

2017 SENATE APPROPRIATIONS

SB 2016

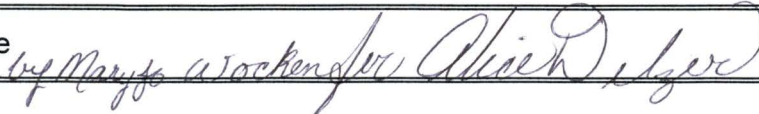
2017 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

SB 2016 & 2076
1/9/2017
Job # 26703

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

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

Minutes:

#1 Job Service North Dakota Testimony SB 2016 – 2076
2 Economic Development Association of ND Testimony
by Connie Ova, President, EDND

Chairman Holmberg called the Committee to order on SB 2016 & SB 2076. All committee members were present. Levi Kinnischtzke, Legislative Council and Becky J. Keller, OMB were also present. The primary funding is from federal money but they are a state agency so they are here.

Cheri Giesen, Executive Director of Job Service testified in favor of SB 2016/2076 and provided Testimony attached # 1- Job Service North Dakota Testimony. Proud to be our state's workforce agency and appreciate our valued partnerships. She did an update on job service operations. There are new Federal regulations. Page 9- 15 shares what actions that job service has taken. (9.23) We have to look at what is required of us that would be cheaper to lease.

Chairman Holmberg: Does that fall into the concept of SB 2119? He was told yes. He commented we will have to have a hearing on that bill.

(0.12.04-0.25.28)Ms. Giesen: Continued testimony regarding actions they have taken. (12.04) you ask why. We looked at operational things. We used to have a print shop, in our own building, we actually had to move that, it was more cost effective to put it in OMB's print shop; now we are requiring some of our services like our employment guide can only be printed, we no longer print that to save cost as well. We also reduced travel. In the fall of 2015, we identified that we were having these claims. One of the things that claimant used to be able to do would be to pick up the phone and talk to somebody and have someone else for them file their claim. When we moved we had to reduce our temporary staff and we knew the claims were increasing and we weren't able to keep up. So what we went to was a higher percent you had to file your claims if you wanted unemployment insurance benefits on line, you could, since we already had the computer system there, but we needed to look through changes to it, for it to make the process from A-Z take place plus we also moved we had a

lot of individuals coming up claimants that our seasonal workers. They are used to using the inter that as long as we can file claims taking process. I give my staff a lot of credit as this was identified as a four- month project and we didn't have 4 months before winter was coming. They got it done in a month and a half. You're probably asking well if you had this in place, I know that you've got behind in the federal rate time frame. Why is that? I talked a little bit about this at the budget section. Part of that reason, you saw the chart that 750 claims which (13.45) as much as we could automate the claims taking process they were 50% of our claims have an issue on them. If you don't have an issue you are going to go through the process pretty easy. We are going to send your employer a note with a new amount and if you both agree it is good you get benefit pay if you both agree. If there is an issue, and you have a disagreement, we have to get that paper back from the employer and someone's got to read through that and see if there is eligibility. That is where we got behind (14.44) is when we had all those issues about 50% of our claims had issues on and it took a human intervention to look at those and make sure they were eligible or non-eligible for that claim. On page 15, shares about the appeals and how to manage the appeals. She continued on page 16 – 22 – Future Federal Funding and Expenditure Projections. Page 18–Five Year Budget Forecast. (19.17) we continue to work with our federal delegation and actually one has written a letter for us to the U.S. Department of Labor, one for the small states is to give a better federal funding formula in one of our program areas and the other option is. Right now we have to apply for a lot of supplemental grants which that I understand from our presidential standpoint, this allow them to have their priorities and then they you have to go for the grant then they will force you to go to do what you need to do. But that doesn't help with running the operation. That has what has helped with getting those priorities done and so my counterparts are working hard to see if the federal government would just give us the funding and let us as a state make more of those decisions versus than at the federal level. Some states have discontinued UI call centers and some have cut back their hours. Look at chart on page 22–Options to deal with Federal Funding shortfall. (24.50) What did we look at? We know right now is not a good time to ask for general funds. We know with the tax rates that is not going to impose or interfere with unemployment insurance tax, it's not a good timing to go over that. We will be asking for some authority to make our operational costs and then to expand. So, we are talking about each one of those: selling of our offices, a fair account and then an electronic reporting hearing. So on the first one, it really truly means that right sizing our buildings, some of the buildings we have at excess capacity.

