

**Job Service North Dakota
Budget 380
Senate Bill No. 2016; House Bill No. 1358**

	FTE Positions	General Fund	Other Funds	Total
2013-15 legislative appropriation	250.76	\$2,030,235	\$77,797,528	\$79,827,763
2011-13 legislative appropriation	<u>261.76</u>	<u>1,885,739¹</u>	<u>70,116,806</u>	<u>72,002,545</u>
2013-15 appropriation increase (decrease) to 2011-13 appropriation	(11.00)	\$144,496	\$7,680,722	\$7,825,218

¹Reflects a deficiency appropriation of \$5,847 approved by the Legislative Assembly in 2013 for the 2011-13 biennium.

Item Description

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

Accrued leave payments - In Section 1 of Senate Bill No. 2016, the Legislative Assembly identified \$1,479,868, of which \$9,313 is from the general fund and \$1,470,555 is from other funds, for accrued leave payments.

Federal fiscal stimulus funding - The Legislative Assembly provided for the continuation of \$496,496 of federal fiscal stimulus funding not expended in the 2011-13 biennium. The funding relates to state unemployment insurance and employment services and administration relating to unemployment compensation benefit increases. The funding is not to be considered part of the agency's base budget for the 2013-15 biennium, and Job Service North Dakota is to report to the Appropriations Committees during the 2015 legislative session on the use of this funding.

Workforce 20/20 - The Legislative Assembly provided funding of \$1,541,924 from the general fund for the Workforce 20/20 program, of which \$1,360,670 is for grants.

Unemployment insurance computer modernization project - The Legislative Assembly provided a \$12.4 million special funds appropriation from Reed Act distributions received in federal fiscal years 1957, 1958, 1999, and 2002 for continuing the agency's efforts in developing a modernized unemployment insurance computer system.

Status/Result

As of December 31, 2013, the job insurance trust fund reserve was \$153.7 million, which was \$21.9 million more than the target balance of \$131.8 million.

The projected job insurance trust fund balances for the next three years are:

December 31, 2014	\$158.0 million
December 31, 2015	\$164.3 million
December 31, 2016	\$172.1 million

Job Service North Dakota has expended \$60,478 from the accrued leave payments line item for retirements and does not anticipate a transfer from the accrued leave payments line item to the salaries and wages line item will be necessary.

Job Service North Dakota continued \$135,971 of 2011-13 biennium federal fiscal stimulus funding into the 2013-15 biennium and has spent the entire amount as of March 2014.

As of February 28, 2014, Job Service North Dakota has spent \$165,642 of the funding provided for the Workforce 20/20 program. The agency anticipates spending all remaining funds by the end of the 2013-15 biennium.

Job Service North Dakota is participating in a four-state consortium with Colorado, Wyoming, and Arizona to develop a modernized unemployment insurance system. The project is in the development phase, and staff from the four states are working with the vendor HCL America. A significant portion of the development costs of the project will be paid with funds from a grant from the United States Department of Labor. The agency's special funds appropriation of \$12.4 million will be used to supplement North Dakota's portion of the project, including conversion and interface costs.

Workforce Data Quality Initiative - The Legislative Assembly appropriated \$700,000 of federal funds for completing a Workforce Data Quality Initiative, which is the agency's component of the statewide longitudinal data system.

Employment data - In Section 4 of House Bill No. 1358, the Legislative Assembly provided \$120,000 to upgrade employment data for oil and gas-related employment, including employees of refineries, gas plants, and oil and gas transportation services.

Energy impact funding - The Legislative Assembly appropriated \$4 million from the general fund and \$4.5 million from other funds to the Office of Management and Budget for a state agency energy development impact funding pool and removed the funding from agencies' appropriations. However, the funding was not removed from Senate Bill No. 2016, and the Legislative Assembly provided \$127,829 of federal funds for salaries and wages for employees located in energy development areas.

The project began in the 2011-13 biennium, and as of March 2014, the project was complete. The agency spent \$347,347 through March 2014 and does not anticipate any additional spending for the remainder of the biennium related to the project.

The agency has spent \$48,000 through March 2014 and anticipates that the \$120,000 provided will be sufficient for the remainder of the biennium. The updated data will be provided to the Legislative Management in June 2014 and June 2015.

In September 2013 the Emergency Commission approved a request to provide \$26,147 of federal funds from the energy development impact funding pool to Job Service North Dakota for temporary salary increases for employees affected by energy development. In December 2013 the Emergency Commission approved a request to remove the \$26,147 of federal funds, which had been awarded to Job Service North Dakota from the energy development impact funding pool since the funding was appropriated directly to Job Service North Dakota for this purpose.