Service budget. We are 93.64% federally funded. The federal funds are siloed, meaning the buckets of federal dollars do not allow transfers between programs. All programs offered by Job Service must meet performance levels and every grant and contract has countless reporting requirements that are carried out by our staff monthly, quarterly, and annually. These federal funds have not been adjusted for inflation, nor do they support state-level program increases such as wage adjustments and IT cost increases. During the last legislative session, Job Service asked for, and received, limited general funds to offset the cost of the salary and benefit increases and the cost of the Unemployment Insurance Administration and related IT expenditures.

(slide 13)

The top chart on this slide begins with the 2009-2011 biennium and shows how the federal funding has remained flat and actually has declined over the years without adjustments for inflation. I mentioned on the last slide that the federal dollars do not support state-level program increases such as wage adjustments and IT costs. To pay for these state-level program increases, Job Service has had to make some difficult decisions in the past related to staffing as noted on the second chart. In 2001, Job Service had 387 team members. The lack of funding has forced the reduction in staff to cover costs not supported with the federal funding, creating a steady decline in staffing to where we are today with 159 employees. I could be wrong, but I'm not aware of any other state agency that has had this large of a reduction in staff while making such a large impact on the workforce in North Dakota.

(slide 14)

We recognize the current federal funding model is not sustainable for smaller states. We have brought this issue to the attention of our federal congressional delegation, as well as national associations, but nothing has changed, and congress continues to fund the programs through continuing resolutions without consideration for cost increases. If changes are made to the programs at the federal level, they also impact our staffing. For example, in 2025 the WIOA program is implementing changes requiring us to divert another 5%, or \$250,000, of federal funding from program administration to participant training. While this is positive for our participants, it will reduce the federal dollars available for staffing.

## APPROPRIATIONS TESTIMONY

### JANUARY 13, 2025

While funding remains flat, costs continue to increase resulting in a reduction of funds available to serve the citizens of North Dakota. As I pointed out on the last slide, our staffing has been in a steady decline. Since 2001, we have reduced our staff by 59% and in 2016, we closed 7 of our 16 Workforce Centers to make up for the lack of federal funding adjustments and to pay for the state-level increases. At the same time, our population is growing. Since 2010, the population has increased 18.4%. Our business community has also grown by almost 8,000. North Dakota citizens and businesses are our customers who we provide core services to. We have been serving more businesses and citizens but doing it with less. We have exhausted our alternatives by leveraging as much technology as we can, creating efficiencies, and redesigning approaches to our work.

As a state agency that is primarily funded by the federal government, we understand the complications and the potential for confusion in our funding model. At a minimum, we follow the statutory changes implemented by the state. We also follow the rules implemented by the state with no option to seek alternatives. We therefore incur state-level cost increases like all other state agencies; however, we don't typically receive additional funding for these increases.

(slide 15)

Our services provide substantial benefits to the citizens and businesses in North Dakota, at a minimal cost to the state. In years past, we have not requested significant state funding, but have continued to incur cost increases. Without additional state funding, there will be an impact to citizens and businesses across the state. We will be unable to continue at the same performance levels the state currently enjoys. Our core programs are at risk both in terms of serving our citizens and program performance. We will continue to provide quality services, but the timeliness of those services will be impacted. The impact of the continuous inflationary costs and state-level salary and benefit increases, forces us to once again make difficult decisions related to staffing. This is a very unfortunate position for our agency to be placed in, especially given our large modernization project, the focus on workforce and the impact we make for the citizens and businesses of North Dakota.

(slide 16)

The lack of federal funding and the limited state dollars we receive to offset state-level increases prompts our request for a general fund appropriation of \$950,000 to pay for the inflationary rate increase for information technology. Additionally, we are requesting appropriation authority in the amount of \$950,000. As I mentioned, we have no option to seek alternative services and the North Dakota Department of Information Technology rates are increasing \$1,426,000 over the next biennium. We also have increases to our main frame lease and maintenance and operating hosting expenses.

(slide 17)

We are also asking for a one-time general fund appropriation of \$2,100,000 to help cover salary and benefit increases that federal funding does not support. We are facing a crucial time with the modernization of our unemployment insurance system and a focus on workforce.



## APPROPRIATIONS TESTIMONY

### JANUARY 13, 2025

This request, and the request for the information technology increases are critical. To reiterate what I've already said, without these funds, we cannot continue to provide our core services at the level we are now. We will have to make difficult decisions to stay within the approved budget.

(slide 18)

## APPROPRIATIONS

I would like to summarize all our appropriation requests.

Our two critical priorities are the IT cost increases for \$950,000 and the salaries and wages for \$2,100,000. Without the needed funding for these two areas, we cannot run our organization as optimally as we are now. In addition to these two critical areas, we are also requesting funding for the H2A Visa Program in the amount of \$246,346.

(slide 19)

Slide 19 summarizes our base budget, optional budget requests and Governor's recommendations, which compile our 2025-27 appropriation request. Changes from the base budget include:

### Salary

- A one-time funding request adjustment of \$2,100,000 in general funds for salary and benefits
- A budget request for the H2A VISA Program for \$246,346 to cover salary, benefits, and indirect costs for one FTE

### Operating Expenses

- A budget request for information technology inflationary increases of \$1,900,000
  - \$950,000 as general funds
  - \$950,000 as federal funds

In addition to these funds, we are requesting that the long-standing language in our appropriation bill which will allow us to accept all federal funds received by Job Service in excess of those funds appropriated in section 1 of our bill for the biennium beginning July 1, 2025, and ending June 30, 2027. This critical continuing appropriation language is necessary due to the way in which the US Department of Labor provides funding to the agency and has been long considered necessary by the legislative body.

(slide 20)

## CONCLUSION

The work we do at Job Service is incredibly important in building a skilled workforce and limiting the impact of economic downturns. I am humbled to work for an organization where employees strive to serve the citizens and businesses of North Dakota every single day. I hope, with your help, that we can continue to provide these valuable services.

I thank you for your time today and I will now entertain questions from the committee.

SLIDES





APPROPRIATIONS TESTIMONY  
JOB SERVICE NORTH DAKOTA – SB 2016  
PAT BERTAGNOLLI  
JANUARY 13, 2025

NORTH  
**Dakota** | Job Service  
Be Legendary.™





# IMPACTING NORTH DAKOTA'S WORKFORCE

## WORKFORCE SERVICES

- Serve our Communities
- Remove Barriers to Employment
- Connect Employers and Job Seekers

## UNEMPLOYMENT INSURANCE

- UI Benefit Payments
- Tax Rates
- Trust Fund

## LABOR MARKET INFORMATION

- Labor and Economic Data
- Education and Insights for Informed Decision Making

# WORKFORCE SERVICES

NORTH  
**Dakota** | Job Service  
Be Legendary.™



## 9 WORKFORCE CENTERS

Average 3,400 Customers/Month  
Average 2,400 Phone Calls/Month  
36,742 Services to Employers in the last year



## COMMUNITY IMMERSION

Connected with over 51,000 Individuals  
in the last year at local, statewide, and  
virtual events



## VIRTUAL ONE-STOP SYSTEM

Largest Ad-Free Workforce Job Board in  
North Dakota available at no cost to  
employers or job seekers

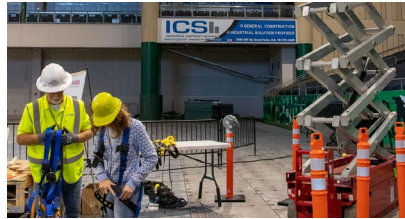
203,859 Users      45,155 Job Orders  
135,759 New Users      32,234 Job Referrals

# WORKFORCE PROGRAMS

Employment ~ Reemployment ~ Training ~ Upskilling

## WHO WE SERVE:

- Employers
- Veterans
- In-School Youth
- Out-of-School Youth
- Adults
- Dislocated Workers
- Ex-Offenders
- New Americans
- TANF Recipients
- SNAP Recipients
- Parents owing child support
- Unemployment Recipients



## PROGRAM HIGHLIGHTS

### WIOA & Wagner Peyser

- 3,247 Youth, Adults, and Dislocated Workers

### Veterans

- 388 Veterans

### WOTC

- 12,957 Applications

### H2A Visa Program

- 1,315 Applications
- 91,002 Miles
- 1,910 Inspections
- 4,321 Workers



# JOB PLACEMENT PILOT PROGRAM (JP3)

## HOW IT STARTED

### Workforce Development Council

- Populations with Barriers Subcommittee recommendation

### 2023 Legislation

- \$640,000 allocation of general funds for two years

### Primary Goals

- Bridge gap for re-entering citizens to gain and maintain employment



The flyer features a man in a white shirt holding a cardboard box and a laptop, standing in front of a building. The text is overlaid on a blue and orange background.

**NORTH Dakota | Job Service**  
Be Legendary.™

## ARE YOU WITHIN 90 DAYS OF RELEASE?

If YES, you may be eligible to participate in the Job Placement Pilot Program (JP3). This program is offered through Job Service North Dakota and is designed to help you be successful upon release!

Contact your Department of Corrections and Rehabilitation Case Manager Today  
For More Information on How To Participate in this Program

### What does this program offer?

- Access to our vast array of employment services
- Access to eligible training programs
- Individual consultation to be employment ready
- Referral to needed services
- \*Funding for support services

\*Funding for support services may include transportation, housing, job readiness tools and uniforms, licensing fees, etc. All funding must meet eligibility requirements and must be approved by Job Service North Dakota

If you are interested in this program and will be released to either the Bismarck or Fargo area, we encourage you to work with your case manager to complete the following to ensure you are eligible to participate:

1. Attend a Career Readiness Class or Workshop through Job Service North Dakota.
2. Apply for your identification documents such as your social security card, birth certificate, or ID card so you have them at the time you are released

**Be Part of the Change and Let Us Help You be Successful and Make a Positive Impact in Your Community!**

**NORTH Dakota | Job Service**  
Be Legendary.™

## WHAT IT DOES

### Provides Access To:

- Employment services and eligible training programs
- Individual consultation to become employment ready
- Referral to needed services

### Funding For:

- Support services (transportation, housing, job readiness tools, uniforms, license fees, etc.)

# JOB PLACEMENT PILOT PROGRAM (JP3)

## PROGRAM STATS AFTER 18 MONTHS

277 Referrals

213 Intakes Completed

86 Active Participants w/73% employed

126 Exited Participants

- Successful Completions: \$12,655 earned per qtr.
- Unsuccessful Completions: \$1,038 earned per qtr.
- Never Enrolled: \$6,633 earned per qtr.

## TOGETHER WE CAN GET TALENT BACK TO WORK!

If you have thought about giving someone a second chance and hiring someone with a criminal record, Job Service North Dakota is here to help with our Job Placement Pilot Program (JP3)!

### DID YOU KNOW?

People with criminal records, especially the formerly incarcerated, face enormous barriers to employment. This untapped pool of workers can bring great value to employers and communities when given the opportunity to thrive and succeed in the workplace!

### ABOUT JP3:

While this program offers many benefits to eligible individuals, it also helps employers by reducing barriers and building bridges to employment for people with criminal records!

Individuals enrolled in our program have access to our vast array of employment services including individual consultation, access to training programs, and support services.

### EMPLOYER BENEFITS

We can help an eligible employee become dependable when removing barriers to employment by:

1. Funding for transportation to/from work
2. Assisting with housing
3. Providing required uniforms and job readiness tools
4. Assisting with licensing fees
5. Referring individuals to needed resources

### BE A PART OF THE CHANGE

TALK WITH A BUSINESS ADVISOR TODAY ABOUT BECOMING AN EMPLOYER COMMITTED TO EXPANDING OPPORTUNITIES TO EMPLOYMENT FOR PEOPLE WITH CRIMINAL RECORDS



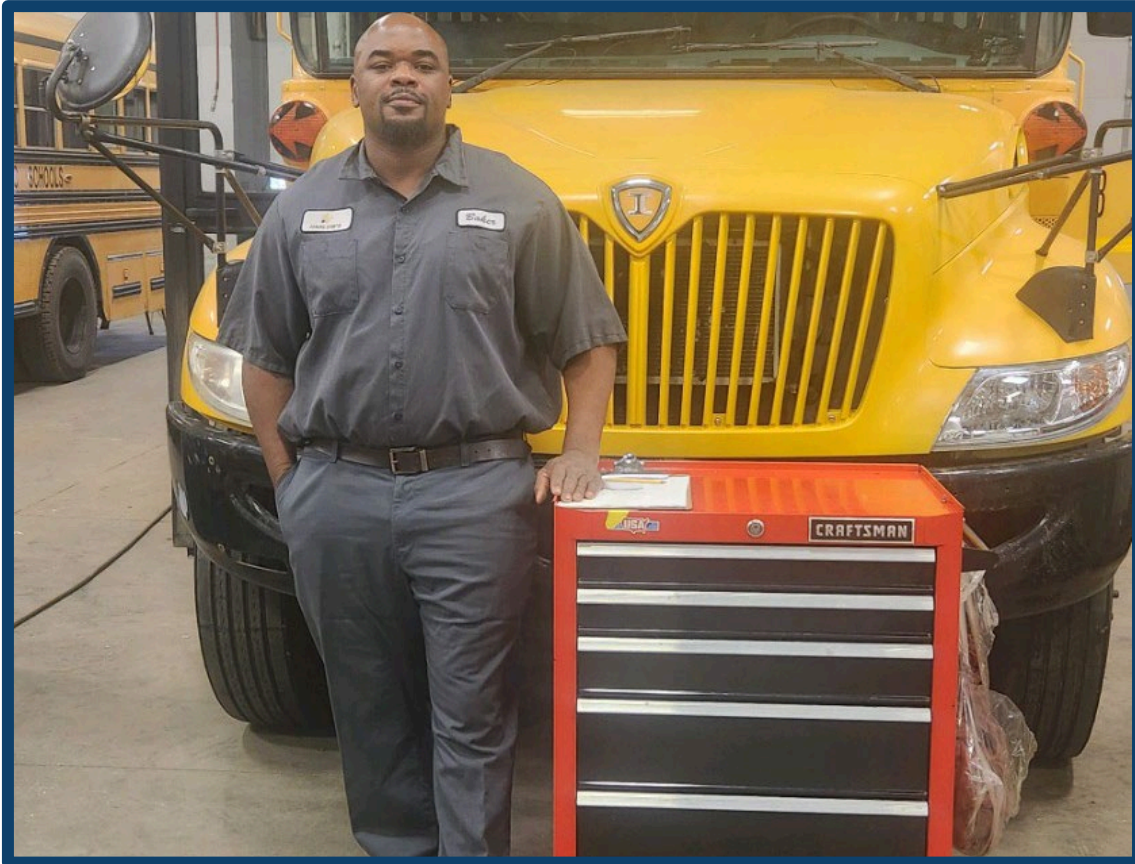
## Breaking Barriers: Hiring Justice-Involved Individuals





# REMOVING BARRIERS

## WORKFORCE INNOVATION & OPPORTUNITY ACT & JOB PLACEMENT PILOT PROGRAM



# H2A PROGRAM

## SUPPORTING THE AGRICULTURAL INDUSTRY THROUGH THE H2A PROGRAM



### H2A Foreign Labor Program Federal Fiscal Year

- Processed 1,315 Applications
- Drove 91,002 Miles
- Performed 1,910 Inspections
- Facilitated the Placement of 4,321 Foreign Workers



*"The H2A Program was a life saver for us!"*

-David Lagein, Farmer and Towner County  
Commissioner



# H2A PROGRAM GROWTH

	H2A Apps	# of Inspections	Miles Traveled	# of Workers Requested
FY21	736	845	16,922*	2,444
FY22	912	1,246	32,554	2,995
FY23	1,097	1,524	53,977	3,572
FY24	1,315	1,910	91,002	4,321
*new system implemented in late FY21; mileage is not representative of total miles traveled in FY21				



# APPROPRIATION REQUEST

## H2A PROGRAM

---

### IMPACT 2023-2024

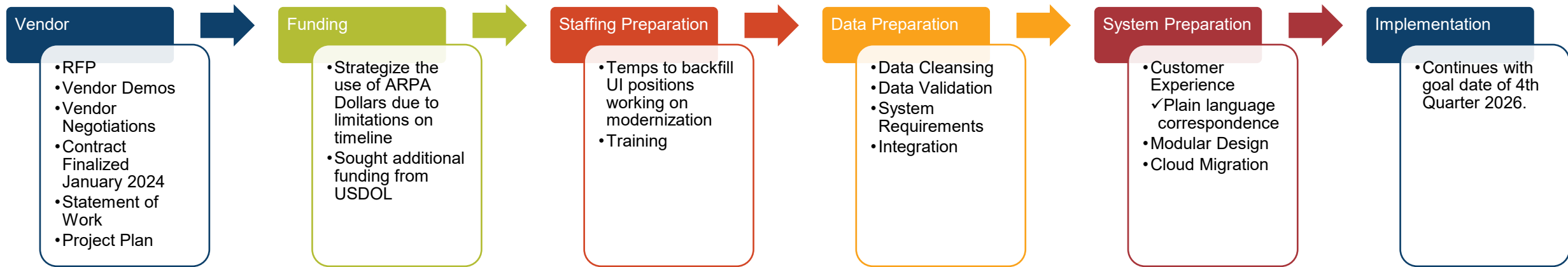
- Supporting the Agricultural Industry
  - 1,910 Inspections
  - 4,321 Workers Placed
  - 91,002 Miles Driven

### GENERAL FUND REQUEST

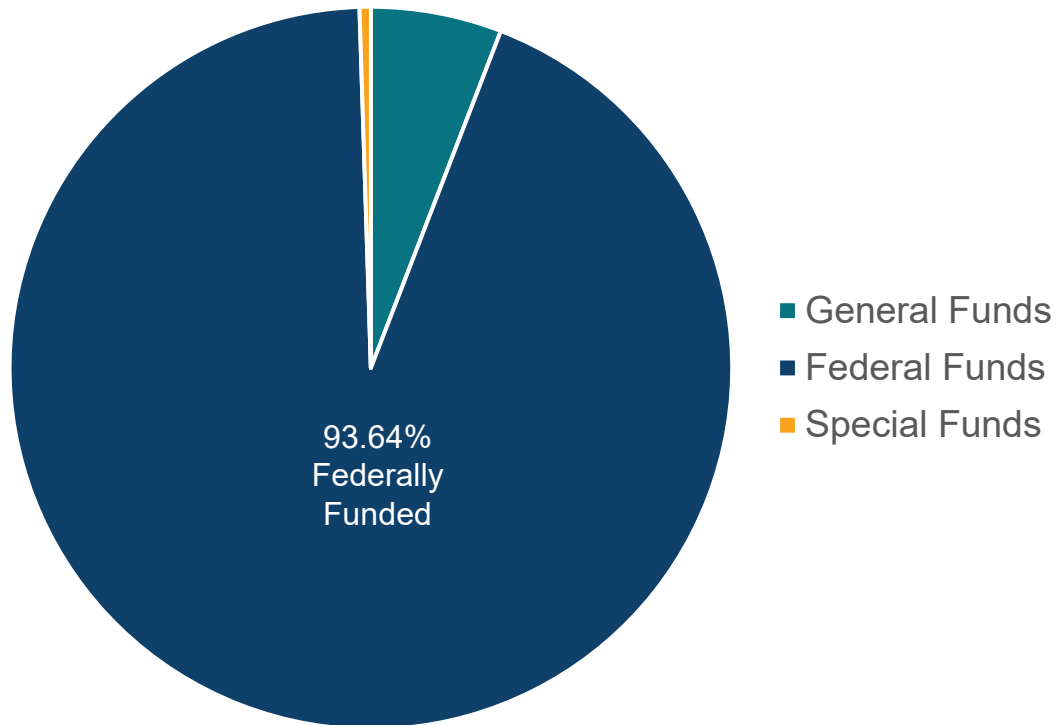
- \$246,346
  - 1 FT Employee
  - Support Funding