(0.25.30)Chairman Holmberg: Can I stop you for just a second? I want you to go through this but that's what confused me is because actually this is what, at the end of the day, this other bill will be. But it is part and parcel of your budget proposal so we will hear it but the other hearing might be very short. But we will have to have a hearing on that because it's a separate bill.

Ms. Giesen: I wanted to show the bigger picture. If I come at it a piece-meal it would be separate bills. I wanted to be able to show you, it's a bigger picture then each bill by itself to help us with getting our operational expenses down. We do have an office in Rolla that we have vacated and we own that building so we do have an emergency clause on that bill so we can get that office sold.

(0.26.30)Chairman Holmberg: Who paid for the building and who owns the land? Is there any federal money there?

Ms. Giesen: Each building is different. Grafton, we already have the authority of selling it. The Department of Human Services (DHS) deeded the land to us. In that deed they offer first dibs at that building and I believe that the DHS has a bill to have the authority to buy that building that they did. Rolla, one of the things we have to do is the proceeds that built or bought the building have to go proportionately to that funding source where all that was used with federal funds so all of that would go back to federal funds. The Minot office was purchased with 2% general funds, the rest federal funds so any proceeds which right now we think is about \$21,000 is the proceeds the general fund would receive off that. The central office on Divide, 59% which would be about \$1.7 million dollars if we sold that building. I am not looking at closing the Minot office. The Minot office has a lot of square footage that we do not need. We are not located in a very conducive area and if our operational costs are lower at leasing versus maintaining that building, we would look at selling it. If it's not, we're not selling it. The same principal applies to the central office. Right now we have square footage that is not being used. We are actually offering the Attorney General's Office to lease some in the next biennium because of the space that we have. Leasing that, and getting our cost down to where it's cheaper than selling it, then we won't sell it. But we would like the authority to do so if that is more feasible for us to do. **(0.28.48)**

Chairman Holmberg: My first job was job service. In 1980 there were 460 FTE in job service. In 2000 there were 390. When this number was taken you had 460 FTE's in the state. So there has been a change in the numbers over the years.

(0.29.48-1.04.46) Ms. Giesen: continued her testimony on page 25, Expand use of FAIR Fund and explained the use of that fund. She continued on page 28 regarding all Employers to File and Quarterly Tax Reports Electronically **(0.37.10)** 2017 Unemployment Insurance tax rates – page 29. What are some of the other initiatives job service is doing right now? See pages Page # 32-36. Page 37 – Pilot project with DOC – parole and probation in Minot. The Second Chance – in Fargo and Grand Forks – only available to individuals with criminal background. We are trying to match up employees and employers, but we have applied for a grant. **(0.50.09)** Labor Market Information(LMI) See page 38 in testimony. On page 39- The Oil and Gas Employment Study with comprehensive data. It's not in our 2017-19 budget. If this is something you would like us to do, you would have to put it back into our budget. **(0.54.03)** 2015-2017 Appropriation Update-pages 40-43. Page 44-48 – 2017-2019 Appropriation Request. (58.04) page 48 - Workforce 20/20 – General Fund Appropriation Request – difference between SB 2016 and SB 2076. 2016 Special Session – page 49. Pages 50- 51 – 2017-19 Appropriation. Success Stories – pages 52-54.

(1.04.46) Senator Robinson: You mentioned folks that have criminal records. How much potential do we have in that area? If we have the prospects, how many additional positions because I know it depends upon qualifications and all those things, but do we have considerable potential in that area?

Ms. Giesen: I feel we do. That's why we have the place working in Minot. And the Second Chance. Making sure employers know about the tax incentive the WOTC, the Workforce Opportunity Tax Credit. If you're hired because they want a liability in case something goes wrong, or get some funding back and it's a tax credit that is allowable. Up to \$2400 if they

hire somebody. They have an opportunity to bond, \$5000 a bond. We don't have the people to go out to market it and take applications. When we work in a state workforce initiative in the state of North Dakota those are two of my areas that I think we need to take a look at and how we can better communicate that out and make sure employers know it.

Senator Robinson: It seems we have some potential and it's easier said than done. We have an overcrowded prison system, we have technology now with drug patches, bracelets and electronic monitoring, we aren't positioned to do much in the way of therapy in the correctional system, what better therapy to have these folks, some of them, not all of them, in a job setting with an electronic monitoring, drug patches, and bracelets and those types of things. I just think we have real potential there, you might want to call it work release. I don't know but if ever there is a time we have to think outside the box I think it's here and I know there was an alternative effort during the interim and I don't know far they got. I know the Chairman Senator Carlisle was frustrated hoping they could get further, but I think that is something we should look at. I really do. It's not something we wait 2-4 years, we have to do something as our prison is full now, we're building 700 plus jail cells across the state, we're not moving forward in that area at all. I know our correction budget is coming up later this week, but, it is just a comment for a potential there we need to realize ASAP.

Ms. Giesen: I wanted to highlight the fact that in speaking with Leann Birtsch from the Department of Corrections and Rehabilitation regarding providing jobs for anyone with a criminal background or substance abuse background as we both can relate to this issue. The best thing we can do is give them a job and give them a way to overcome their past to get out of this cycle. I talked with Maggie Anderson from the Department of Human Services and I think there will be some collaborative efforts. So it not each agency coming in here and just putting something together. They see a better collaborative effort of multiple agencies coming together and in speaking with Leann Birtsch, how to better reform. Norway and Sweden started that apprenticeship. It started where they wanted to reform.

Senator Robinson: You touched upon something there not only in state government but also in local government. We get better results when you put them together. The Human Service Department, not many years ago, had a wrap-around program, where several agencies that were involved with the state crime agency would join forces and would meet to address the issues that might resolve the challenge before us. But I think we need to see something soon.

Senator Mathern: There are a number of crimes related to using a smart phone. So one of the sentence requirements is not to use the smart phone. I was just wondering if you have run into that yet, so that we have to some way work with judiciary on this too, because there are people short of people in our system because they are not able to use that equipment. And is this equipment available under this software that same public library computers too or is it, just smart phones?

Ms. Giesen: Jobs are available on a computer setting, Jobs ND, and search on a regular computer. If you do mobile app, it conduces the people with jobs that down sizes itself and is it more user friendly. I am working on a mobile app. You really don't download the library you download this app to work for you. It is a standard account you type in an iTunes account to download an app that's what you do. Then you just type in your data password and type

in nurse. You can see a radius of 50 miles or I can put in a location, it is just makes it easier to be doing this on a mobile app. I am not familiar though with any criminal, you mentioned about the background on that but I am not familiar with any issues we are having.

Senator Wanzek: On page 29 you talked about rates. I am just wondering you said you build the trust fund up; everybody's rates go up. Does it matter whether you have had experience or not? Everybody is treated equally in that sense.