## 2023-2025 LEGISLATIVE FUNDING USING ARPA FUNDS OF \$45,000,000 FOR UNEMPLOYMENT MODERNIZATION



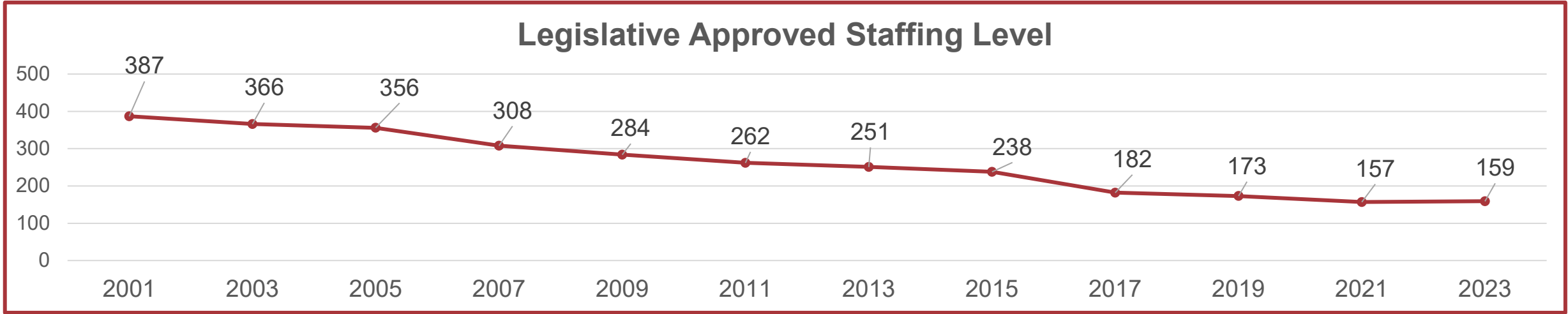
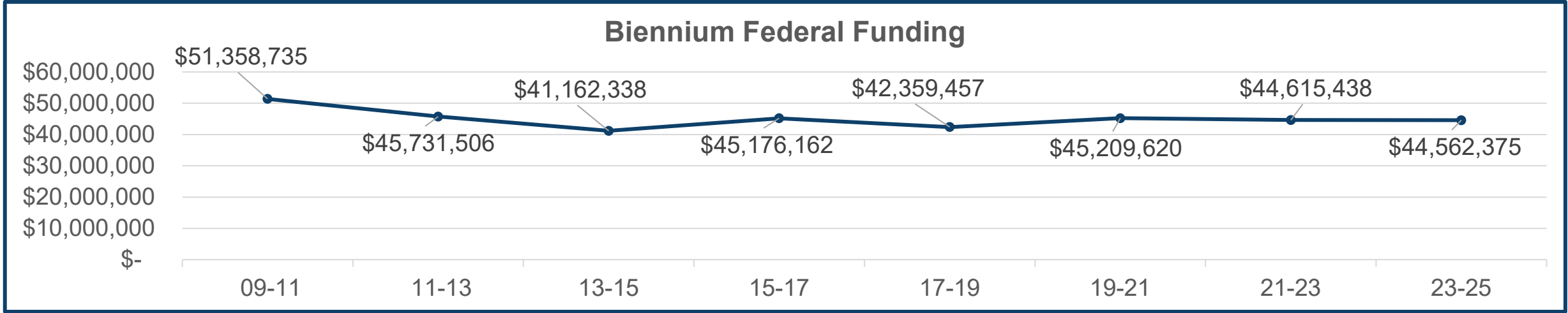
# FUNDING 2023-2025

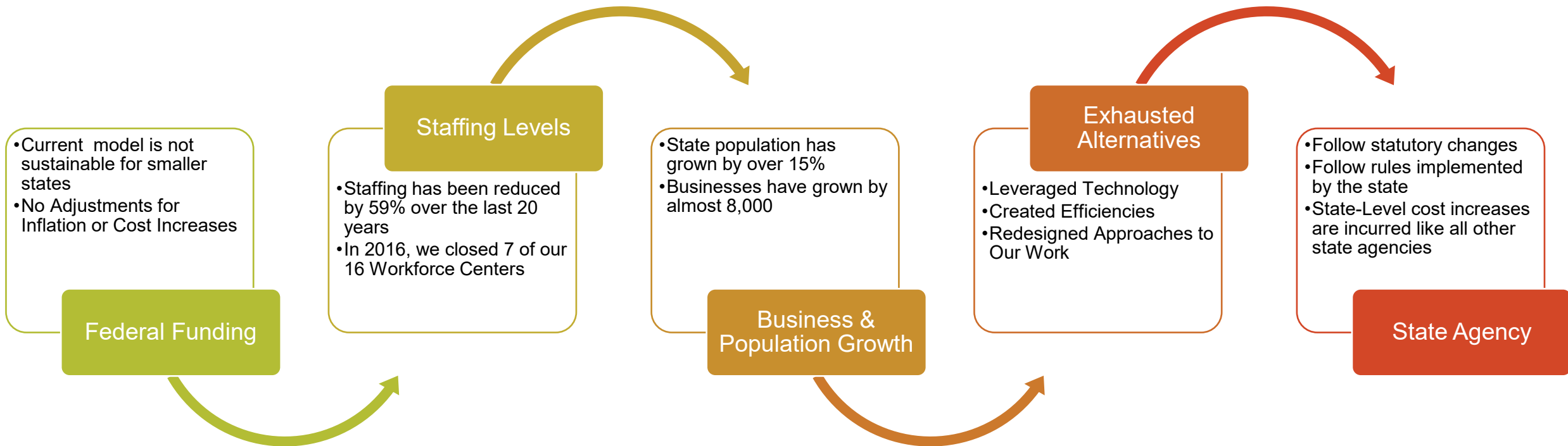


Federal funds are siloed and do not allow transfers between programs

Federal funds do not support state-level program increases such as wage adjustments and IT cost increases

# FEDERAL FUNDING









## Statewide Impact

- Our services provide substantial benefits to the citizens of North Dakota at a minimal cost to the state
- We have not requested significant state funding, but have continued to incur cost increases



## Citizen & Business Impact

- Unable to continue at the same performance levels the state currently enjoys
- Core programs are at risk
  - Serving our citizens and businesses
  - Timely program performance
- Difficult decisions on staffing

## INFORMATION TECHNOLOGY COST INCREASES

**GENERAL FUND REQUEST: \$950,000.00**  
**FEDERAL FUND REQUEST: \$950,000.00**

**Purpose of the Request:** The request will pay for the inflationary rate increases for information technology as noted in the table below:

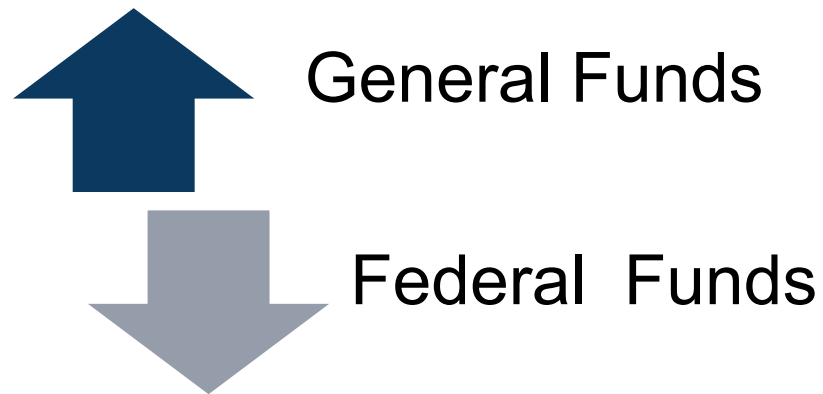
IT COST INCREASES	
NDIT Rate Increases	\$1.426M
Main Frame Lease Increase	\$235,500.00
Maintenance and Operating Hosting Expenses	\$238,500.00

## SALARY AND BENEFIT COST INCREASES

---

**GENERAL FUND REQUEST: \$2.1M**

**Purpose of the Request:** A one-time adjustment for salary and benefit shortfall of federal funds.



# SUMMARY OF REQUESTS

BUDGET REQUEST	FUNDING	EMPLOYEES
<u>GENERAL FUND</u>		
IT Cost Increases (critical priority)	\$ 950,000	N/A
Salaries and Wages (critical priority)	\$2,100,000	N/A
H2A Visa Program	\$ 246,346	1 Full Time
TOTAL	\$3,296,346	1 Full Time

# 2025-2027 APPROPRIATION

	2025-27 Base	Budget Requests	2025-27 Appropriation
Salaries and Wages	\$ 37,430,644	\$ 2,346,346	\$ 39,776,990
Operating Expenses	\$ 19,081,063	\$ 1,900,000	\$ 20,981,063
Capital Assets	\$ 20,000		\$ 20,000
Grants	\$ 8,054,512		\$ 8,054,512
Reed Act-UI Computer Modernization	\$ 10,915,000		\$ 10,915,000
<b>Total All Funds</b>	<b>\$ 75,501,219</b>	<b>\$ 4,246,346</b>	<b>\$ 79,747,565</b>
Less Estimated Income – Federal	\$ 67,669,342		\$ 67,669,342
Less Estimated Income – Special	\$ 615,111		\$ 615,111
Total General Fund	\$ 7,216,766	\$ 3,296,346	\$ 10,513,112
Full-Time Equivalent Positions	158.61	1.00	159.61

# QUESTIONS



# APPENDIX

# APPENDIX A

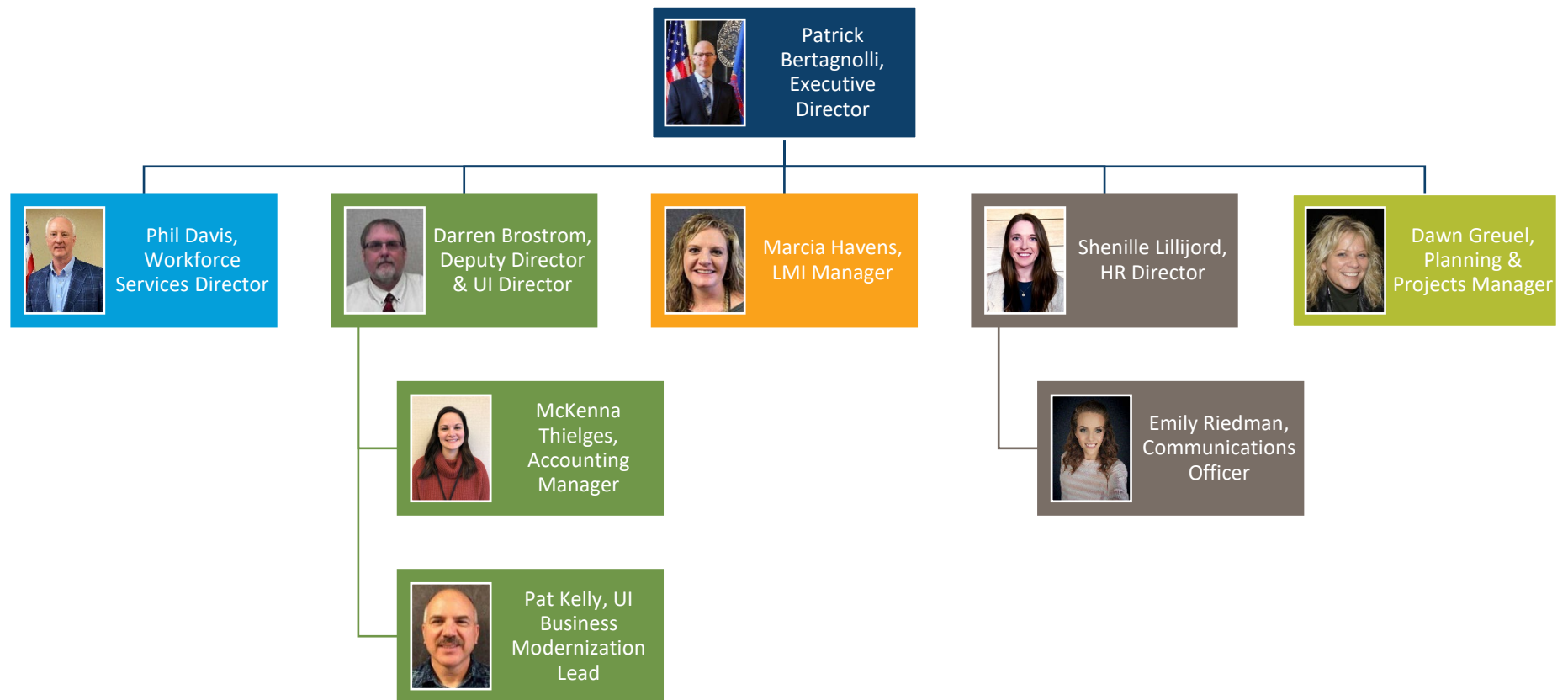
## Organizational Chart

### Leadership Team



# APPENDIX A

## ORGANIZATIONAL CHART JSND LEADERSHIP TEAM



# APPENDIX B

## Workforce Services

# WORKFORCE SERVICES

NORTH  
**Dakota** | Job Service  
Be Legendary.™



## **Serving Our Communities**

Community Outreach | Statewide  
Workforce Events | Workforce  
Education | Career Expos | School  
Partnerships | Community Boards



## **Connecting Employers & Job Seekers**

Career Services | Employer  
Services | Hiring Events

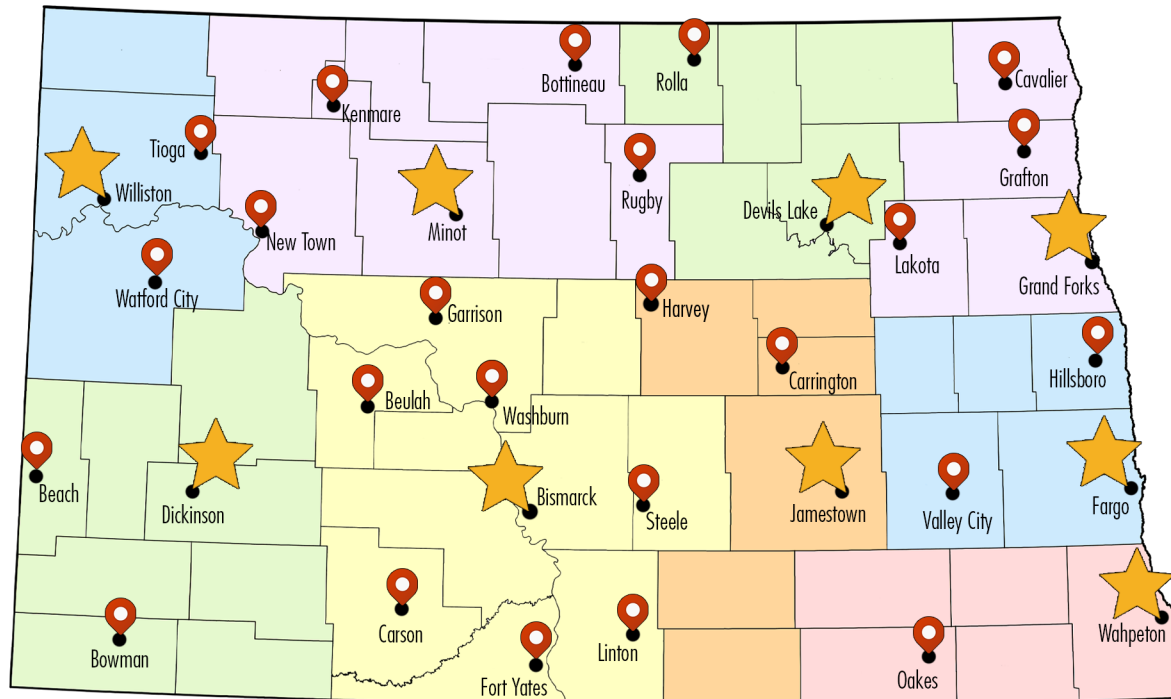


## **Removing Barriers to Employment**

Federal Grants | DHS  
Contracts

## IMPACTING NORTH DAKOTA'S WORKFORCE

## ★ WORKFORCE CENTERS



Connected with over 51K  
individuals during outreach events

Job Fairs & Hiring Events | Rural Community  
Outreach | Career Expos | T-4 Events |  
Apprenticeship Expos | High School Specific  
Events | WIOA Presentations | Tribal  
Community Outreach | DOCR Outreach |  
Recovery Center Outreach



# REMOVING BARRIERS TO EMPLOYMENT

## WIOA 2023 Program Year

- **Youth**
  - 186 Participants
  - 84.4% Employed or in Training 1 year after program exit
  - 51.2% earned a credential
  - \$7,794 Median Earnings/Quarter\*
- **Adult**
  - 484 Participants
  - 82.3% Employed 1 year after program exit
  - 66.3% earned a credential
  - \$11,185 Median Earnings/Quarter\*
- **Dislocated Worker**
  - 12 Participants
  - 66.7% employed 1 year after program exit
  - 90% earned a credential
  - \$12,824 Median Earnings/Quarter\*

*\*Median Earnings represent earnings in the 2<sup>nd</sup> quarter following program exit*

## WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA)

# REMOVING BARRIERS TO EMPLOYMENT

Wagner-Peyser 2023 Program Year

- **Participants**

- Enrolled when they receive a 1:1 service such as Work Search, Resume Building, Interview Skills, etc.
- 2,565 Participants
- 66% Employed 1 year after program exit
- \$8,432 median earnings 2<sup>nd</sup> Quarter after exit

**Wagner-Peyser**



# REMOVING BARRIERS TO EMPLOYMENT

Program supports veterans who have barriers to employment

- 388 Participants in the last year
  - 61.7% employed 1 year after program exit
- 3 CPs and 1.5 DVOPs
  - Serve veterans and employers across the state
  - Including Tribal outreach

*\*Veterans receive priority of service in all of our programs*

**JOBS FOR VETERANS  
STATE GRANT**

# NATIONAL DISABLED AMERICAN VETERANS AWARD RECIPIENT



**Chris Smith**  
Disabled Veterans' Outreach  
Program Specialist (DVOP)  
Bismarck & Dickinson

## EMPLOYEE SPOTLIGHT

- 75% of the Disabled Veterans served by Chris have entered gainful employment
- 90% of those employed, have remained employed beyond 6 months
- 80% of homeless veterans Chris has helped in the past 12 months have become gainfully employed
- 5 Native Americans have been hired into Federal positions on the reservation w/Chris's help

*"Chris is a dedicated, knowledgeable, and selfless advocate for Disabled Veterans. ...he brings his experience and firsthand knowledge to the fight for every Veteran he serves."*

*-Amy Arenz*



# REMOVING BARRIERS TO EMPLOYMENT

## **BASIC EMPLOYMENT SKILLS TRAINING**

- Participants on SNAP in Cass & Burleigh counties only
- 426 Participants
- 70% engaged in work and/or training