Ms. Giesen: Senator Wanzek, you are correct in that companies would have seen a larger rate if they had more claims. There may have been a negative employer that may have had more payments out to individuals than they put into tax. So they might have jumped because they they've had more but then there is that socializing that does take place at the end after that. So there is a part of it that if you are or maybe don't have any claims before you were positive employer, that now you've had so many claims that have might have moved you from a positive player which is very smaller rate up to a larger rate just by having more claims. That is going to move you many steps in that process. But at the end of the day, those that don't have claims that 71% that we talked about in employers who had the 2.8 now going to 4.9 that is more the social where everyone is kind of paying the cost for all the rest of the claims that were provided. **(1.13.43)**

Chairman Holmberg: And that's because of the law. **Ms. Giesen:** Yes, that's true.

Senator Wanzek: Can you help me with an employer that is 11%. Can you help me understand why he is that high and rate? She said yes. They will confer later.

Chairman Holmberg: Anyone else that is going to be testifying on the bill? There was a letter from Connie Ova from Economic Development Association of ND Testimony attached # 2 in support of SB 2016/2076. He asked where their office is and was told the central office is on Divide Ave in Bismarck and the local community office is on Century Ave in Bismarck. This one is for public access.

Chairman Holmberg closed the hearing on SB 2016/1076. The subcommittee for these bills and SB 2119 are Senator Krebsbach, Chair; Senator Oehlke and Senator Mathern.

2017 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

SB 2016 and SB 2119
2/1/2017
Job # 27705

- Subcommittee
 Conference Committee

Committee Clerk Signature

Carrie Winings for Alice Pelzer

Explanation or reason for introduction of bill/resolution:

A Subcommittee Hearing for Job Service

Minutes:

- 1.SB 2016 Base Level; Funding Spreadsheet
- 2.SB 2119 – Proposed Amendment # 17.8076.0100
- 3.Cover letter from Levi Kinnischtzke and copy of deed

Chairman Krebsbach: Called the subcommittee to order on SB 2016 and SB 2119. All committee members were present: Senator Oehlke and Senator Mathern. Adam Mathiak, Legislative Council and Becky J. Keller, OMB were also present. Job Service – Cheri Giesen, Executive Director, and Darren Brostrom, Deputy Director, and Nicole Assistant Finance Manager.

We will go into Bill 2016. In reviewing the spreadsheet, I will ask Adam to explain the sheet.

Adam Mathiak, Legislative Council: See Attachment #1- Base Funding – Job Service ND Budget No. 380 – a spreadsheet explaining the changes to Dalrymple Budget, the Senate Version and the Senate Changes to Executive Budget. (Walked through the spreadsheet.)

(2:55) Senator Mathern: What is workforce 2020 that we would be eliminating if we adopted this proposal?

Cheri Giesen: It is a program that is funded for employers, specifically more in manufacturing. A manufacturing company that has new technology can prepare an application to us and we will fund that training that is needed to run that new technology. We do have a good split between new employers and existing employers in the last couple of biennium who have used the program. Typically, they have to show that they are going to be training on something new in their company. It is not something existing and has to be technology driven.

Senator Mathern: Are we paying for the training costs or are we paying part of the wages that the people get while they are in training?

Cheri Giesen: We do pay for the training itself. The company itself that is offering the training has to have a 50% buy into that training as well. They can use hourly wages to help with that 50%.

Senator Oehlke: Staying on 2020, the testimony for the Economic Development Association of ND talked about how important it is for them, do you partner with the four quadrants in North Dakota where the colleges provide workforce training? Do they receive some of that 2020 money?

Cheri Giesen: Most of the training would come from MEP manufacturing.

Senator Oehlke: (Gave an example.) Do you help pay for part of that when they are actually doing it?

Cheri Giesen: We don't see contracts dealing with that training with those providers. Because this is very specific to the manufacturing line. It's typically training seen from the vendor that supplies that. There is usually a computer and the technology that runs that piece of equipment that they need training for. They are not going to that college to look for people. The only one we see is Wayne Manufacturing and that is a concept of manufacturing and running more with less. There are companies that specialize in that arena but they typically hire to come in and do that assessment and train the people on being more efficient with what they have.

Senator Oehlke: So, where LRSC, to make their effort work, will try to get 20 or 30 people to train all at once; this sounds like you would do it for an individual employer. Would you see the wisdom in cooperating with others and have them help do that?

Cheri Giesen: Yes, the manufacturing companies would come together. I am just looking back at the applications that we had. You have a range of manufacturers that the equipment is not the same. If it were a similar type of training maybe you could get into that.

Chairman Krebsbach: There have been other instances besides manufacturing where this training has been done, has there not?

Cheri Giesen: Yes, there are a few but they are mostly technology driven companies.

Chairman Krebsbach: Are there not federal dollars available for some of these training programs as well.

Cheri Giesen: I am not aware of any federal dollars that we could use to do this same training. We get training dollars that an individual has to be at a certain income level and then we send them to training. If they are on food stamps, then we pay for them to go to training. There is nothing that we would pay an employer.

Chairman Krebsbach: Asked the committee if there were any additional questions.

Senator Mathern: I am hoping that we can just review the amendments that were brought to us and that we can adopt them and act on them. I think this agency is under considerable

stress in light of the reduction of staff and anything we can do to get their budget through here so they can do their work, I think we should try to expedite.

Chairman Krebsbach: I do not believe we have any amendments on SB 2016. It is on SB 2119.

Cheri Giesen: Transparency is everything, and I want to make sure that we did not put the oil and gas report; it was \$80,000 a biennium, but we did that report one for each year, that report just reminds you how it was used to determine the hub city, and then that determines any payment out for hub cities. Our thought is that there will probably not be payments of the hub city concept, so if that is true, then you would not want us to pay \$80,000 for a report that maybe would not be utilized. I want to make sure that you have that whole awareness that this budget that is proposed by both Dalrymple and Burgum does not have that \$80,000 in them for that study so we wouldn't be performing that study. That would have been a line item in our salaries as general fund. You won't see it because we did not submit it and it is not a part of their budgets. We cut that ourselves.

Chairman Krebsbach: And that is because you do not anticipate to have to do that portion that you did in that previous biennium?

Becky J. Keller, OMB: It was one-time funding and so it was taken out and not put back in. We did not really talk about how that would change or how it would affect the hub city funding. So if you want to put it back in, it would just be part of your amendment to this budget.

Chairman Krebsbach: The hub city is something that has not been passed as of yet. Would it be wise to do something until such time that it is or do we do something in anticipation?

Becky J. Keller: I am not sure what legislation you are talking about regarding the hub cities. The only legislation that I have seen, is that it would actually increase funding for the hub cities. I have not seen anything that takes it out.

Adam Mathiak, Legislative Council: Starting the 13'-15' biennium there was money provided to job service to study oil and gas related employment. They already compiled information for federal purposes on mining employment. So, they did the study and the work in the 13'-15' biennium. In the 15'-17' biennium the oil formula was based on that oil and gas related employment. The one-time funding was provided to them to continue updating that information. The oil formula that was passed in the 15' session just had it so that it was oil and gas employment during the 15'-17' biennium and after that it would revert back to the mining employment. So mining employment data is data they already have on the federal level. At this point, both of the proposals that were done in HB 1075 in the Dalrymple budget, did not make any changes to continue using oil and gas related employment so there it would revert back to mining employment. It would be the same thing with HB 1366. That one does not continue to use oil and gas related employment, but it rather it goes with the current law that provided for it to be mining employment. There would not be a need to provide that additional money. The thing would be to watch what happens with the oil and gas formula and if it does go back to oil and gas related employment, then you would need to add that funding back in. During the 13'-15' biennium that money for job service was included in the

oil formula bill so that could be done. It would not have to go right into their appropriation bill. At this point it is a watch and see what happens.

Chairman Krebsbach: The important thing is if that criteria should be changed to include the oil and gas in that funding.

Senator Oehlke: the \$80,000 was mainly for people to gather the information?