## **PARENTAL RESPONSIBILITY INITIATIVE FOR THE DEVELOPMENT OF EMPLOYMENT**

- 155 new enrollments in calendar year 2023
- 59% increase in child support payments through June of 2023

## **JOB OPPORTUNITY & BASIC SKILLS**

- Participants on TANF
- Southeast ND - Primarily Cass & Richland counties
- Average of 65 served/month w/75% in work & training opportunities

## **DEPARTMENT OF HEALTH AND HUMAN SERVICES CONTRACTS**

# REMOVING BARRIERS TO EMPLOYMENT

## NEW AMERICAN EMPLOYMENT PROGRAM

- Partnership with the Office of Refugee Resettlement
- Currently in Fargo and Grand Forks with expansion to Bismarck beginning in October of 2024

### Fargo:

- 241 Participants
- 170, or 71%, are Employed
- 176, or 73%, Enrolled in English as a Second Language Class

### Grand Forks:

- 78 Participants
- 55, or 71% are Employed

## DEPARTMENT OF HEALTH AND HUMAN SERVICES CONTRACT

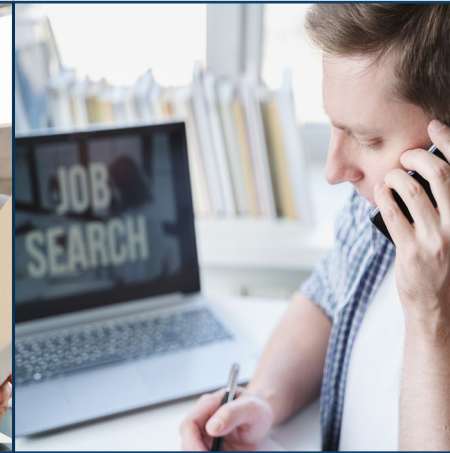
# SERVICES FOR JOB SEEKERS

## CONNECTING EMPLOYERS AND JOB SEEKERS



### In-Person Services

- Job search, labor market, transferable skills, resume building, job applications, interview preparation, barriers to employment, and other related discussion points specific to each individual



### Virtual One Stop

- Create resumes, search for work, apply for jobs
- 203,859 active users
- 135,759 In/out of state new users
- 4.4M Page Views



### Job Seeker Education

- Job Searches, Resume Writing, Transferable Skills, Interviewing, Job scams, and other relevant subjects



# SERVICES FOR EMPLOYERS

## CONNECTING EMPLOYERS AND JOB SEEKERS



### Employer Services

- Assist employers with employment needs including job posting, job fairs, assessments, skill testing, virtual recruiter, and assist with other employer needs



### Virtual One Stop

- 45,155 job orders created by employers
- 32,234 job referrals made



### Rapid Response

- Support to employees affected by business closings
- UI education, employment support, workshops, and reverse job fairs
- Partner with EDC, chambers, and others as needed



### H2A

- 1,910 Housing Inspections
- 91,002 miles driven
- 4,321 Placements

# SERVICES FOR EMPLOYERS

## NEW JOBS TRAINING

-State Program-

- 10-year income tax reimbursement
- Available to primary sector employers
- Offsets costs of providing workers with education and training for newly created positions

## WORK OPPORTUNITY TAX CREDIT

-Federal Program-

- One-Time Federal tax credit calculated on first-year wages
- Must hire individuals with barriers, including: Veterans, Ex-Felons, SNAP, TANF, and SSI recipients, and those in designated empowerment and rural renewal areas
- 12,957 Applications Received in 2023
  - Approximately 50% are certified



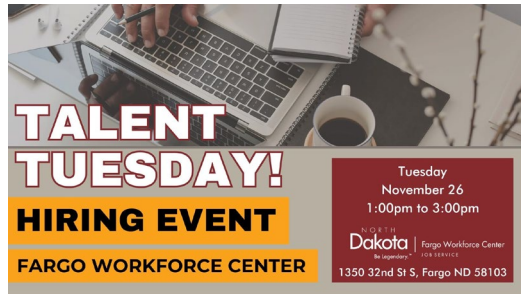
# SERVING OUR COMMUNITIES

## In-House Hiring Events

- 82 during 2024
- 413 Job-seekers

## Multi-Industry Job Fairs

- 1,383 Employers
- 8,977 Job Seekers



# SERVING OUR COMMUNITIES

## **Community & School Presentations**

- Employees provide presentations of available services along with workforce information throughout the communities

## **Career Expos**

- Partner with employers, schools, chambers and EDCs to expose middle- and high-school students to career options across the state

## **Community & Board Presence**

- Employees serve on boards and community advisory committees as subject matter experts on workforce issues

## **Community Outreach**

- Employees provide community outreach to tribal communities, New Americans, and those living in rural communities

Connected  
with over  
51,000  
individuals  
within our ND  
Communities

# VIRTUAL JOB FAIR



## LAUNCHED FIRST NATIONWIDE JOB FAIR IN MAY 2022

May 2022:

- 160 Employers
- Job Seekers from 20 States and 6 Countries

February 2023:

- 100 Employers
- 445 Jobseekers representing 29 States and 14 Countries

January 2024:

- 97 Employers
- 634 Jobseekers from 23 States and 21 Countries

January 2025:

- 84 Employers
- 511 Jobseekers from 24 States and 17 Countries

# APPENDIX C

## H2A Program History

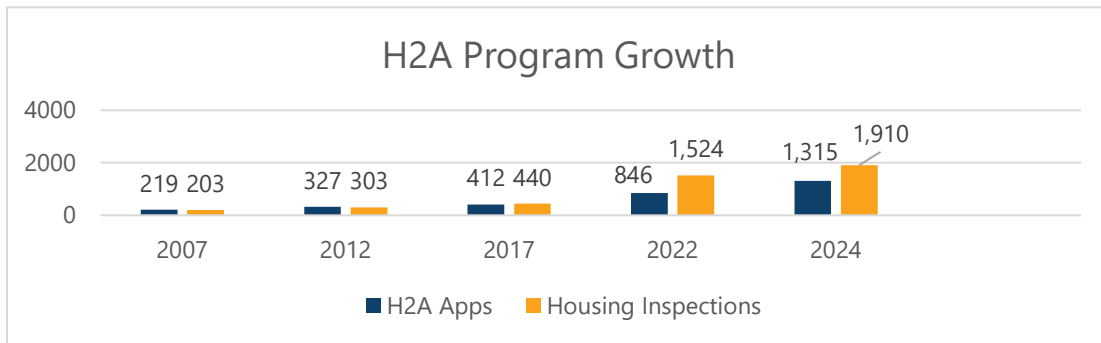
## APPENDIX C

### H2A Agricultural Program

Since 2007, Job Service North Dakota (JSND) has been administering the H2A Foreign Labor Certification Program. This program provides assistance to agricultural employers who have a shortage of domestic workers. The program brings non-immigrant foreign workers to the U.S. to perform agricultural labor on a temporary or seasonal basis. Job Service processes the application, places a job order for domestic workers, and provides a quality housing inspection as outlined by the US Department of Labor.

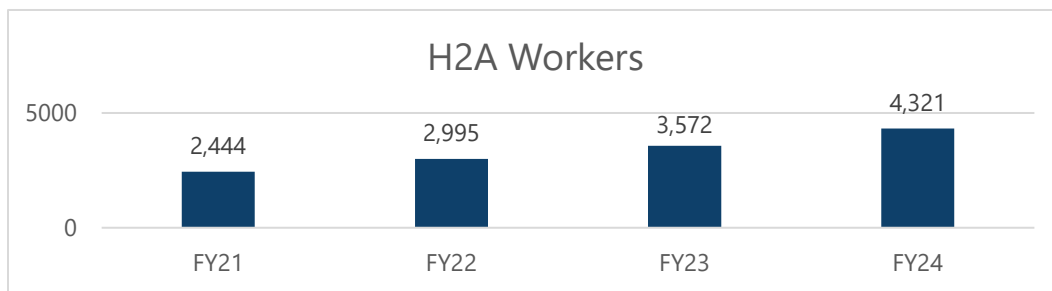
The program has grown exponentially from processing 219 H2A applications in 2007 to 1,315 in 2024 and conducting 203 housing inspections in 2007 to 1,910 in 2024 [See Figure 1].

Figure 1: H2A Program Growth



Job Service has facilitated the housing inspections and subsequent placement of thousands of seasonal workers to help agricultural employers during the busy seasons. From FY21 through FY24, Job Service has facilitated the placement of 13,332 workers through the H2A program. This is a significant impact on employers and the workforce. [See Table 1]

Table 1: H2A Workers





# **2025 SENATE STANDING COMMITTEE MINUTES**

## **Appropriations - Education and Environment Division** Sakakawea Room, State Capitol

SB 2016  
1/23/2025

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

2:46 p.m. Chairman Sorvaag called the meeting to order.

Members Present: Chairman Ronald Sorvaag, Senator Cole Conley, Senator Scott Meyer, Senator Donald Schaible, Senator Paul J. Thomas.

### **Discussion Topics:**

- Budget comparisons

2:50 p.m. Grant Gader, Fiscal Analyst, Legislative Council, testified in neutral and referenced purple sheet.

2:52 p.m. Grant Gader, Fiscal Analyst, Legislative Council, testified in neutral and submitted testimony #31700

2:53 p.m. Phil Davis, Workforce Service Director, Job Service ND testified in favor.

3:06 p.m. Chairman Sorvaag adjourned the meeting.

*Steven Hall, Committee Clerk*





Job Service North Dakota - Budget No. 380  
Agency Worksheet - Senate Bill No. 2016

	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	158.61	\$6,733,919	\$69,268,250	\$76,002,169	158.61	\$6,733,919	\$69,268,250	\$76,002,169	0.00	\$0	\$0	\$0
2025-27 Ongoing Funding Changes												
Salary increase		\$153,388	\$1,290,141	\$1,443,529		\$132,055	\$1,054,663	\$1,186,718		(\$21,333)	(\$235,478)	(\$256,811)
Health insurance increase		99,713	831,105	930,818		105,719	831,105	936,824		6,006		6,006
Adds funding to replace the 2023-25 new FTE pool		439,818		439,818		439,818		439,818				0
Adds funding to replace the 2023-25 vacant FTE pool		21,119	1,587,716	1,608,835		21,119	1,587,716	1,608,835				0
Adjusts base level funding for operating expenses			(2,914,766)	(2,914,766)			(2,914,766)	(2,914,766)				0
Transfers \$659,489 from operating to salaries				0				0				0
Adds funding for increased IT costs		734,910	1,056,253	1,791,163		734,910	1,056,253	1,791,163				0
Adds funding for increased mainframe IT costs		237,000	237,000	474,000		237,000	237,000	474,000				0
Adds funding for an FTE H2A foreign agricultural workers program position				0	1.00	233,672		233,672	1.00	233,672		233,672
Total ongoing funding changes	0.00	\$1,685,948	\$2,087,449	\$3,773,397	1.00	\$1,904,293	\$1,851,971	\$3,756,264	1.00	\$218,345	(\$235,478)	(\$17,133)
One-Time Funding Items												
Salaries funding source change				\$0		\$2,100,000	(\$2,100,000)	\$0		\$2,100,000	(\$2,100,000)	\$0
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$2,100,000	(\$2,100,000)	\$0	0.00	\$2,100,000	(\$2,100,000)	\$0
Total Changes to Base Level Funding	0.00	\$1,685,948	\$2,087,449	\$3,773,397	1.00	\$4,004,293	(\$248,029)	\$3,756,264	1.00	\$2,318,345	(\$2,335,478)	(\$17,133)
2025-27 Total Funding	158.61	\$8,419,867	\$71,355,699	\$79,775,566	159.61	\$10,738,212	\$69,020,221	\$79,758,433	1.00	\$2,318,345	(\$2,335,478)	(\$17,133)
Federal funds included in other funds			\$70,739,028				\$68,403,726				(\$2,335,302)	
Total ongoing changes - Percentage of base level	0.0%	25.0%	3.0%	5.0%	0.6%	28.3%	2.7%	4.9%	N/A	N/A	N/A	N/A
Total changes - Percentage of base level	0.0%	25.0%	3.0%	5.0%	0.6%	59.5%	(0.4%)	4.9%	N/A	N/A	N/A	N/A

# 2025 SENATE STANDING COMMITTEE MINUTES

## Appropriations - Education and Environment Division Sakakawea Room, State Capitol

SB 2016  
1/29/2025

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

3:01 p.m. Chairman Sorvaag called the meeting to order.

Members Present: Chairman Ronald Sorvaag, Senator Cole Conley, Senator Scott Meyer, Senator Donald Schaible, Senator Paul J. Thomas.

### Discussion Topics:

- Job Services Budget Requests
- Operating Expenses

3:01 p.m. Senator Conley, District 12, testified in favor and referenced testimony #32679.

3:06 p.m. Larry Martin, Budget Analyst, Legislative Council, testified in neutral and submitted testimony #32679.

3:17 p.m. Chairman Sorvaag adjourned the meeting.

*Steven Hall, Committee Clerk*



Job Service North Dakota - Budget No. 380  
Agency Worksheet - Senate Bill No. 2016

	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	158.61	\$6,733,919	\$69,268,250	\$76,002,169	158.61	\$6,733,919	\$69,268,250	\$76,002,169	0.00	\$0	\$0	\$0
2025-27 Ongoing Funding Changes												
Salary increase		\$153,388	\$1,290,141	\$1,443,529		\$132,055	\$1,054,663	\$1,186,718		(\$21,333)	(\$235,478)	(\$256,811)
Health insurance increase		99,713	831,105	930,818		105,719	831,105	936,824		6,006		6,006
Adds funding to replace the 2023-25 new FTE pool		439,818		439,818		439,818		439,818				0
Adds funding to replace the 2023-25 vacant FTE pool		21,119	1,587,716	1,608,835		21,119	1,587,716	1,608,835				0
Adjusts base level funding for operating expenses			(2,914,766)	(2,914,766)			(2,914,766)	(2,914,766)				0
Transfers \$659,489 from operating to salaries				0				0				0
Adds funding for increased IT costs		734,910	1,056,253	1,791,163		734,910	1,056,253	1,791,163				0
Adds funding for increased mainframe IT costs		237,000	237,000	474,000		237,000	237,000	474,000				0
Adds funding for an FTE H2A foreign agricultural workers program position				0	1.00	233,672		233,672	1.00	233,672		233,672
Total ongoing funding changes	0.00	\$1,685,948	\$2,087,449	\$3,773,397	1.00	\$1,904,293	\$1,851,971	\$3,756,264	1.00	\$218,345	(\$235,478)	(\$17,133)
One-Time Funding Items												
Salaries funding source change				\$0		\$2,100,000	(\$2,100,000)	\$0		\$2,100,000	(\$2,100,000)	\$0
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$2,100,000	(\$2,100,000)	\$0	0.00	\$2,100,000	(\$2,100,000)	\$0
Total Changes to Base Level Funding	0.00	\$1,685,948	\$2,087,449	\$3,773,397	1.00	\$4,004,293	(\$248,029)	\$3,756,264	1.00	\$2,318,345	(\$2,335,478)	(\$17,133)
2025-27 Total Funding	158.61	\$8,419,867	\$71,355,699	\$79,775,566	159.61	\$10,738,212	\$69,020,221	\$79,758,433	1.00	\$2,318,345	(\$2,335,478)	(\$17,133)
Federal funds included in other funds			\$70,739,028				\$68,403,726				(\$2,335,302)	
Total ongoing changes - Percentage of base level	0.0%	25.0%	3.0%	5.0%	0.6%	28.3%	2.7%	4.9%	N/A	N/A	N/A	N/A
Total changes - Percentage of base level	0.0%	25.0%	3.0%	5.0%	0.6%	59.5%	(0.4%)	4.9%	N/A	N/A	N/A	N/A

# 2025 SENATE STANDING COMMITTEE MINUTES

## Appropriations - Education and Environment Division Sakakawea Room, State Capitol

SB 2016  
1/31/2025

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

9:13 a.m. Chairman Sorvaag called the meeting to order.

Members Present: Chairman Ronald Sorvaag, Senator Cole Conley, Senator Donald Schaible, Senator Paul J. Thomas.

Absent: Senator Scott Meyer.

### **Discussion Topics:**

- Staff Reductions Job Services ND.

9:14 a.m. Chairman Conley testified in favor.

9:19 a.m. Alex Cronquist, Fiscal Analyst, Legislative Council, testified in neutral and referenced green sheet.

9:22 a.m. Chairman Sorvaag closed the meeting.

*Steven Hall, Committee Clerk*

# 2025 SENATE STANDING COMMITTEE MINUTES

## Appropriations - Education and Environment Division Sakakawea Room, State Capitol

SB 2016  
2/4/2025

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

9:14 a.m. Chairman Sorvaag called the meeting to order.

Members Present: Chairman Ronald Sorvaag, Senator Cole Conley, Senator Scott Meyer, Senator Donald Schaible, Senator Paul J. Thomas.

### Discussion Topics:

- Amendment to Distribution of Funding.
- Health Insurance Premiums.
- FTE Positions.

9:17 a.m. Senator Conley, District 12, testified in neutral and submitted testimony #34463.

9:20 a.m. Senator Conely moved to adopt amendment LC# 25.0183.01001 #34463.

9:20 a.m. Senator Meyer Seconded the motion.

Senators	Vote
Senator Ronald Sorvaag	Y
Senator Cole Conley	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Paul J. Thomas	Y

Motion Passed: 5-0-0.

9:21 a.m. Senator Conely moved a Do Pass as amended.

9:21 a.m. Senator Meyer seconded.

Senators	Vote
Senator Ronald Sorvaag	Y
Senator Cole Conley	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Paul J. Thomas	Y

Motion Passed: 5-0-0

Senator Conley will carry the bill.

**Additional written testimony:**

Grant Gader, Fiscal Analyst, Legislative Council, submitted testimony in neutral #34457.

9:22 a.m. Chairman Sorvaag closed the meeting.