Cheri Giesen: That is correct.

Chairman Krebsbach: I believe you have the information on those jobs – the mining?

Cheri Giesen: Yes, we do have it at the mining level.

(16:45) Chairman Krebsbach: (Moved on to SB 2119.) We have the Bill as it stands for the authority to sell the Rolla job service office and perhaps they could change, either through sale or lease, of the Minot and Bismarck operations. There is a proposed amendment to this bill, basically indicating that the general fund proceeds must be deposited in the job service federal advanced interest repayment fund. The amendment is 17.8076.01011. The only thing I was questioning on that is the title adopted by the IBL committee. It is dated January 25th. It would have been impossible for them to adopt because we heard the bill on the 24th and had possession of the bill. I am not sure if that title needs to be changed. It is pretty clear what the intent is and by putting it in the federal advance payment, does that give you access to any of that money or what happens to it?

Cheri Giesen: We have a bill that is on the House side to authorize us more spending authority for our administrative and technology purposes. Although I do probably see some of these funds, not in the Rolla instance, but if we would sell the other buildings because we would need to rent somewhere else. We may need the money to upfront some reconstruction of the building we get into to bring our lease down.

Chairman Krebsbach: Questions from the committee?

Senator Oehlke: Moved amendment 17.8076.0100.

Senator Mathern: Seconded.

Don: To clarify, I believe that this amendment, in order to save time with legislative council and to be clear, probably used a template of a prior amendment and that it why it says IBL and that would indicate why that numbering is on there. In order to get an appropriate number and to make sure it is clear, it should probably go through legislative council to create the amendment and numbered appropriately.

Chairman Krebsbach: I think that is a good idea and I do not know that we need to, as a subcommittee, adopt them. I think the committee as the whole can adopt them. We can recommend it.

Senator Mathern: The whole committee would want us to have done the home work. We need the correct number and wording.

(The amendment was put on hold in lieu of getting it corrected and bringing it to the whole committee.)

Chairman Krebsbach: There was question concerning the deed on the Rolla property. That was brought forth by a representative from the House. Levi did check into it and he has answered me quite thoroughly on it so I will send this to the whole committee. Are there any comments on the remarks from Mr. Levi. (Reads from e-mail) Testimony attached # 3. Email letter from himself to Chairman Krebsbach and a copy of the Warranty Deed of sale. He indicates that there might have been a confusion on that, but the deed for the building in Rolla is owned by job service.

Cheri Giesen: We do have the deed. When we pulled the deed for the Grafton office, none of us knew that the land was gifted to job service when they built it and in the deed it was stated that the Department of Human Services gets the first option to purchase that building minus the value of that land back and the DHS has a bill in because they had a donation of funds that can only be used in the Grafton area. So they have the funds and won't need general funds to purchase it.

(22:54) Chairman Krebsbach: So job service would be the beneficiary of the dollars received on the building only, not the land?

Cheri Giesen: Yes, in Grafton. (Asked time to review the spread sheet.)

(23:55) Becky J. Keller: (Explained the spread sheet - Attachment #1)

(24:25) Cheri Giesen: This fund is sitting there with a balance that we can expend all of it. We have to make a determination of how much salary and how many contractual dollars will be used. That is not a given dollar amount for each category. We just have to estimate. Our real concern is that we have, even though we will not be giving the 1% to someone that may be charging to this, we would charge an extra hour because we want to expend that fund. We can use that funding for a contractual amount - for additional staff hours.

Becky J. Keller: my question would be then when we did the executive recommendation and we added in funding to the Reed Act line for comp and health, did you have that money available? Should we not have put it in that line?

Cheri Giesen: Our belief is that we would have that funding available in the Reed Act as a balance.

Becky J. Keller: The base request for the Reed Act line was \$11.2 million, and we added the \$13,203. It doesn't matter to me what you do with the line or anything but I am a little confused as to why we would be ok adding the 1% and not taking it back out.