*Steven Hall, Committee Clerk*





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

	Armstrong Executive Budget				Senate Version				Senate 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	158.61	\$6,733,919	\$69,268,250	\$76,002,169	158.61	\$6,733,919	\$69,268,250	\$76,002,169	0.00	\$0	\$0	\$0
2025-27 Ongoing Funding Changes												
Salary increase		\$132,055	\$1,054,663	\$1,186,718		\$132,055	\$1,054,663	\$1,186,718				\$0
Health insurance increase		105,719	831,105	936,824		105,719	831,105	936,824				0
Adds funding to replace the 2023-25 new FTE pool		439,818		439,818		439,818		439,818				0
Adds funding to replace the 2023-25 vacant FTE pool		21,119	1,587,716	1,608,835		21,119	1,587,716	1,608,835				0
Removes funding for the 2025-27 new and vacant FTE pool				0		(87,819)	(550,697)	(638,516)		(\$87,819)	(\$550,697)	(638,516)
Adds funding for an FTE H2A foreign agricultural workers program position	1.00	233,672		233,672	1.00	233,672		233,672				0
Adjusts base level funding for operating expenses			(2,914,766)	(2,914,766)			(2,914,766)	(2,914,766)				0
Transfers \$659,489 from operating to salaries				0				0				0
Adds funding for increased IT costs		734,910	1,056,253	1,791,163		734,910	1,056,253	1,791,163				0
Adds funding for increased mainframe IT costs		237,000	237,000	474,000		237,000	237,000	474,000				0
Total ongoing funding changes	1.00	\$1,904,293	\$1,851,971	\$3,756,264	1.00	\$1,816,474	\$1,301,274	\$3,117,748	0.00	(\$87,819)	(\$550,697)	(\$638,516)
One-Time Funding Items												
Salaries funding source change		\$2,100,000	(\$2,100,000)	\$0		\$2,100,000	(\$2,100,000)	\$0				\$0
Total one-time funding changes	0.00	\$2,100,000	(\$2,100,000)	\$0	0.00	\$2,100,000	(\$2,100,000)	\$0	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	1.00	\$4,004,293	(\$248,029)	\$3,756,264	1.00	\$3,916,474	(\$798,726)	\$3,117,748	0.00	(\$87,819)	(\$550,697)	(\$638,516)
2025-27 Total Funding	159.61	\$10,738,212	\$69,020,221	\$79,758,433	159.61	\$10,650,393	\$68,469,524	\$79,119,917	0.00	(\$87,819)	(\$550,697)	(\$638,516)
Federal funds included in other funds			\$68,403,726					\$67,853,438		(\$550,288)		
Total ongoing changes - Percentage of base level	0.6%	28.3%	2.7%	4.9%	0.6%	27.0%	1.9%	4.1%	N/A	N/A	N/A	N/A
Total changes - Percentage of base level	0.6%	59.5%	(0.4%)	4.9%	0.6%	58.2%	(1.2%)	4.1%	N/A	N/A	N/A	N/A

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

Section Description	Armstrong Executive Budget	Senate Version
New and vacant FTE pool line item		Section 3 provides for the use of funding in the new and vacant FTE pool line item.
Federal funds appropriation authority		Section 4 appropriates all federal funds received by Job Service North Dakota to the agency for the 2025-27 biennium.
Reed Act appropriation		Section 5 identifies \$10,915,000 of funding appropriated in Section 1 as from federal Reed Act funds to develop a modernized unemployment insurance computer system.
Exemption - Federal State Fiscal Recovery Fund		Section 6 authorizes the continuation of \$45 million in unexpended federal State Fiscal Recovery Fund appropriation authority relating to the unemployment insurance modernization project into the 2025-27 biennium.

25.0183.01001  
Title.  
Fiscal No. 1

Prepared by the Legislative Council  
staff for Senate Appropriations -  
Education and Environment Division  
Committee

February 3, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

## PROPOSED AMENDMENTS TO

### SENATE BILL NO. 2016

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of job service North  
2 Dakota; and to provide an exemption.

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 special funds and  
7 federal funds, to job service North Dakota for the purpose of defraying the expenses of  
8 job service North Dakota, for the biennium beginning July 1, 2025, and ending June 30, 2027,  
9 as follows:

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
12 <del>Salaries and wages</del>	<del>\$34,722,502</del>	<del>\$0</del>	<del>\$34,722,502</del>
13 <del>Operating expenses</del>	<del>22,290,155</del>	<del>0</del>	<del>22,290,155</del>
14 <del>Capital assets</del>	<del>20,000</del>	<del>0</del>	<del>20,000</del>
15 <del>Grants</del>	<del>8,054,512</del>	<del>0</del>	<del>8,054,512</del>
16 <del>Reed Act — unemployment insurance</del>	<del>10,915,000</del>	<del>0</del>	<del>10,915,000</del>
17 <del>— computer modernization</del>			
18 <del>Total all funds</del>	<del>\$76,002,169</del>	<del>\$0</del>	<del>\$76,002,169</del>
19 <del>Less other funds</del>	<del>69,268,250</del>	<del>0</del>	<del>69,268,250</del>



Sixty-ninth  
Legislative Assembly

1	Total general fund	\$6,733,919	\$0	\$6,733,919
2	Full-time equivalent positions	158.61	0.00	158.61
3	Salaries and wages	\$34,722,502	\$2,765,451	\$37,487,953
4	New and vacant FTE pool	0	1,614,189	1,614,189
5	Operating expenses	22,290,155	(1,261,892)	21,028,263
6	Capital assets	20,000	0	20,000
7	Grants	8,054,512	0	8,054,512
8	Reed Act - unemployment insurance	10,915,000	0	10,915,000
9	computer modernization			
10	Total all funds	\$76,002,169	\$3,117,748	\$79,119,917
11	Less other funds	69,268,250	(798,726)	68,469,524
12	Total general fund	\$6,733,919	\$3,916,474	\$10,650,393
13	Full-time equivalent positions	158.61	1.00	159.61

14 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**  
 15 **SEVENTIETH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding  
 16 items included in the appropriation in section 1 of this Act which are not included in the entity's  
 17 base budget for the 2027-29 biennium and which the entity shall report to the appropriations  
 18 committees of the seventieth legislative assembly regarding the use of this funding:

19	<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
20	Salaries funding source change	\$2,100,000	(\$2,100,000)	\$0
21	Total	\$2,100,000	(\$2,100,000)	\$0

22 **SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** Job  
 23 service North Dakota may not spend funds appropriated in the new and vacant FTE pool line  
 24 item in section 1 of this Act, but may request the office of management and budget to transfer  
 25 funds from the new and vacant FTE pool line item to the salaries and wages line item in  
 26 accordance with the guidelines and reporting provisions included in House Bill No. 1015, as  
 27 approved by the sixty-ninth legislative assembly.

28 **SECTION 4. ADDITIONAL INCOME - APPROPRIATION.** All federal funds received by  
 29 job service North Dakota in excess of those funds appropriated in section 1 of this Act are  
 30 appropriated to job service North Dakota for the biennium beginning July 1, 2025, and ending  
 31 June 30, 2027.

1       **SECTION 5. OTHER FUNDS - REED ACT FUNDS - UNEMPLOYMENT INSURANCE**

2       **COMPUTER MODERNIZATION.** The other funds appropriation in section 1 of this Act includes  
3       the sum of \$10,915,000 from federal Reed Act funds made available to the state by the federal  
4       Reed Act distributions made in federal fiscal years 1957, 1958, 1999, and 2002, pursuant to  
5       section 903 of the federal Social Security Act. This sum, or so much of the sum as may be  
6       necessary, is for the purpose of developing a modernization unemployment insurance computer  
7       system.

8       **SECTION 6. EXEMPTION - UNEMPLOYMENT INSURANCE MODERNIZATION**

9       **PROJECT - FEDERAL STATE FISCAL RECOVERY FUND.** The amount of \$45,000,000 from  
10      federal funds derived from the state fiscal recovery fund for the unemployment insurance  
11      modernization project in section 1 of chapter 16 of the 2023 Session Laws is not subject to  
12      section 54-44.1-11, and any unexpended funds from this appropriation may be continued and  
13      used during the biennium beginning July 1, 2025, and ending June 30, 2027.



**STATEMENT OF PURPOSE OF AMENDMENT:****Senate Bill No. 2016 - Job Service North Dakota - Senate Action**

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$34,722,502	\$2,765,451	\$37,487,953
New and vacant FTE pool		1,614,189	1,614,189
Operating expenses	22,290,155	(1,261,892)	21,028,263
Capital assets	20,000		20,000
Grants	8,054,512		8,054,512
Reed Act - Computer modernization	10,915,000		10,915,000
Total all funds	\$76,002,169	\$3,117,748	\$79,119,917
Less estimated income	69,268,250	(798,726)	68,469,524
General fund	\$6,733,919	\$3,916,474	\$10,650,393
FTE	158.61	1.00	159.61

**Department 380 - Job Service North Dakota - Detail of Senate Changes**

	Adds Funding for Salary and Benefit Increases <sup>1</sup>	Adds Funding to Replace 2023-25 New and Vacant FTE Pool <sup>2</sup>	Adds Funding for an FTE H2A Foreign Agricultural Position <sup>3</sup>	Transfers Funding for 2025-27 New and Vacant FTE Pool <sup>4</sup>	Adjusts Base Funding for Operating Expenses <sup>5</sup>	Transfers Funding from Operating to Salaries <sup>6</sup>
Salaries and wages	\$2,123,542	\$2,048,653	\$186,472	(\$2,252,705)		\$659,489
New and vacant FTE pool				1,614,189		
Operating expenses			47,200		(\$2,914,766)	(659,489)
Capital assets						
Grants						
Reed Act - Computer modernization						
Total all funds	\$2,123,542	\$2,048,653	\$233,672	(\$638,516)	(\$2,914,766)	\$0
Less estimated income	1,885,768	1,587,716	0	(550,697)	(2,914,766)	0
General fund	\$237,774	\$460,937	\$233,672	(\$87,819)	\$0	\$0
FTE	0.00	0.00	1.00	0.00	0.00	0.00

	Adds Funding for IT Costs <sup>7</sup>	Adds Funding for Mainframe IT Costs <sup>8</sup>	One-Time Salaries Funding Source Change <sup>9</sup>	Total Senate Changes
Salaries and wages				\$2,765,451
New and vacant FTE pool				1,614,189
Operating expenses	\$1,791,163	\$474,000		(1,261,892)
Capital assets				
Grants				
Reed Act - Computer modernization				
Total all funds	\$1,791,163	\$474,000	\$0	\$3,117,748
Less estimated income	1,056,253	237,000	(2,100,000)	(798,726)
General fund	\$734,910	\$237,000	\$2,100,000	\$3,916,474
FTE	0.00	0.00	0.00	1.00

<sup>1</sup> 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	Other Funds	Total
Salary increase	\$132,055	\$1,054,663	\$1,186,718
Health insurance increase	105,719	831,105	936,824
Total	\$237,774	\$1,885,768	\$2,123,542



<sup>2</sup> Funding is added to replace the 2023-25 biennium new and vacant FTE funding pool as follows:

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
2023-25 new FTE pool	\$439,818	\$0	\$439,818
2023-25 vacant FTE pool	<u>21,119</u>	<u>1,587,716</u>	<u>1,608,835</u>
Total	\$460,937	\$1,587,716	\$2,048,653

<sup>3</sup> Adds funding for an FTE H2A foreign agricultural workers program position.

<sup>4</sup> Funding of \$2,252,705 is removed for estimated savings from new and vacant 2025-27 FTE positions and \$1,614,189 is added for a new and vacant FTE pool line item as follows:

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
New FTE positions	(\$186,472)	\$0	(\$186,472)
Vacant FTE positions	<u>(230,575)</u>	<u>(1,835,658)</u>	<u>(2,066,233)</u>
Total	(\$417,047)	(\$1,835,658)	(\$2,252,705)
New and vacant FTE pool line item	<u>329,228</u>	<u>1,284,961</u>	<u>1,614,189</u>
Net savings	(\$87,819)	(\$550,697)	(\$638,516)

<sup>5</sup> Reduces funding from federal funds (\$2,917,152) and increases funding from special funds (\$2,386) for operating expenses, including operating fees, repairs, and IT services.

<sup>6</sup> Funding is adjusted between the salaries and wages and operating expenses line items.

<sup>7</sup> Adds funding for IT rate increases.

<sup>8</sup> Adds funding for increased mainframe leasing (\$235,500) and hosting (\$238,500) costs.

<sup>9</sup> Adds one-time funding from the general fund to replace salaries and wages funding from federal funds.

---

### Senate Bill No. 2016 - Other Changes - Senate Action

A section is added:

- Regarding the use of funding in the new and vacant FTE pool line item.
- To provide an exemption to continue funding from the \$45,000,000 of federal funds appropriated during the 2023-25 biennium for the unemployment insurance modernization project into the 2025-27 biennium.

# 2025 SENATE STANDING COMMITTEE MINUTES

## Appropriations Committee Harvest Room, State Capitol

SB 2016  
2/6/2025

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

11:26 a.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:

- Modernization Project Updates
- Housing Inspections Challenges
- Increased Demand for Services
- Decreased Employees and Offices

11:27 a.m. Senator Conley introduced the bill, the amendment LC 25.0183.01001 and submitted testimony #36726.

11:35 a.m. Senator Conley moved amendment LC 25.0183.01001.

11:35 a.m. Senator Sorvaag 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	N
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	Y
Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	Y

Motion Passed 15-1-0.

11:36 a.m. Senator Conley moved a Do Pass as Amended.

11:37 a.m. Senator Burckhard seconded the motion.

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

Motion Passed 13-2-1.

Senator Conley will carry the bill.

11:42 a.m. Chairman Bekkedahl closed the hearing.

*Elizabeth Reiten, Committee Clerk*

25.0183.01001  
Title.02000  
Fiscal No. 1

Prepared by the Legislative Council  
staff for Senate Appropriations -  
Education and Environment Division  
Committee

25 2/6/25  
1 of 5

February 3, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

## PROPOSED AMENDMENTS TO

### SENATE BILL NO. 2016

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of job service North  
2 Dakota; and to provide an exemption.

#### 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 special funds and  
7 federal funds, to job service North Dakota for the purpose of defraying the expenses of  
8 job service North Dakota, for the biennium beginning July 1, 2025, and ending June 30, 2027,  
9 as follows:

	Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
12 <del>Salaries and wages</del>	<del>\$34,722,502</del>	<del>\$0</del>	<del>\$34,722,502</del>
13 <del>Operating expenses</del>	<del>22,290,155</del>	<del>0</del>	<del>22,290,155</del>
14 <del>Capital assets</del>	<del>20,000</del>	<del>0</del>	<del>20,000</del>
15 <del>Grants</del>	<del>8,054,512</del>	<del>0</del>	<del>8,054,512</del>
16 <del>Reed Act unemployment insurance</del>	<del>10,915,000</del>	<del>0</del>	<del>10,915,000</del>
17 <del>—computer modernization</del>			
18 <del>Total all funds</del>	<del>\$76,002,169</del>	<del>\$0</del>	<del>\$76,002,169</del>
19 <del>Less other funds</del>	<del>69,268,250</del>	<del>0</del>	<del>69,268,250</del>



1	<del>Total general fund</del>	<del>\$6,733,919</del>	<del>\$0</del>	<del>\$6,733,919</del>
2	<del>Full-time equivalent positions</del>	<del>158.61</del>	<del>0.00</del>	<del>158.61</del>
3	Salaries and wages	\$34,722,502	\$2,765,451	\$37,487,953
4	New and vacant FTE pool	0	1,614,189	1,614,189
5	Operating expenses	22,290,155	(1,261,892)	21,028,263
6	Capital assets	20,000	0	20,000
7	Grants	8,054,512	0	8,054,512
8	Reed Act - unemployment insurance	10,915,000	0	10,915,000
9	computer modernization			
10	Total all funds	\$76,002,169	\$3,117,748	\$79,119,917
11	Less other funds	69,268,250	(798,726)	68,469,524
12	Total general fund	\$6,733,919	\$3,916,474	\$10,650,393
13	Full-time equivalent positions	158.61	1.00	159.61

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Salaries funding source change	\$2,100,000	(\$2,100,000)	\$0
Total	\$2,100,000	(\$2,100,000)	\$0

**SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** Job service North Dakota may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

**SECTION 4. ADDITIONAL INCOME - APPROPRIATION.** All federal funds received by job service North Dakota in excess of those funds appropriated in section 1 of this Act are appropriated to job service North Dakota for the biennium beginning July 1, 2025, and ending June 30, 2027.

1       **SECTION 5. OTHER FUNDS - REED ACT FUNDS - UNEMPLOYMENT INSURANCE**

2       **COMPUTER MODERNIZATION.** The other funds appropriation in section 1 of this Act includes  
3       the sum of \$10,915,000 from federal Reed Act funds made available to the state by the federal  
4       Reed Act distributions made in federal fiscal years 1957, 1958, 1999, and 2002, pursuant to  
5       section 903 of the federal Social Security Act. This sum, or so much of the sum as may be  
6       necessary, is for the purpose of developing a modernization unemployment insurance computer  
7       system.

8       **SECTION 6. EXEMPTION - UNEMPLOYMENT INSURANCE MODERNIZATION**

9       **PROJECT - FEDERAL STATE FISCAL RECOVERY FUND.** The amount of \$45,000,000 from  
10      federal funds derived from the state fiscal recovery fund for the unemployment insurance  
11      modernization project in section 1 of chapter 16 of the 2023 Session Laws is not subject to  
12      section 54-44.1-11, and any unexpended funds from this appropriation may be continued and  
13      used during the biennium beginning July 1, 2025, and ending June 30, 2027.



**STATEMENT OF PURPOSE OF AMENDMENT:****Senate Bill No. 2016 - Job Service North Dakota - Senate Action**

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$34,722,502	\$2,765,451	\$37,487,953
New and vacant FTE pool		1,614,189	1,614,189
Operating expenses	22,290,155	(1,261,892)	21,028,263
Capital assets	20,000		20,000
Grants	8,054,512		8,054,512
Reed Act - Computer modernization	10,915,000		10,915,000
Total all funds	\$76,002,169	\$3,117,748	\$79,119,917
Less estimated income	69,268,250	(798,726)	68,469,524
General fund	\$6,733,919	\$3,916,474	\$10,650,393
FTE	158.61	1.00	159.61

**Department 380 - Job Service North Dakota - Detail of Senate Changes**

	Adds Funding for Salary and Benefit Increases <sup>1</sup>	Adds Funding to Replace 2023-25 New and Vacant FTE Pool <sup>2</sup>	Adds Funding for an FTE H2A Foreign Agricultural Position <sup>3</sup>	Transfers Funding for 2025-27 New and Vacant FTE Pool <sup>4</sup>	Adjusts Base Funding for Operating Expenses <sup>5</sup>	Transfers Funding from Operating to Salaries <sup>6</sup>
Salaries and wages	\$2,123,542	\$2,048,653	\$186,472	(\$2,252,705)		\$659,489
New and vacant FTE pool				1,614,189		
Operating expenses			47,200		(\$2,914,766)	(659,489)
Capital assets						
Grants						
Reed Act - Computer modernization						
Total all funds	\$2,123,542	\$2,048,653	\$233,672	(\$638,516)	(\$2,914,766)	\$0
Less estimated income	1,885,768	1,587,716	0	(550,697)	(2,914,766)	0
General fund	\$237,774	\$460,937	\$233,672	(\$87,819)	\$0	\$0
FTE	0.00	0.00	1.00	0.00	0.00	0.00

	Adds Funding for IT Costs <sup>7</sup>	Adds Funding for Mainframe IT Costs <sup>8</sup>	One-Time Salaries Funding Source Change <sup>9</sup>	Total Senate Changes
Salaries and wages				\$2,765,451
New and vacant FTE pool				1,614,189
Operating expenses	\$1,791,163	\$474,000		(1,261,892)
Capital assets				
Grants				
Reed Act - Computer modernization				
Total all funds	\$1,791,163	\$474,000	\$0	\$3,117,748
Less estimated income	1,056,253	237,000	(2,100,000)	(798,726)
General fund	\$734,910	\$237,000	\$2,100,000	\$3,916,474
FTE	0.00	0.00	0.00	1.00

<sup>1</sup> 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	Other Funds	Total
Salary increase	\$132,055	\$1,054,663	\$1,186,718
Health insurance increase	105,719	831,105	936,824
Total	\$237,774	\$1,885,768	\$2,123,542

FA  
5015

<sup>2</sup> Funding is added to replace the 2023-25 biennium new and vacant FTE funding pool as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
2023-25 new FTE pool	\$439,818	\$0	\$439,818
2023-25 vacant FTE pool	<u>21,119</u>	<u>1,587,716</u>	<u>1,608,835</u>
Total	\$460,937	\$1,587,716	\$2,048,653

<sup>3</sup> Adds funding for an FTE H2A foreign agricultural workers program position.

<sup>4</sup> Funding of \$2,252,705 is removed for estimated savings from new and vacant 2025-27 FTE positions and \$1,614,189 is added for a new and vacant FTE pool line item as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
New FTE positions	(\$186,472)	\$0	(\$186,472)
Vacant FTE positions	<u>(230,575)</u>	<u>(1,835,658)</u>	<u>(2,066,233)</u>
Total	(\$417,047)	(\$1,835,658)	(\$2,252,705)
New and vacant FTE pool line item	<u>329,228</u>	<u>1,284,961</u>	<u>1,614,189</u>
Net savings	(\$87,819)	(\$550,697)	(\$638,516)

<sup>5</sup> Reduces funding from federal funds (\$2,917,152) and increases funding from special funds (\$2,386) for operating expenses, including operating fees, repairs, and IT services.

<sup>6</sup> Funding is adjusted between the salaries and wages and operating expenses line items.

<sup>7</sup> Adds funding for IT rate increases.

<sup>8</sup> Adds funding for increased mainframe leasing (\$235,500) and hosting (\$238,500) costs.

<sup>9</sup> Adds one-time funding from the general fund to replace salaries and wages funding from federal funds.

---

#### Senate Bill No. 2016 - Other Changes - Senate Action

A section is added:

- Regarding the use of funding in the new and vacant FTE pool line item.
- To provide an exemption to continue funding from the \$45,000,000 of federal funds appropriated during the 2023-25 biennium for the unemployment insurance modernization project into the 2025-27 biennium.

**REPORT OF STANDING COMMITTEE  
SB 2016**

**Appropriations Committee (Sen. Bekkedahl, Chairman)** recommends **AMENDMENTS** ([25.0183.01001](#)) and when so amended, recommends **DO PASS** (13 YEAS, 2 NAYS, 1 ABSENT AND NOT VOTING). SB 2016 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

25.0183.01001  
Title.  
Fiscal No. 1

Prepared by the Legislative Council  
staff for Senate Appropriations -  
Education and Environment Division  
Committee

February 3, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

## PROPOSED AMENDMENTS TO

### SENATE BILL NO. 2016

Introduced by

Appropriations Committee

- 1 A BILL for an Act to provide an appropriation for defraying the expenses of job service North  
2 Dakota; and to provide an exemption.

### 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 special funds and  
7 federal funds, to job service North Dakota for the purpose of defraying the expenses of  
8 job service North Dakota, for the biennium beginning July 1, 2025, and ending June 30, 2027,  
9 as follows:

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
12	Salaries and wages	\$34,722,502	\$0 \$34,722,502
13	Operating expenses	22,290,155	0 22,290,155
14	Capital assets	20,000	0 20,000
15	Grants	8,054,512	0 8,054,512
16	Reed Act unemployment insurance	10,915,000	0 10,915,000
17	—computer modernization		
18	Total all funds	\$76,002,169	\$0 \$76,002,169
19	Less other funds	69,268,250	0 69,268,250

1       **SECTION 5. OTHER FUNDS - REED ACT FUNDS - UNEMPLOYMENT INSURANCE**

2       **COMPUTER MODERNIZATION.** The other funds appropriation in section 1 of this Act includes  
3       the sum of \$10,915,000 from federal Reed Act funds made available to the state by the federal  
4       Reed Act distributions made in federal fiscal years 1957, 1958, 1999, and 2002, pursuant to  
5       section 903 of the federal Social Security Act. This sum, or so much of the sum as may be  
6       necessary, is for the purpose of developing a modernization unemployment insurance computer  
7       system.

8       **SECTION 6. EXEMPTION - UNEMPLOYMENT INSURANCE MODERNIZATION**

9       **PROJECT - FEDERAL STATE FISCAL RECOVERY FUND.** The amount of \$45,000,000 from  
10      federal funds derived from the state fiscal recovery fund for the unemployment insurance  
11      modernization project in section 1 of chapter 16 of the 2023 Session Laws is not subject to  
12      section 54-44.1-11, and any unexpended funds from this appropriation may be continued and  
13      used during the biennium beginning July 1, 2025, and ending June 30, 2027.



<sup>2</sup> Funding is added to replace the 2023-25 biennium new and vacant FTE funding pool as follows:

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
2023-25 new FTE pool	\$439,818	\$0	\$439,818
2023-25 vacant FTE pool	<u>21,119</u>	<u>1,587,716</u>	<u>1,608,835</u>
Total	\$460,937	\$1,587,716	\$2,048,653

<sup>3</sup> Adds funding for an FTE H2A foreign agricultural workers program position.

<sup>4</sup> Funding of \$2,252,705 is removed for estimated savings from new and vacant 2025-27 FTE positions and \$1,614,189 is added for a new and vacant FTE pool line item as follows:

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
New FTE positions	(\$186,472)	\$0	(\$186,472)
Vacant FTE positions	<u>(230,575)</u>	<u>(1,835,658)</u>	<u>(2,066,233)</u>
Total	(\$417,047)	(\$1,835,658)	(\$2,252,705)
New and vacant FTE pool line item	<u>329,228</u>	<u>1,284,961</u>	<u>1,614,189</u>
Net savings	(\$87,819)	(\$550,697)	(\$638,516)

<sup>5</sup> Reduces funding from federal funds (\$2,917,152) and increases funding from special funds (\$2,386) for operating expenses, including operating fees, repairs, and IT services.

<sup>6</sup> Funding is adjusted between the salaries and wages and operating expenses line items.

<sup>7</sup> Adds funding for IT rate increases.

<sup>8</sup> Adds funding for increased mainframe leasing (\$235,500) and hosting (\$238,500) costs.

<sup>9</sup> Adds one-time funding from the general fund to replace salaries and wages funding from federal funds.

---

#### Senate Bill No. 2016 - Other Changes - Senate Action

A section is added:

- Regarding the use of funding in the new and vacant FTE pool line item.
- To provide an exemption to continue funding from the \$45,000,000 of federal funds appropriated during the 2023-25 biennium for the unemployment insurance modernization project into the 2025-27 biennium.



**2025 HOUSE APPROPRIATIONS**

**SB 2016**

# **2025 HOUSE STANDING COMMITTEE MINUTES**

## **Appropriations - Education and Environment Division** Prairie Room, State Capitol

SB 2016  
3/7/2025

A BILL for an Act to provide an appropriation for defraying the expenses of job service North Dakota; and to provide an exemption.

9:02 a.m. Chairman Nathe opened the meeting

Members present: Chairman Nathe, Vice Chairman Swiontek, Representatives Hanson, Martinson, Richter and Sanford.

Members absent: Representative Louser.

### **Discussion Topics:**

- Job Placement Pilot Program (JP3)
- Visa Agricultural Program (H2A)

9:03 a.m. Patrick Bertagnolli, Executive Director, Job Service North Dakota, presented testimony #39336 in favor.

9:16 a.m. Phil Davis, Director, Workforce Services, answered questions.

9:19 a.m. Patrick Bertagnolli, Executive Director, Job Service Director, answered questions, and in favor of testimony #39336.

9:33 a.m. McKenna Thielges, Finance Director, Job Service North Dakota, in favor and answered questions.

9:40 a.m. Patrick Bertagnolli, Executive Director, Job Service North Dakota, continued answering questions on testimony #39336.

### **Additional written testimony:**

Andrea Pfenning, Vice President, Government Affairs, GNDC, submitted testimony #39408 in favor.

Levi Kinnischtzke, Senior Fiscal Analyst, ND Legislative Council, submitted testimony #39527.

9:48 a.m. Chairman Nathe closed the meeting,

*Steven Riehl, Committee Clerk*

# HOUSE APPROPRIATIONS COMMITTEE

## JOB SERVICE NORTH DAKOTA TESTIMONY



SENATE BILL 2016  
PAT BERTAGNOLLI  
March 7, 2025

# **HOUSE APPROPRIATIONS COMMITTEE**

## **SB 2016**

### TABLE OF CONTENTS

#### **SECTION 1: Job Service North Dakota Testimony**

#### **SECTION 2: Slide Deck**

#### **SECTION 3: Appendix**

- Appendix A: Organizational Chart - Leadership Team
- Appendix B: Workforce Services
- Appendix C: H2A Program History

TESTIMONY

# APPROPRIATIONS TESTIMONY

## MARCH 7, 2025

(slide 1)

### WELCOME and INTRODUCTION

Good morning, Mr. Chairman and members of the House Appropriations Committee. My name is Patrick Bertagnoli, and I am the Executive Director for Job Service North Dakota (Job Service). I am here today to provide the appropriations testimony. Joining me today are four members of our leadership team including McKenna Thielges, our Finance Manager, Darren Brostrom, our Unemployment Insurance Director and Deputy Director, Phil Davis, our Workforce Services Director, and Jaime Lawler, our Unemployment Insurance Data and Quality Assurance Manager.

Job Service was established under North Dakota Century Code title 52 and is charged with administering the unemployment compensation program and the state's employment services. I have been the Executive Director of Job Service since February of 2022. I'd like to start our testimony today with some background information about our agency and the work we do.

(slide 2)

### ORGANIZATIONAL STRUCTURE

Our agency is structured to provide the best service to our North Dakota citizens and deliver on our mission of *Meeting Workforce Needs*. We have a strong leadership team leading each of our three main business units. *[See Appendix A for our Leadership Team Structure]*.

Our Workforce Services Department serves our communities through outreach, statewide events, education, career expos, and partnerships. There are several grants and contracts we work under to remove barriers to employment to help individuals successfully find meaningful employment. We also connect employers and job seekers via our career and employer services and hiring events.

Our Unemployment Insurance Department provides critical financial assistance to individuals during periods of temporary layoff through the payment of unemployment insurance benefits. These benefit payments provide a direct benefit to individuals and businesses throughout the state. By relieving some of the financial pressures of job loss, workers are able to support their families and are more likely to remain within their community. Business is benefited by the continued spending of unemployed individuals. The Unemployment Insurance Department also works with over 26,000 employers, sets tax rates, and ensures the trust fund is solvent.

Our third function is our Labor Market Information Department. This department turns data into insights, allowing businesses, job seekers, policy makers, and others to make informed decisions based on labor market and economic data.

At this time, I'm going to share more information about our workforce services and the impact we have on the workforce in North Dakota.



# APPROPRIATIONS TESTIMONY

## MARCH 7, 2025

(slide 3)

### WORKFORCE SERVICES

Workforce Services includes our Workforce Centers and our Workforce Programs Department. We have nine Workforce Centers across the state delivering key services to the citizens of North Dakota. Workforce Centers serve an average of 3,400 customers per month and take approximately 2,400 phone calls each month. During the last year, our Workforce Centers also provided over 36,700 services to employers throughout the state.

During the last 11 months of 2024, our workforce team hosted 68 job fairs, 82 hiring events, held 176 student events at high schools and colleges, and attended 293 community events. They also provided individualized services to 9,856 participants who participate in the programs we administer. During this same time, our team also conducted statewide outreach to provide workforce information and services to our veterans, tribal nations, treatment and recovery centers, and the Department of Corrections. We recently held our 4<sup>th</sup> annual virtual job fair attracting 511 job seekers from 24 states and 17 countries. In total, we reached over 51,000 individuals.

Our Workforce Centers are also home to the Virtual One Stop System. This is North Dakota's largest ad-free job board. The platform is offered at no charge to job seekers and employers. We currently have over 203,000 users with 135,759 of those being new users. In the last year, our staff placed 45,155 job orders for employers, and we made 32,234 job referrals.

(slide 4)

### Program Highlights

We manage 15 workforce programs that are designed to remove barriers to employment. The clients we work with will typically have one or more significant barriers impacting the ability to be hired and maintain employment. Barriers may be as simple as obtaining the necessary tools or transportation, or they could be more complex cases such as substance abuse, a criminal record, insufficient support services, inadequate access to technology, or a lack of technical or soft skills to succeed in today's workplace.

Every client we work with is different and we strive to positively impact our clients by helping them remove barriers to obtaining meaningful employment and becoming self-sufficient. I've provided some of our program highlights on this slide, but I encourage you to read through the appendix included with our testimony to learn more about the many services and successes we have within these programs. *[See Appendix B for more information on our Workforce Services area including numbers served and performance measurements]*

(slide 5)

### JP3

I'd like to tell you a little bit about the Job Placement Pilot Program (JP3) a state-sponsored program recommended by the Workforce Development Council (WDC) and approved during the last legislative session. Ex-Offenders were identified by the WDC as a population who experience barriers to entering

## APPROPRIATIONS TESTIMONY

### MARCH 7, 2025

the workforce, including the life-long impact of a criminal conviction on their record. As of 2020, North Dakota averaged 1,400 prisoner releases each year. Without a steady paycheck allowing for basic needs to be met, such as housing and food, many ex-offenders return to the prisons as indicated by North Dakota's recidivism rate of 37.6% as reported by the Department of Corrections and Rehabilitation (DOCR). Ex-offenders are a target group to fill in-demand positions in skilled trades, transportation, IT, and a wide variety of other industries. Without tapping into this labor pool and preparing ex-offenders for the workforce, employers will continue to have difficulty filling in-demand positions.

During the last legislative session, we were allocated \$640,000 in general funds with a main objective to connect recently or soon-to-be released ex-offenders with in-demand positions within North Dakota. Through this program, we collaborated with DOCR to meet with residents who were within 90 days of release to determine their individual needs. We then provided access to employment services and training programs and referred them to needed services.

(slide 6)

Our goal for this program over the two-year pilot period was to prepare 300 individuals to re-enter the workforce. After 18 months since starting this program in July of 2023, we have had great success with receiving 277 referrals from DOCR. Once referred, the individual goes through an intake process so we can assess their skills and needs. We have conducted 213 intakes and currently have 86 participants active in the program with a 73% employment rate. There have been 126 participants who have exited the program. For comparison purposes, for those who have successfully exited the program after completing six months of continuous employment, they are earning \$12,655 per quarter as compared to those who did not successfully complete the program who are earning \$1,038 per quarter or those who never enrolled who are earning \$6,633 per quarter. These figures are significant as it shows when working with one of our employment advisors, individuals are better prepared to enter the workforce and make a living wage to ultimately obtain self-sufficiency.

This program has also been successful because of the work our staff has done in educating employers. We meet with employers during outreach and at events to provide education and information about this untapped labor pool and the benefits they may experience by being part of the change in hiring individuals who are justice involved. We also hosted a webinar in October of 2024 titled, *Breaking Barriers: Hiring Justice-Involved Individuals*. This collaborative effort with DOCR, employers, and those who have lived the experience is another example of our commitment to this program and making a difference in the lives of those we serve.

(slide 7)

At this time, I'd like to share with you a story about Antwan. Antwan is originally from California and grew up amongst the gangs. For most of his life, he had been in and out of prison. He came to North Dakota and found himself back in prison. This was the only life he knew, but he also knew he wanted a better life to support his family. Antwan was hired by Harlow's Bus Service as a tech trainee, but like many tech positions in mechanics, electrical, or plumbing, tools are required to begin training as a technician. The tools needed for Antwan to participate in the training program were expensive, requiring funds to be dispersed not only from the Workforce Innovation and Opportunity Act (WIOA),

## APPROPRIATIONS TESTIMONY

### MARCH 7, 2025

but also the JP3 program. After six months, Antwan completed the technician training and is now a Navistar Certified Technician and he is working on his second certification. Without these tools, Antwan would never have been able to participate in the training program, never would have been hired by an employer who took the time to mentor and guide him, never would have become a certified technician, and never would have had the opportunity to change his life for the better.

We have more stories like Antwan where individuals have experienced success because of the direct support they received. These individuals are thankful for the opportunities to become self-sufficient through the work we do and the support they receive with the JP3 program.

(slide 8)

#### H2A Visa Agricultural Program

Another program I would like to highlight is the H2A Visa Agricultural Program, also known as the Foreign Labor Certification Program. The program provides assistance to agricultural employers who have a shortage of domestic workers by bringing non-immigrant foreign workers to the U.S. to perform agricultural labor on a temporary or seasonal basis. Job Service facilitates this program by processing the application, placing the job order, and providing a quality housing inspection as required by the US Department of Labor. During this last program year, Job Service processed 1,315 applications and drove 91,002 miles to perform 1,910 inspections. This work facilitated the placement of 4,321 foreign workers for our agricultural employers. David Lagein, a farmer, and Towner County Commissioner said, *"The H2A Program was a lifesaver for us!"*

(slide 9)

Job Service has been administering the H2A program since 2007 and over the last almost 25 plus years, the program has experienced exponential growth. [See Appendix C for Historical Foreign Labor Statistics] From Fiscal Year (FY)21 through FY24, Job Service has facilitated the placement of 13,332 workers through the H2A program. This is a significant impact on employers and the workforce. In FY24 alone, we facilitated the placement of 4,321 workers. With the increase in workers, comes an increase in housing inspections, which must be done prior to the worker being placed. With North Dakota's rural landscape and remote farming communities, our employees must drive extensively to conduct these inspections.

(slide 10)

The H2A program is impactful in bringing needed seasonal workers to our agricultural employers across the state; However, it's growth hinders our ability to dedicate time to our other workforce services. To continue providing these valuable services, we are making a request for general funds in the amount of \$233,672. This request is for one additional full-time employee and related expenses. Without this funding, there will be a direct impact on Ag producers as there could be a delay in receiving foreign workers due to a shortage of staff to conduct the 20% year-over-year increase in housing inspections. The amount of time needed to dedicate to this program will also significantly impact our other workforce services and programs.

(slide 11)

## MODERNIZATION UPDATE

At this time, I would like to give a brief update on our Unemployment Insurance Modernization project. During the 2023-2025 legislative session, Job Service received \$45,000,000 in ARPA funds for this project. After receiving the funds, we began work immediately. We released an RFP to procure a vendor, ultimately selecting Geographic Solutions as the system vendor. While the vendor did provide the best pricing, another benefit of selecting Geographic Solutions is that they built, host, and support our Workforce system, so we have worked with them before. Because of this, we will end up with an integrated Workforce and Unemployment system, which will provide benefits and ease of use for our citizens.

Our contract was signed with Geographic Solutions in January 2024 and the actual work kicked off in February of 2024. Since that time, requirements and design sessions have been taking place for each unit, along with many additional activities such as data cleanup and other actions necessary for project success. Things are going well. With implementation scheduled for the 4<sup>th</sup> quarter of 2026, our ARPA funds expenditure deadline date of 12/31/2026 will be met.

(slide 12)

## FUNDING

Now I would like to take some time to talk about the Job Service budget. We are 93.64% federally funded. The federal funds are siloed, meaning the buckets of federal dollars do not allow transfers between programs. All programs offered by Job Service must meet performance levels and every grant and contract has countless reporting requirements that are carried out by our staff monthly, quarterly, and annually. These federal funds have not been adjusted for inflation, nor do they support state-level program increases such as wage adjustments and IT cost increases. During the last legislative session, Job Service asked for, and received, limited general funds to offset the cost of the salary and benefit increases and the cost of the Unemployment Insurance Administration and related IT expenditures.