Chairman Krebsbach: The Reed Act dollars are to be used only for salary? She was told no.

Cheri Giesen: It is for the modernization of the computer system.

Chairman Krebsbach: So your salaries actually come from a different fund from the federal government, correct?

Cheri Giesen: This is true.

Chairman Krebsbach: So it does not have anything to do with the Reed Act. Do you have a specific dollar that you can spend from the Reed Act?

Cheri Giesen: (To Becky) What would be the total then if we subtract 1.46?

Becky J. Keller: The base request you submitted actually had a \$1.2 million reduction which brought your base Reed Act number to \$11.2 million. By taking out that additional 300 and some it is just going to drop your number down about \$3000 less. I am not sure where the 1.4 comes from, unless it is taking out the health insurance.

Cheri Giesen: I would be good with the 1.2 reduction. It scared me when I saw 1.46.

Becky J. Keller: I cannot tie out to that 1.46 either so I will have to work it out and get back to you.

Chairman Krebsbach: Recessed the subcommittee hearing on SB 2016 and 2119 and we will finalize it when you get it all completed.

2017 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

SB 2016 (Subcommittee)
2/14/2017
JOB # 28323

Subcommittee
 Conference Committee

Committee Clerk Signature

Eva Lubott for Alice Delzer

Explanation or reason for introduction of bill/resolution:

A Subcommittee Hearing on Job Service

Minutes:

Attachment 0

Chairman Krebsbach: Called the Subcommittee to order on SB 2016 at 9:30 am in the Harvest Room. Let the record show that all members were present: Senator Oehlke and Senator Mathern and myself. Levi Kinnischtzke, Legislative Council and Lori Laschkewitsch, OMB. I should have had Levi draft the amendments that we need to finalize this bill but I believe that we have pretty much come to the conclusion and with your approval we will be doing the salary increase that was in the Burgum budget?

Levi Kinnischtzke, Legislative Council: What was taken out of the Burgum budget, was just the 1% salary increase. The health insurance was kept in from Governor Dalrymple's budget.

Chairman Krebsbach: So those changes will be put in place on the amendment that you draft. I would like to have that one put to bed.

Cheri Giesen, Director of Job Service: Workforce 20/20, did you end up with a dollar amount with that program. Burgum's was zero and Dalrymple's was over five hundred thousand so I am just clarifying which one?

Chairman Krebsbach: I think that the Senate changes indicate that it would be the 502,000. So that would go along with the Dalrymple budget.

Levi Kinnischtzke: Just to clarify Governor Dalrymple had reduced the Workforce 20/20 program by nine hundred and thirty thousand and then Governor Burgum reduced it further by five hundred and two thousand which would eliminate the funding for the Workforce 20/20.

Senator Mathern: I think we need to go to the Dalrymple budget and keep that portion of the money in, instead of zeroing it out. I think it is an important part of our economy to have some resources there for job service to work with. That would be my suggestion.

Chairman Krebsbach: We have a suggestion. Senator Oehlke, do you have any comments on that?

Senator Oehlke: I would like to look at this closer.

Senator Mathern: Maybe the department could give us a brief rundown as to what they would do with that reduced amount that Dalrymple kept in here.

Cheri Giesen: This Workforce 20/20 is for manufacturers to do a lean processing. Typically, they would contract with another vendor to do training on software or some type of technology that helps them be a leader manufacturer. We do have some flexibility to expand that. Typically, with the money we've had we have always limited to manufacturing companies in the past but it does help with training. The manufacturer has to have 50% of the training costs involved and we pay for the fifty percent. It has to be a 50/50% match. It is really for manufacturers to stay up with new technologies.

Senator Oehlke: Does job service cooperate with TrainND or anybody like that as well?