(slide 13)

The top chart on this slide begins with the 2009-2011 biennium and shows how the federal funding has remained flat and actually has declined over the years without adjustments for inflation. I mentioned on the last slide that the federal dollars do not support state-level program increases such as wage adjustments and IT costs. To pay for these state-level program increases, Job Service has had to make some difficult decisions in the past related to staffing as noted on the second chart. In 2001, Job Service had 387 team members. The lack of funding has forced the reduction in staff to cover costs not supported with the federal funding, creating a steady decline in staffing to where we are today with 159 employees. I could be wrong, but I'm not aware of any other state agency that has had this large of a reduction in staff while making such a large impact on the workforce in North Dakota.

(slide 14)

We recognize the current federal funding model is not sustainable for smaller states. We have brought this issue to the attention of our federal congressional delegation, as well as national associations, but nothing has changed, and congress continues to fund the programs through continuing resolutions

## APPROPRIATIONS TESTIMONY

### MARCH 7, 2025

without consideration for cost increases. If changes are made to the programs at the federal level, they also impact our staffing. For example, in 2025 the WIOA program is implementing changes requiring us to divert another 5%, or \$250,000, of federal funding from program administration to participant training. While this is positive for our participants, it will reduce the federal dollars available for staffing.

While funding remains flat, costs continue to increase resulting in a reduction of funds available to serve the citizens of North Dakota. As I pointed out on the last slide, our staffing has been in a steady decline. Since 2001, we have reduced our staff by 59% and in 2016, we closed 7 of our 16 Workforce Centers to make up for the lack of federal funding adjustments and to pay for the state-level increases. At the same time, our population is growing. Since 2010, the population has increased 18.4%. Our business community has also grown by almost 8,000. North Dakota citizens and businesses are our customers who we provide core services to. We have been serving more businesses and citizens but doing it with less. We have exhausted our alternatives by leveraging as much technology as we can, creating efficiencies, and redesigning approaches to our work.

As a state agency that is primarily funded by the federal government, we understand the complications and the potential for confusion in our funding model. At a minimum, we follow the statutory changes implemented by the state. We also follow the rules implemented by the state with no option to seek alternatives. We therefore incur state-level cost increases like all other state agencies; however, we don't typically receive additional funding for these increases.

(slide 15)

Our services provide substantial benefits to the citizens and businesses in North Dakota, at a minimal cost to the state. In years past, we have not requested significant state funding, but have continued to incur cost increases. Without additional state funding, there will be an impact to citizens and businesses across the state. We will be unable to continue at the same performance levels the state currently enjoys. Our core programs are at risk both in terms of serving our citizens and program performance. We will continue to provide quality services, but the timeliness of those services will be impacted. The impact of the continuous inflationary costs and state-level salary and benefit increases, forces us to once again make difficult decisions related to staffing. This is a very unfortunate position for our agency to be placed in, especially given our large modernization project, the focus on workforce and the impact we make for the citizens and businesses of North Dakota.

(slide 16)

The lack of federal funding and the limited state dollars we receive to offset state-level increases prompts our request for a general fund appropriation of \$950,000 to pay for the inflationary rate increase for information technology. Additionally, we are requesting appropriation authority in the amount of \$950,000. As I mentioned, we have no option to seek alternative services and the North Dakota Department of Information Technology rates are increasing \$1,426,000 over the next biennium. We also have increases to our main frame lease and maintenance and operating hosting expenses.



# APPROPRIATIONS TESTIMONY

## MARCH 7, 2025

(slide 17)

We are also asking for a one-time general fund appropriation of \$2,100,000 to help cover salary and benefit increases that federal funding does not support. We are facing a crucial time with the modernization of our unemployment insurance system and a focus on workforce.

This request, and the request for the information technology increases are critical. To reiterate what I've already said, without these funds, we cannot continue to provide our core services at the level we are now. We will have to make difficult decisions to stay within the approved budget.

(slide 18)

## APPROPRIATIONS

I would like to summarize all our appropriation requests.

Our two critical priorities are the IT cost increases for \$950,000 and the salaries and wages for \$2,100,000. Without the needed funding for these two areas, we cannot run our organization as optimally as we are now. In addition to these two critical areas, we are also requesting funding for the H2A Visa Program in the amount of \$233,672.

(slide 19)

Slide 19 summarizes our base budget, optional budget requests and Governor's recommendations, which compile our 2025-27 appropriation request. Changes from the base budget include:

### Salary

- A one-time funding request adjustment of \$2,100,000 in general funds for salary and benefits
- A budget request for the H2A VISA Program for \$233,672 to cover salary, benefits, and indirect costs for one FTE

### Operating Expenses

- A budget request for information technology inflationary increases of \$1,900,000
  - \$950,000 as general funds
  - \$950,000 as federal funds

In addition to these funds, we are requesting that the long-standing language in our appropriation bill which will allow us to accept all federal funds received by Job Service in excess of those funds appropriated in section 1 of our bill for the biennium beginning July 1, 2025, and ending June 30, 2027. This critical continuing appropriation language is necessary due to the way in which the US Department of Labor provides funding to the agency and has been long considered necessary by the legislative body.

(slide 20)

## CONCLUSION

The work we do at Job Service is incredibly important in building a skilled workforce and limiting the impact of economic downturns. I am humbled to work for an organization where employees strive to

APPROPRIATIONS TESTIMONY  
MARCH 7, 2025

---

serve the citizens and businesses of North Dakota every single day. I hope, with your help, that we can continue to provide these valuable services.

I thank you for your time today and I will now entertain questions from the committee.

SLIDES





APPROPRIATIONS TESTIMONY  
JOB SERVICE NORTH DAKOTA – SB 2016  
PAT BERTAGNOLLI  
MARCH 7, 2025

NORTH  
**Dakota** | Job Service  
Be Legendary.™





# IMPACTING NORTH DAKOTA'S WORKFORCE

## WORKFORCE SERVICES

- Serve our Communities
- Remove Barriers to Employment
- Connect Employers and Job Seekers

## UNEMPLOYMENT INSURANCE

- UI Benefit Payments
- Tax Rates
- Trust Fund

## LABOR MARKET INFORMATION

- Labor and Economic Data
- Education and Insights for Informed Decision Making



# WORKFORCE SERVICES

NORTH  
**Dakota** | Job Service  
Be Legendary.™



## 9 WORKFORCE CENTERS

Average 3,400 Customers/Month  
Average 2,400 Phone Calls/Month  
36,742 Services to Employers in the last year



## COMMUNITY IMMERSION

Connected with over 51,000 Individuals  
in the last year at local, statewide, and  
virtual events



## VIRTUAL ONE-STOP SYSTEM

Largest Ad-Free Workforce Job Board in  
North Dakota available at no cost to  
employers or job seekers

203,859 Users  
135,759 New Users

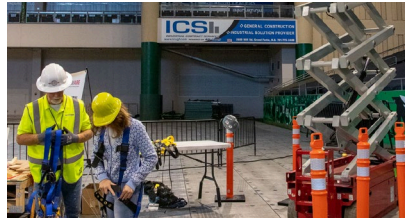
45,155 Job Orders  
32,234 Job Referrals

# WORKFORCE PROGRAMS

Employment ~ Reemployment ~ Training ~ Upskilling

## WHO WE SERVE:

- Employers
- Veterans
- In-School Youth
- Out-of-School Youth
- Adults
- Dislocated Workers
- Ex-Offenders
- New Americans
- TANF Recipients
- SNAP Recipients
- Parents owing child support
- Unemployment Recipients



## PROGRAM HIGHLIGHTS

### WIOA & Wagner Peyser

- 3,247 Youth, Adults, and Dislocated Workers

### Veterans

- 388 Veterans

### WOTC

- 12,957 Applications

### H2A Visa Program

- 1,315 Applications
- 91,002 Miles
- 1,910 Inspections
- 4,321 Workers



# JOB PLACEMENT PILOT PROGRAM (JP3)

## HOW IT STARTED

### Workforce Development Council

- Populations with Barriers Subcommittee recommendation

### 2023 Legislation

- \$640,000 allocation of general funds for two years

### Primary Goals

- Bridge gap for re-entering citizens to gain and maintain employment



The flyer features a man in a white shirt holding a cardboard box and a laptop, standing in front of a chain-link fence. The text is overlaid on a blue and orange background.

**NORTH Dakota | Job Service**  
Be Legendary.™

## ARE YOU WITHIN 90 DAYS OF RELEASE?

If YES, you may be eligible to participate in the Job Placement Pilot Program (JP3). This program is offered through Job Service North Dakota and is designed to help you be successful upon release!

Contact your Department of Corrections and Rehabilitation Case Manager Today  
For More Information on How To Participate in this Program

### What does this program offer?

- Access to our vast array of employment services
- Access to eligible training programs
- Individual consultation to be employment ready
- Referral to needed services
- \*Funding for support services

\*Funding for support services may include transportation, housing, job readiness tools and uniforms, licensing fees, etc. All funding must meet eligibility requirements and must be approved by Job Service North Dakota

If you are interested in this program and will be released to either the Bismarck or Fargo area, we encourage you to work with your case manager to complete the following to ensure you are eligible to participate:

1. Attend a Career Readiness Class or Workshop through Job Service North Dakota.
2. Apply for your identification documents such as your social security card, birth certificate, or ID card so you have them at the time you are released

**Be Part of the Change and Let Us Help You be Successful and Make a Positive Impact in Your Community!**

**NORTH Dakota | Job Service**  
Be Legendary.™

## WHAT IT DOES

### Provides Access To:

- Employment services and eligible training programs
- Individual consultation to become employment ready
- Referral to needed services

### Funding For:

- Support services (transportation, housing, job readiness tools, uniforms, license fees, etc.)

# JOB PLACEMENT PILOT PROGRAM (JP3)

## PROGRAM STATS AFTER 18 MONTHS

277 Referrals

213 Intakes Completed

86 Active Participants w/73% employed

126 Exited Participants

- Successful Completions: \$12,655 earned per qtr.
- Unsuccessful Completions: \$1,038 earned per qtr.
- Never Enrolled: \$6,633 earned per qtr.

## TOGETHER WE CAN GET TALENT BACK TO WORK!

If you have thought about giving someone a second chance and hiring someone with a criminal record, Job Service North Dakota is here to help with our Job Placement Pilot Program (JP3)!

### DID YOU KNOW?

People with criminal records, especially the formerly incarcerated, face enormous barriers to employment. This untapped pool of workers can bring great value to employers and communities when given the opportunity to thrive and succeed in the workplace!

### ABOUT JP3:

While this program offers many benefits to eligible individuals, it also helps employers by reducing barriers and building bridges to employment for people with criminal records!

Individuals enrolled in our program have access to our vast array of employment services including individual consultation, access to training programs, and support services.

### EMPLOYER BENEFITS

We can help an eligible employee become dependable when removing barriers to employment by:

1. Funding for transportation to/from work
2. Assisting with housing
3. Providing required uniforms and job readiness tools
4. Assisting with licensing fees
5. Referring individuals to needed resources

### BE A PART OF THE CHANGE

TALK WITH A BUSINESS ADVISOR TODAY ABOUT BECOMING AN EMPLOYER COMMITTED TO EXPANDING OPPORTUNITIES TO EMPLOYMENT FOR PEOPLE WITH CRIMINAL RECORDS

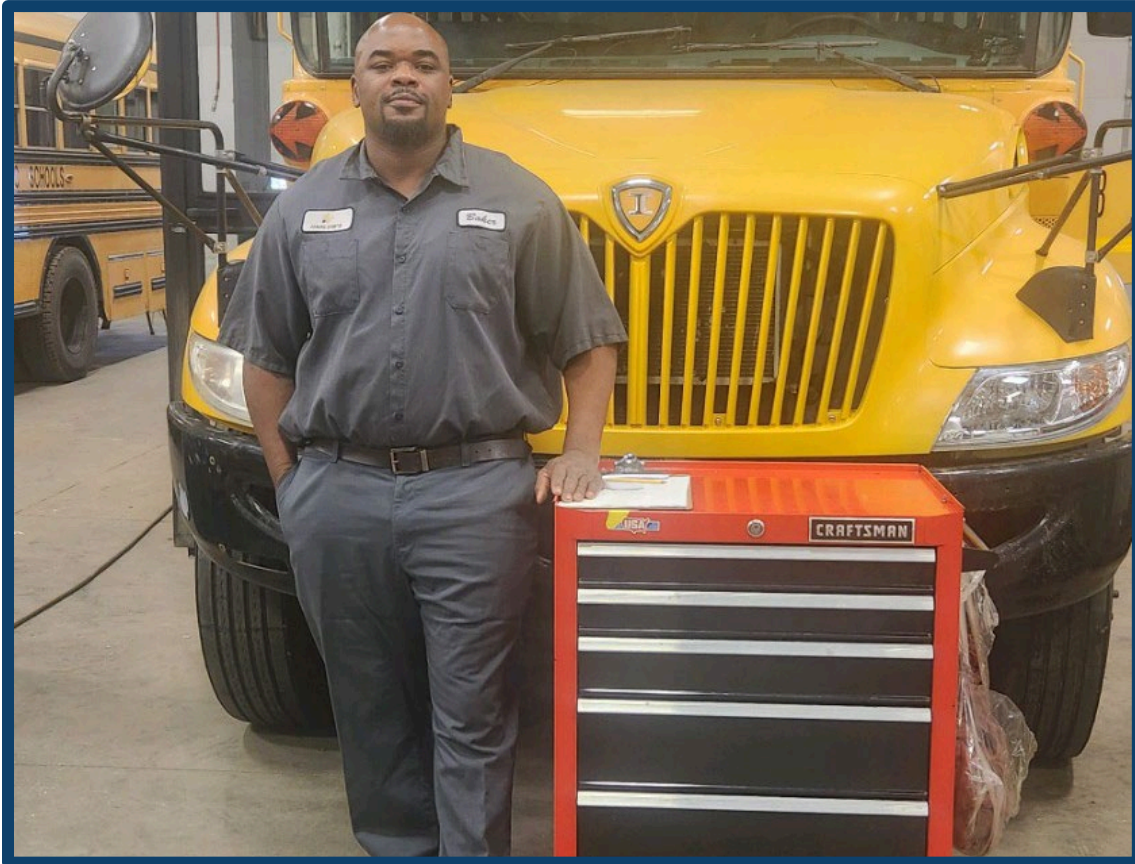


## Breaking Barriers: Hiring Justice-Involved Individuals



# REMOVING BARRIERS

## WORKFORCE INNOVATION & OPPORTUNITY ACT & JOB PLACEMENT PILOT PROGRAM





# H2A PROGRAM

## SUPPORTING THE AGRICULTURAL INDUSTRY THROUGH THE H2A PROGRAM



### H2A Foreign Labor Program Federal Fiscal Year

- Processed 1,315 Applications
- Drove 91,002 Miles
- Performed 1,910 Inspections
- Facilitated the Placement of 4,321 Foreign Workers



*"The H2A Program was a life saver for us!"*

-David Lagein, Farmer and Towner County  
Commissioner

# H2A PROGRAM GROWTH

	H2A Apps	# of Inspections	Miles Traveled	# of Workers Requested
FY21	736	845	16,922*	2,444
FY22	912	1,246	32,554	2,995
FY23	1,097	1,524	53,977	3,572
FY24	1,315	1,910	91,002	4,321
*new system implemented in late FY21; mileage is not representative of total miles traveled in FY21				



# APPROPRIATION REQUEST

## H2A PROGRAM

---

### IMPACT 2023-2024

- Supporting the Agricultural Industry
  - 1,910 Inspections
  - 4,321 Workers Placed
  - 91,002 Miles Driven

### GENERAL FUND REQUEST

- \$233,672
  - 1 FT Employee
  - Support Funding



## 2023-2025 LEGISLATIVE FUNDING USING ARPA FUNDS OF \$45,000,000 FOR UNEMPLOYMENT MODERNIZATION

### Immediate Project Work Begins with Legislative-Approved Funding

- Request for proposals
- Vendor responses reviewed
- Geographic Solutions selected as the vendor

July  
2023

### About Geographic Solutions

- Geographic Solutions built, hosts, and supports our Workforce System, Virtual One Stop
- UI and Workforce Systems will be integrated providing a smoother experience for users

January  
2024

### Contract Signed

### Project Work with vendor Begins with kickoff meeting

February  
2024

### Continuation of Project Work

- Requirements and design sessions for each business unit
- Things are going well

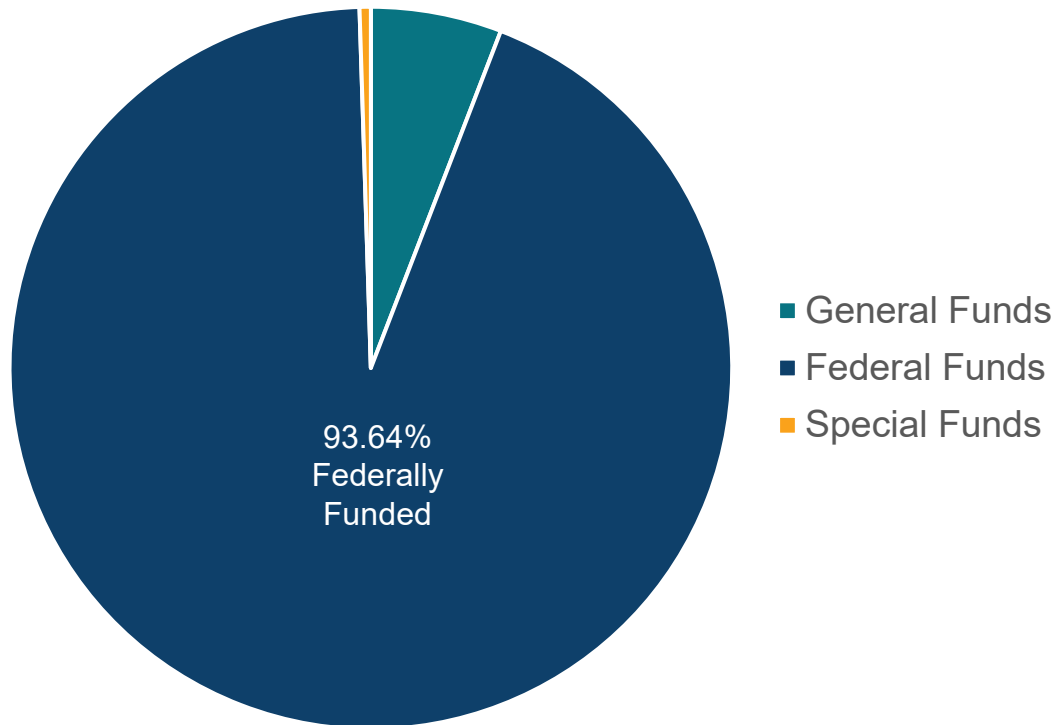
Ongoing  
2024-2025

### Implementation Scheduled

- ARPA funds expenditure date will be met

4<sup>th</sup> Quarter  
2026

# FUNDING 2023-2025

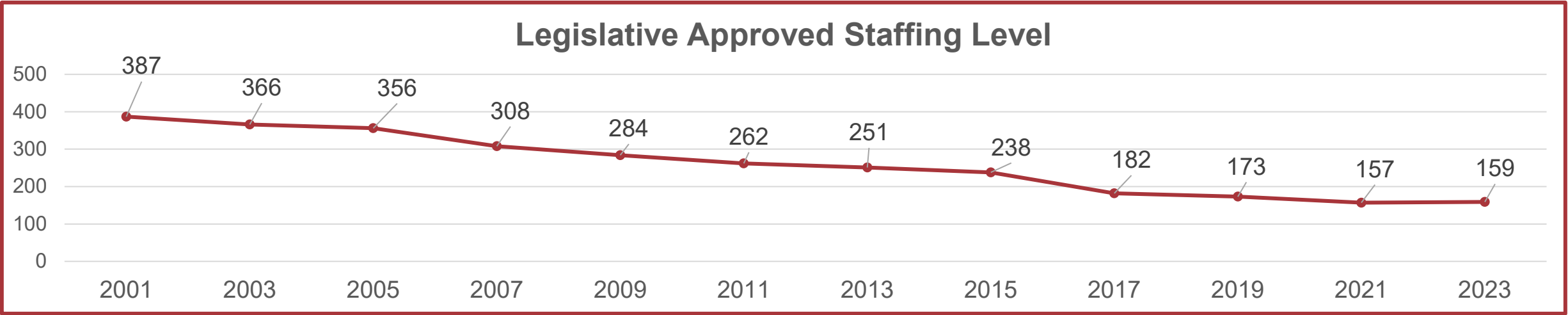
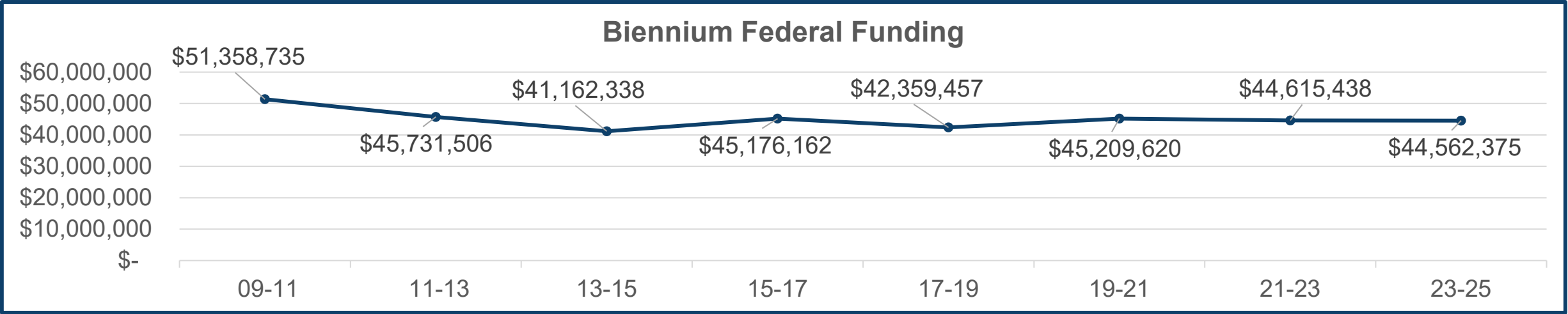


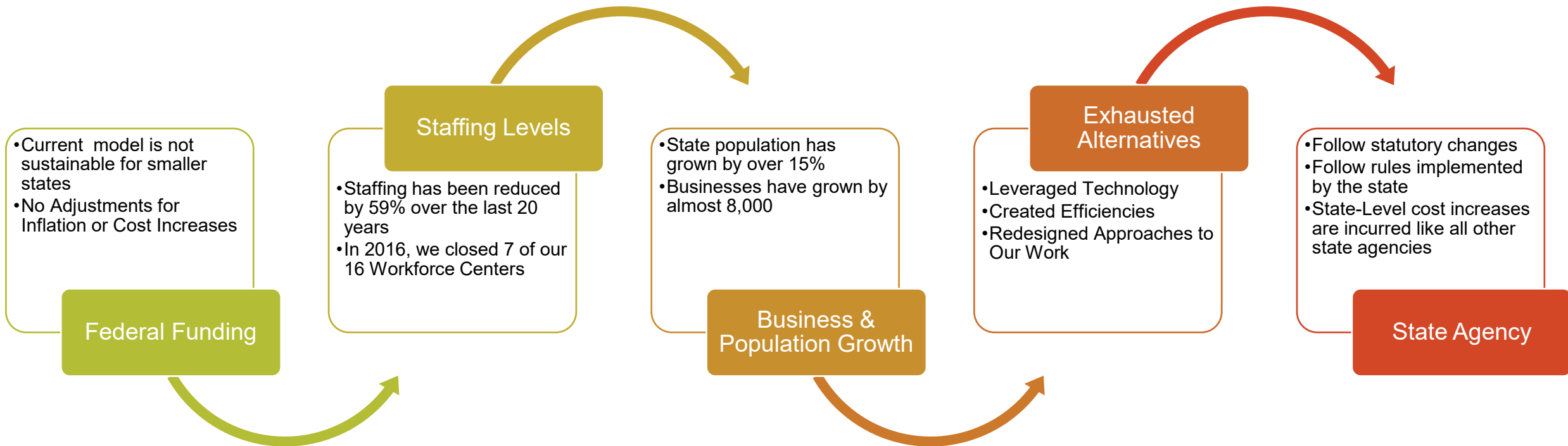
Federal funds are siloed and do not allow transfers between programs

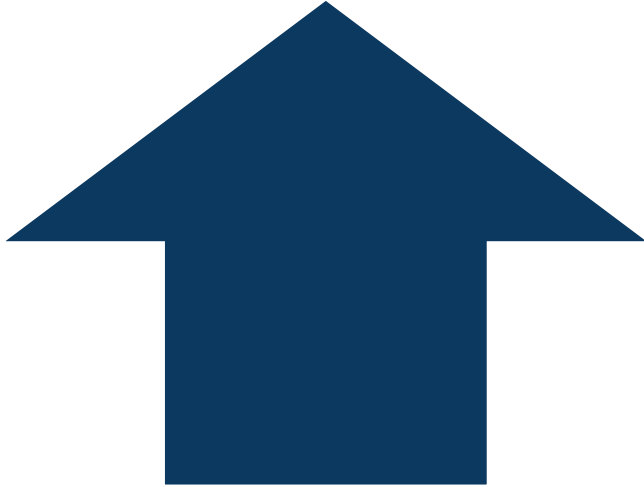
Federal funds do not support state-level program increases such as wage adjustments and IT cost increases



# FEDERAL FUNDING







## Statewide Impact

- Our services provide substantial benefits to the citizens of North Dakota at a minimal cost to the state
- We have not requested significant state funding, but have continued to incur cost increases



## Citizen & Business Impact

- Unable to continue at the same performance levels the state currently enjoys
- Core programs are at risk
  - Serving our citizens and businesses
  - Timely program performance
- Difficult decisions on staffing

## INFORMATION TECHNOLOGY COST INCREASES

**GENERAL FUND REQUEST: \$950,000.00**  
**FEDERAL FUND REQUEST: \$950,000.00**

**Purpose of the Request:** The request will pay for the inflationary rate increases for information technology as noted in the table below:

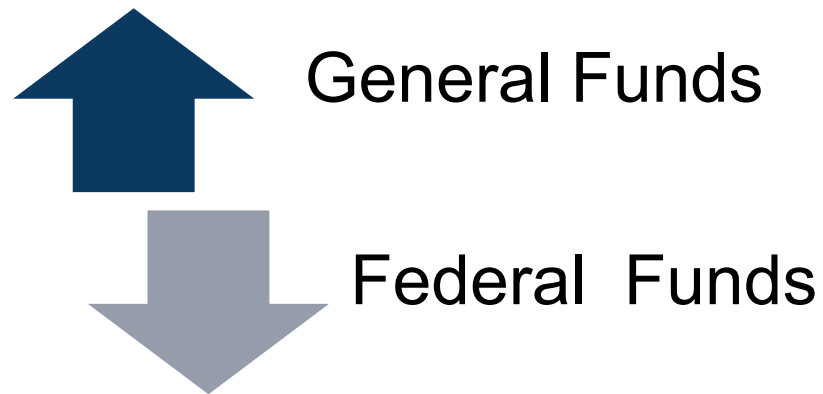
IT COST INCREASES	
NDIT Rate Increases	\$1.426M
Main Frame Lease Increase	\$235,500.00
Maintenance and Operating Hosting Expenses	\$238,500.00

## SALARY AND BENEFIT COST INCREASES

---

**GENERAL FUND REQUEST: \$2.1M**

**Purpose of the Request:** A one-time adjustment for salary and benefit shortfall of federal funds.





# SUMMARY OF REQUESTS

BUDGET REQUEST	FUNDING	EMPLOYEES
<u>GENERAL FUND</u>		
IT Cost Increases (critical priority)	\$ 950,000	N/A
Salaries and Wages (critical priority)	\$2,100,000	N/A
H2A Visa Program	\$ 233,672	1 Full Time
TOTAL	\$3,283,672	1 Full Time

# 2025-2027 APPROPRIATION

	2025-27 Base	Budget Requests	2025-27 Appropriation
Salaries and Wages	\$ 37,430,644	\$ 2,333,672	\$ 39,764,316
Operating Expenses	\$ 19,081,063	\$ 1,900,000	\$ 20,981,063
Capital Assets	\$ 20,000		\$ 20,000
Grants	\$ 8,054,512		\$ 8,054,512
Reed Act-UI Computer Modernization	\$ 10,915,000		\$ 10,915,000
<b>Total All Funds</b>	<b>\$ 75,501,219</b>	<b>\$ 4,233,672</b>	<b>\$ 79,734,891</b>
Less Estimated Income – Federal	\$ 67,669,342		\$ 67,669,342
Less Estimated Income – Special	\$ 615,111		\$ 615,111
Total General Fund	\$ 7,216,766	\$ 3,283,672	\$ 10,500,438
Full-Time Equivalent Positions	158.61	1.00	159.61

# QUESTIONS



# APPENDIX

# APPENDIX A

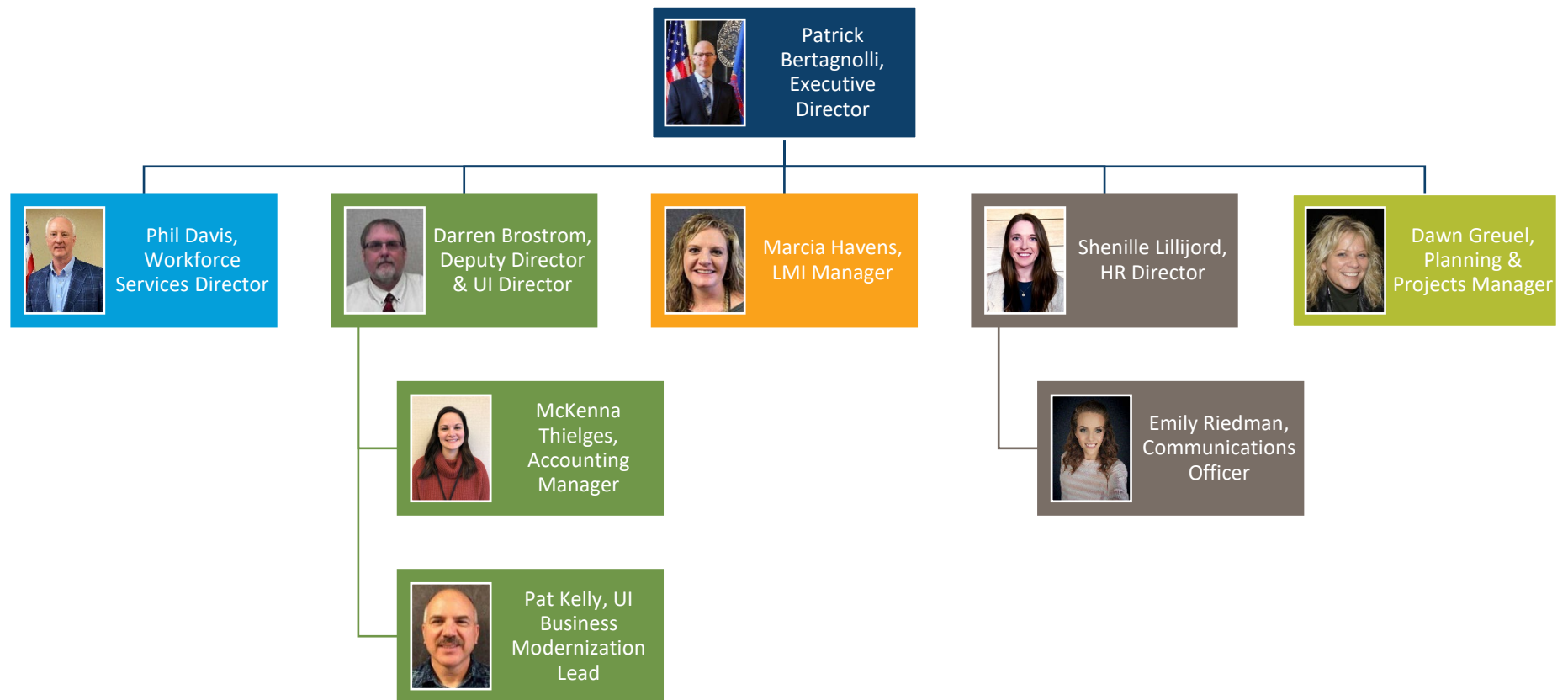
## Organizational Chart

### Leadership Team



# APPENDIX A

## ORGANIZATIONAL CHART JSND LEADERSHIP TEAM



# APPENDIX B

## Workforce Services

# WORKFORCE SERVICES

NORTH  
**Dakota** | Job Service  
Be Legendary.™



## **Serving Our Communities**

Community Outreach | Statewide  
Workforce Events | Workforce  
Education | Career Expos | School  
Partnerships | Community Boards



## **Connecting Employers & Job Seekers**

Career Services | Employer  
Services | Hiring Events

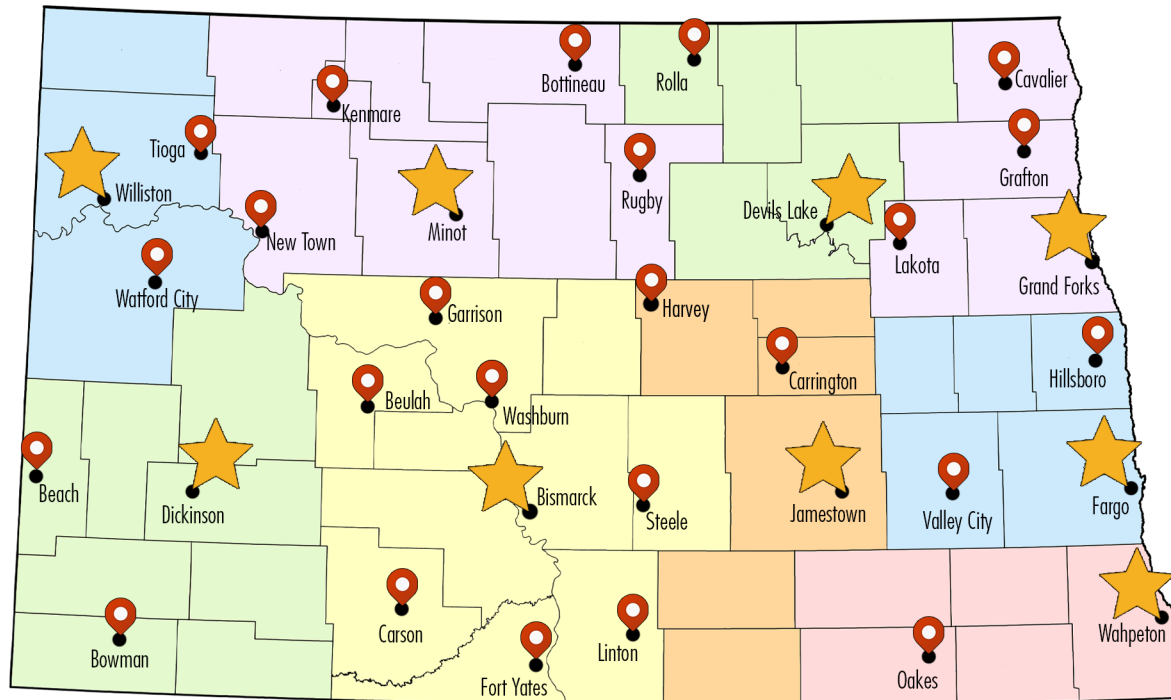


## **Removing Barriers to Employment**

Federal Grants | DHS  
Contracts

## IMPACTING NORTH DAKOTA'S WORKFORCE

## ★ WORKFORCE CENTERS



Connected with over 51K  
individuals during outreach events

Job Fairs & Hiring Events | Rural Community  
Outreach | Career Expos | T-4 Events |  
Apprenticeship Expos | High School Specific  
Events | WIOA Presentations | Tribal  
Community Outreach | DOCR Outreach |  
Recovery Center Outreach



# REMOVING BARRIERS TO EMPLOYMENT

## WIOA 2023 Program Year

- **Youth**
  - 186 Participants
  - 84.4% Employed or in Training 1 year after program exit
  - 51.2% earned a credential
  - \$7,794 Median Earnings/Quarter\*
- **Adult**
  - 484 Participants
  - 82.3% Employed 1 year after program exit
  - 66.3% earned a credential
  - \$11,185 Median Earnings/Quarter\*
- **Dislocated Worker**
  - 12 Participants
  - 66.7% employed 1 year after program exit
  - 90% earned a credential
  - \$12,824 Median Earnings/Quarter\*

*\*Median Earnings represent earnings in the 2<sup>nd</sup> quarter following program exit*

## WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA)



# REMOVING BARRIERS TO EMPLOYMENT

Wagner-Peyser 2023 Program Year

- **Participants**

- Enrolled when they receive a 1:1 service such as Work Search, Resume Building, Interview Skills, etc.
- 2,565 Participants
- 66% Employed 1 year after program exit
- \$8,432 median earnings 2<sup>nd</sup> Quarter after exit

**Wagner-Peyser**

# REMOVING BARRIERS TO EMPLOYMENT

Program supports veterans who have barriers to employment

- 388 Participants in the last year
  - 61.7% employed 1 year after program exit
- 3 CPs and 1.5 DVOPs
  - Serve veterans and employers across the state
  - Including Tribal outreach

*\*Veterans receive priority of service in all of our programs*

**JOBS FOR VETERANS  
STATE GRANT**



# NATIONAL DISABLED AMERICAN VETERANS AWARD RECIPIENT



**Chris Smith**  
Disabled Veterans' Outreach  
Program Specialist (DVOP)  
Bismarck & Dickinson

## EMPLOYEE SPOTLIGHT

- 75% of the Disabled Veterans served by Chris have entered gainful employment
- 90% of those employed, have remained employed beyond 6 months
- 80% of homeless veterans Chris has helped in the past 12 months have become gainfully employed
- 5 Native Americans have been hired into Federal positions on the reservation w/Chris's help

*"Chris is a dedicated, knowledgeable, and selfless advocate for Disabled Veterans. ...he brings his experience and firsthand knowledge to the fight for every Veteran he serves."*

*-Amy Arenz*

# REMOVING BARRIERS TO EMPLOYMENT

## **BASIC EMPLOYMENT SKILLS TRAINING**

- Participants on SNAP in Cass & Burleigh counties only
- 426 Participants
- 70% engaged in work and/or training

## **PARENTAL RESPONSIBILITY INITIATIVE FOR THE DEVELOPMENT OF EMPLOYMENT**

- 155 new enrollments in calendar year 2023
- 59% increase in child support payments through June of 2023

## **JOB OPPORTUNITY & BASIC SKILLS**

- Participants on TANF
- Southeast ND - Primarily Cass & Richland counties
- Average of 65 served/month w/75% in work & training opportunities

## **DEPARTMENT OF HEALTH AND HUMAN SERVICES CONTRACTS**

# REMOVING BARRIERS TO EMPLOYMENT

## **NEW AMERICAN EMPLOYMENT PROGRAM**

- Partnership with the Office of Refugee Resettlement
- Currently in Fargo and Grand Forks with expansion to Bismarck beginning in October of 2024

### **Fargo:**

- 241 Participants
- 170, or 71%, are Employed
- 176, or 73%, Enrolled in English as a Second Language Class

### **Grand Forks:**

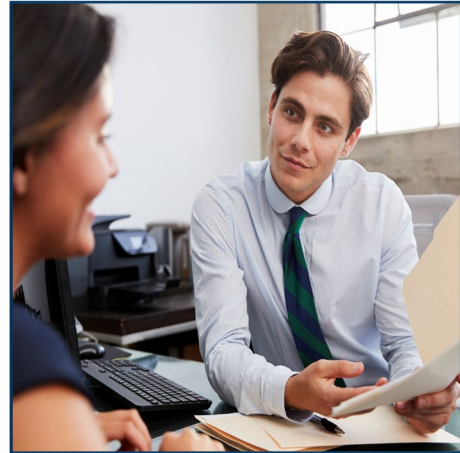
- 78 Participants
- 55, or 71% are Employed

## **DEPARTMENT OF HEALTH AND HUMAN SERVICES CONTRACT**



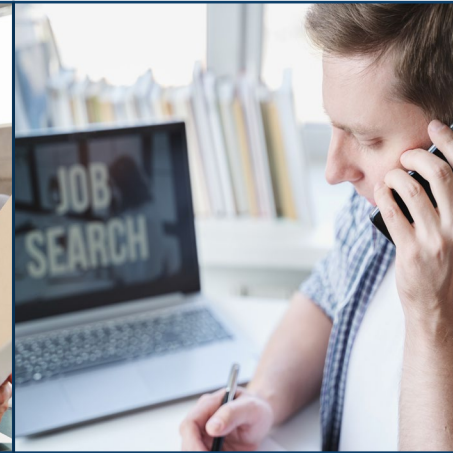
# SERVICES FOR JOB SEEKERS

## CONNECTING EMPLOYERS AND JOB SEEKERS



### In-Person Services

- Job search, labor market, transferable skills, resume building, job applications, interview preparation, barriers to employment, and other related discussion points specific to each individual



### Virtual One Stop

- Create resumes, search for work, apply for jobs
- 203,859 active users
- 135,759 In/out of state new users
- 4.4M Page Views



### Job Seeker Education

- Job Searches, Resume Writing, Transferable Skills, Interviewing, Job scams, and other relevant subjects

# SERVICES FOR EMPLOYERS

## CONNECTING EMPLOYERS AND JOB SEEKERS



### Employer Services

- Assist employers with employment needs including job posting, job fairs, assessments, skill testing, virtual recruiter, and assist with other employer needs



### Virtual One Stop

- 45,155 job orders created by employers
- 32,234 job referrals made



### Rapid Response

- Support to employees affected by business closings
- UI education, employment support, workshops, and reverse job fairs
- Partner with EDC, chambers, and others as needed



### H2A

- 1,910 Housing Inspections
- 91,002 miles driven
- 4,321 Placements

# SERVICES FOR EMPLOYERS

## NEW JOBS TRAINING

-State Program-

- 10-year income tax reimbursement
- Available to primary sector employers
- Offsets costs of providing workers with education and training for newly created positions

## WORK OPPORTUNITY TAX CREDIT

-Federal Program-

- One-Time Federal tax credit calculated on first-year wages
- Must hire individuals with barriers, including: Veterans, Ex-Felons, SNAP, TANF, and SSI recipients, and those in designated empowerment and rural renewal areas
- 12,957 Applications Received in 2023
  - Approximately 50% are certified

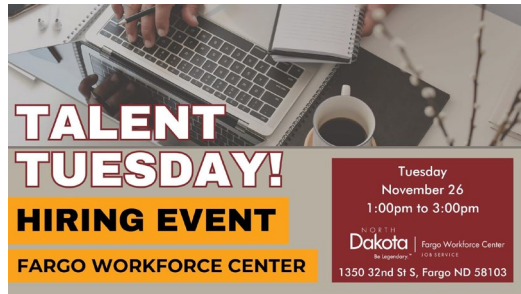
# SERVING OUR COMMUNITIES

## In-House Hiring Events

- 82 during 2024
- 413 Job-seekers

## Multi-Industry Job Fairs

- 1,383 Employers
- 8,977 Job Seekers





# SERVING OUR COMMUNITIES

## **Community & School Presentations**

- Employees provide presentations of available services along with workforce information throughout the communities

## **Career Expos**

- Partner with employers, schools, chambers and EDCs to expose middle- and high-school students to career options across the state

## **Community & Board Presence**

- Employees serve on boards and community advisory committees as subject matter experts on workforce issues

## **Community Outreach**

- Employees provide community outreach to tribal communities, New Americans, and those living in rural communities

Connected  
with over  
51,000  
individuals  
within our ND  
Communities



# VIRTUAL JOB FAIR



## LAUNCHED FIRST NATIONWIDE JOB FAIR IN MAY 2022

May 2022:

- 160 Employers
- Job Seekers from 20 States and 6 Countries

February 2023:

- 100 Employers
- 445 Jobseekers representing 29 States and 14 Countries

January 2024:

- 97 Employers
- 634 Jobseekers from 23 States and 21 Countries

January 2025:

- 84 Employers
- 511 Jobseekers from 24 States and 17 Countries

# APPENDIX C

## H2A Program History

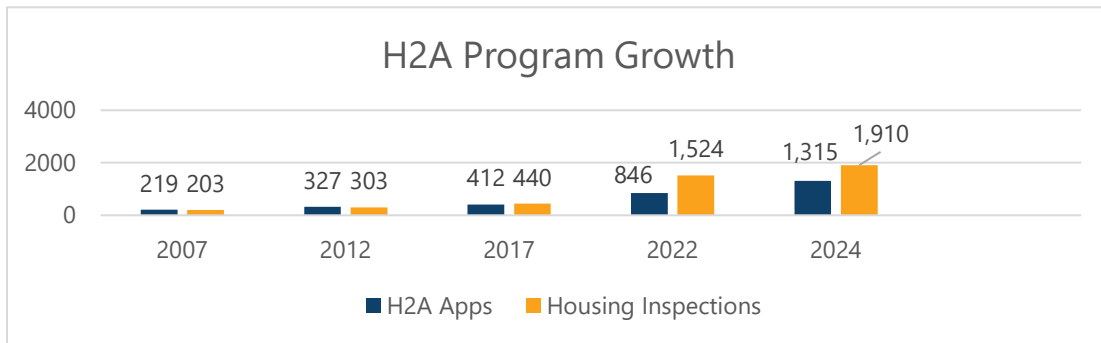
## APPENDIX C

### H2A Agricultural Program

Since 2007, Job Service North Dakota (JSND) has been administering the H2A Foreign Labor Certification Program. This program provides assistance to agricultural employers who have a shortage of domestic workers. The program brings non-immigrant foreign workers to the U.S. to perform agricultural labor on a temporary or seasonal basis. Job Service processes the application, places a job order for domestic workers, and provides a quality housing inspection as outlined by the US Department of Labor.

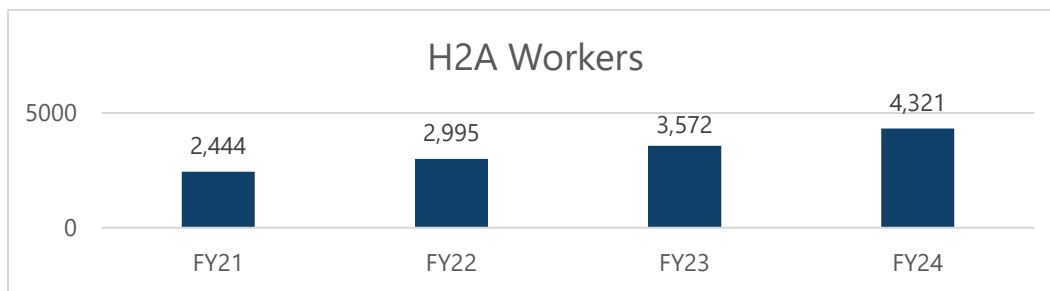
The program has grown exponentially from processing 219 H2A applications in 2007 to 1,315 in 2024 and conducting 203 housing inspections in 2007 to 1,910 in 2024 [See Figure 1].

Figure 1: H2A Program Growth



Job Service has facilitated the housing inspections and subsequent placement of thousands of seasonal workers to help agricultural employers during the busy seasons. From FY21 through FY24, Job Service has facilitated the placement of 13,332 workers through the H2A program. This is a significant impact on employers and the workforce. [See Table 1]

Table 1: H2A Workers





GREATER NORTH DAKOTA CHAMBER  
 SB 2016  
 House Appropriations Committee  
 Energy & Education Division  
 Chair Mike Nathe  
 March 6, 2025

Mr. Chairman and members of the Committee, my name is Andrea Pfennig, and I am the Vice President of Government Affairs for the Greater North Dakota Chamber. GNDC is North Dakota's largest statewide business advocacy organization, with membership represented by small and large businesses, local chambers, and trade and industry associations across the state. We stand in **support** of Senate Bill 2016.

Job Service is an important partner to the business community in North Dakota. They provide needed services by helping connect job seekers to employers. In our 2024 ND Economics and Employer Survey of our membership, 70% of respondents indicated they were having trouble hiring employees. Labor availability has been identified as the top business concern facing companies in North Dakota.

This concern is compounded when you consider that 44% of our members expect their number of employees to increase in the next year.

**In the next 12 months, do you anticipate your number of employees to:**



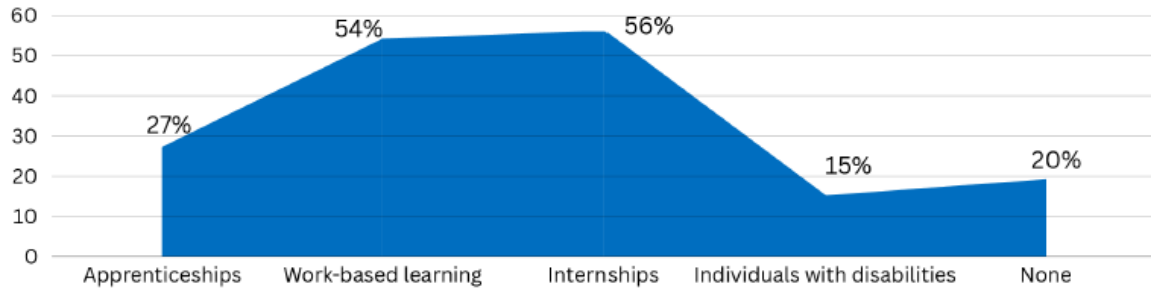
Because of this, we'd like to express our support for the work that Job Service does. We would also like to request that the committee consider expanding the services Job Service provides.

House Bill 1036 was the result of an interim study and would have established an Office of Apprenticeship within the Dept. of Labor. The bill received a Do Pass recommendation from the House Industry, Business, and Labor Committee. However, due to concerns about placing the office within the Dept. of Labor, House Appropriations gave it a Do Not Pass recommendation and indicated that the Office could be placed within Job Service via SB 2016. While HB 1036 failed, we hope the committee will consider establishing the proposed office within Job Service. This would be a valuable resource for businesses in North Dakota interested in creating apprenticeships opportunities, and we feel that Job Service is well equipped to perform the work.

When we asked our members about workforce solutions, only 27% of respondents indicated that they were currently utilizing apprenticeships. This indicates room for growth when it comes to

apprenticeships as a workforce solution. Questions about cost, employer responsibilities, and the process to get started can all serve as barriers that this proposed office could help overcome.

### Which workforce solution do you utilize/use/hire?



Apprenticeships enable employers to create custom training programs that meet their needs. They can provide individuals with a flexible way to get on-the-job training, complete coursework, and earn a degree or certificate while still earning an income.

We hope that you will strengthen North Dakota's business climate by investing in workforce development and establishing additional resources for apprenticeships. Thank you for your consideration.





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

	Armstrong Executive Budget				Senate Version				Senate 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	158.61	\$6,733,919	\$69,268,250	\$76,002,169	158.61	\$6,733,919	\$69,268,250	\$76,002,169	0.00	\$0	\$0	\$0
2025-27 Ongoing Funding Changes												
Salary increase		\$132,055	\$1,054,663	\$1,186,718		\$132,055	\$1,054,663	\$1,186,718				\$0
Health insurance increase		105,719	831,105	936,824		105,719	831,105	936,824				0
Adds funding to replace the 2023-25 new FTE pool		439,818		439,818		439,818		439,818				0
Adds funding to replace the 2023-25 vacant FTE pool		21,119	1,587,716	1,608,835		21,119	1,587,716	1,608,835				0
Removes funding for the 2025-27 new and vacant FTE pool				0		(87,819)	(550,697)	(638,516)		(\$87,819)	(\$550,697)	(638,516)
Adds funding for an FTE H2A foreign agricultural workers program position	1.00	233,672		233,672	1.00	233,672		233,672				0
Adjusts base level funding for operating expenses			(2,914,766)	(2,914,766)			(2,914,766)	(2,914,766)				0
Transfers \$659,489 from operating to salaries				0				0				0
Adds funding for increased IT costs		734,910	1,056,253	1,791,163		734,910	1,056,253	1,791,163				0
Adds funding for increased mainframe IT costs		237,000	237,000	474,000		237,000	237,000	474,000				0
Total ongoing funding changes	1.00	\$1,904,293	\$1,851,971	\$3,756,264	1.00	\$1,816,474	\$1,301,274	\$3,117,748	0.00	(\$87,819)	(\$550,697)	(\$638,516)
One-Time Funding Items												
Salaries funding source change		\$2,100,000	(\$2,100,000)	\$0		\$2,100,000	(\$2,100,000)	\$0				\$0
Total one-time funding changes	0.00	\$2,100,000	(\$2,100,000)	\$0	0.00	\$2,100,000	(\$2,100,000)	\$0	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	1.00	\$4,004,293	(\$248,029)	\$3,756,264	1.00	\$3,916,474	(\$798,726)	\$3,117,748	0.00	(\$87,819)	(\$550,697)	(\$638,516)
2025-27 Total Funding	159.61	\$10,738,212	\$69,020,221	\$79,758,433	159.61	\$10,650,393	\$68,469,524	\$79,119,917	0.00	(\$87,819)	(\$550,697)	(\$638,516)
Federal funds included in other funds			\$68,403,726				\$67,853,438				(\$550,288)	
Total ongoing changes - Percentage of base level	0.6%	28.3%	2.7%	4.9%	0.6%	27.0%	1.9%	4.1%	N/A	N/A	N/A	N/A
Total changes - Percentage of base level	0.6%	59.5%	(0.4%)	4.9%	0.6%	58.2%	(1.2%)	4.1%	N/A	N/A	N/A	N/A

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

Section Description	Armstrong Executive Budget	Senate Version
New and vacant FTE pool line item		Section 3 provides for the use of funding in the new and vacant FTE pool line item.
Federal funds appropriation authority		Section 4 appropriates all federal funds received by Job Service North Dakota to the agency for the 2025-27 biennium.
Reed Act appropriation		Section 5 identifies \$10,915,000 of funding appropriated in Section 1 as from federal Reed Act funds to develop a modernized unemployment insurance computer system.
Exemption - Federal State Fiscal Recovery Fund		Section 6 authorizes the continuation of \$45 million in unexpended federal State Fiscal Recovery Fund appropriation authority relating to the unemployment insurance modernization project into the 2025-27 biennium.

# **2025 HOUSE STANDING COMMITTEE MINUTES**

## **Appropriations - Education and Environment Division** Prairie Room, State Capitol

SB 2016  
3/19/2025

A BILL for an Act to provide an appropriation for defraying the expenses of job service North Dakota; and to provide an exemption.

9:12 a.m. Chairman Nathe opened the meeting

Members present: Chairman Nathe, Vice Chairman Swiontek, Representatives Hanson, Louser, Martinson, Richter and Sanford.

### **Discussion Topics:**

- FTE Increasment

9:27 a.m. Representative Swiontek explained previous budget #39527 from 3/7/2025.

9:33 a.m. McKenna Thielges, Finance Manager, Job Service ND answered questions and testified in favor.

10:30 a.m. Chairman Nathe closed the meeting.

*Steven Riehl, Committee Clerk*

# 2025 HOUSE STANDING COMMITTEE MINUTES

## Appropriations - Education and Environment Division Prairie Room, State Capitol

SB 2016  
3/25/2025

A BILL for an Act to provide an appropriation for defraying the expenses of job service North Dakota; and to provide an exemption.

2:33 p.m. Chairman Nathe called the meeting to order.

Members present: Chairman Nathe, Vice Chairman Swiontek, Representatives Hanson, Louser, Martinson, Richter and Sanford.

### Discussion Topics:

- Large Number of Foreign workers
- Committee Action

2:36 p.m. Representative Swiontek, moved a Do Pass as Amended.

2:36 p.m. Representative Martinson seconded the motion.

2:37 p.m. Roll Call Vote.

Representatives	Vote
Representative Mike Nathe	Y
Representative Steve Swiontek	Y
Representative Karla Rose Hanson	Y
Representative Scott Louser	Y
Representative Bob Martinson	Y
Representative David Richter	Y
Representative Mark Sanford	Y

2:37 p.m. Motion passed 7-0-0.

2:37 p.m. Chairman Nathe closed the meeting.

*Krystal Eberle for Steven Riehl, Committee Clerk*

# 2025 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee Roughrider Room, State Capitol

SB 2016  
4/2/2025

A BILL for an Act to provide an appropriation for defraying the expenses of job service North Dakota; and to provide an exemption.

9:01 a.m. Chairman Vigesaa called the meeting to order.

Members present: Chairman Vigesaa, Representatives Anderson, Berg, Brandenburg, Fisher, Hanson, Louser, Martinson, Meier, Mitskog, Monson, Murphy, Nathe, Nelson, O'Brien, Pyle, Sanford, Stemen, Swiontek, Wagner

Members absent: Vice Chairman Kempenich, Representatives: Bosch, Richter

### Discussion Topics:

- Committee Action

9:02 a.m. Representative Swiontek introduced the bill.

9:09 a.m. Representative Swiontek moved Do Pass.

9:09 a.m. Representative Brandenburg seconded the motion.

9:09 a.m. Roll Call Vote

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	AB
Representative Bert Anderson	Y
Representative Mike Berg	Y
Representative Glenn Bosch	AB
Representative Mike Brandenburg	Y
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	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy L. Pyle	Y
Representative David Richter	AB
Representative Mark Sanford	Y

Representative Gregory Stemen	Y
Representative Steve Swiontek	Y
Representative Scott Wagner	Y

9:09 a.m. Motion passed 20-0-3.

9:09 a.m. Representative Swiontek will carry the bill.

9:10 a.m. Chairman Vigesaa closed the meeting.

*Krystal Eberle, Committee Clerk*



**REPORT OF STANDING COMMITTEE  
ENGROSSED SB 2016 ([25.0183.02000](#))**

**Appropriations Committee (Rep. Vigesaa, Chairman)** recommends **DO PASS** (20 YEAS, 0 NAYS, 3 ABSENT OR EXCUSED AND NOT VOTING). Engrossed SB 2016 was placed on the Fourteenth order on the calendar.