Cheri Giesen: I would say part of the time we do. It is really specialized training. Typically, they are buying a piece of hardware and software in the manufacturing plant and the training comes from the vendor. We have seen TrainND participate in other lean processing skilled based at a management level training before.

Senator Oehlke: That was \$930,000 reduction? That was confirmed. Was there an alternative number we were considering at all?

Cheri Giesen: Just the \$500,000 that was in the Dalrymple budget.

Senator Oehlke: Especially because the cooperate and work together with TrainND I would support adding the \$502,000 in for the 20/20.

Senator Oehlke: Made a motion for the \$502,000 to be added back in. 2nd by Senator Mathern.

Chairman Krebsbach: Would you call the roll to amend back in the \$502,000 for the 20/20 Workforce program.

A Roll Call vote was taken. Yea: 3; Nay: 0; Absent: 0.

Chairman Krebsbach: So that would be added in.

Cheri Giesen: Last time we talked about the Reed Act but we are comfortable with the numbers that are represented here.

Chairman Krebsbach: It shows it is a reduction of one million four hundred and sixty thousand. Is that what you are looking at on the base funding. You are alright with the 11million? She was told yes.

Senator Mathern: Madam Chairman, do you want to adopt your proposed amendments regarding the proceeds of the sale?

Chairman Krebsbach: I would love to have that done.

Senator Mathern: I would move the adoption of the amendments # 17.8076.0100.

Senator Oehlke: Now we are on a different bill, are we not?

Chairman Krebsbach: That is a different bill. we don't have the amendments for this. They are going to be drafting them.

Senator Mathern: I withdraw that.

Chairman Krebsbach: We are going to take that one up next. So with the understanding of the changes on salary, insurance, and the Workforce 20/20. We can move that we adopt the changes made to this bill.

Levi Kinnischtzke: Just to clarify then, also the other lines that reduced funding for operating expenses of 2.7 million and the increase for participant training contract grants of 54,000 dollars are also the committees wishes to carry those forward.

Chairman Krebsbach: We should meet again to clarify all of this. Are you clear on what is happening here committee?

Senator Mathern: I am fine. If we adopt these extra changes here I think we are done.

Senator Oehlke: I guess I understand what we are doing. In the other budgets we have typically done the health insurance parts but we haven't messed around with the salary changes.

Chairman Krebsbach: Would you explain to the committee what we are doing in those two areas?

Levi Kinnischtzke: The health in insurance increases that is the amount that is being increased in all agency budgets. It's a monthly increase for each employees' health insurance contract. The base payroll line you will see a decrease of twelve thousand general fund and 12.6 million of our funds that are for generally cost to continue items or if there are changes in employee positions. Those payroll changes you will see in every agency budget. The salary increase item, Governor Dalrymple put in a one percent increase in the second year of the biennium and Governor Burgum since took that out and it has been consistent across the board that appropriation committee have decided to not go forward with any salary increase.

Chairman Krebsbach: It is the removal of the one percent for the second year of the salary and it is the addition back in of five percent of their share of the cost of the insurance.

Levi Kinnischtzke: That five percent health insurance that was Governor Burgum's, that will not be going forward as well. The only health insurance portion that is going forward is the cost to continue for the Sanford health contracts.

Chairman Krebsbach: With that can we have a motion to accept the changes made in 2016.

Senator Oehlke: Moved to accept the changes that were made in SB 2016. 2nd by Senator Mathern.

A Roll Call vote was taken. Yea: 3; Nay: 0; Absent: 0.

Chairman Krebsbach: We will get a copy of amendments and seek your approval before we move forward. The subcommittee hearing was closed.

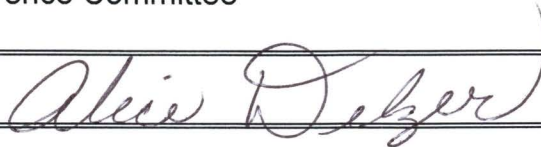
2017 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

SB 2016
2/16/2017
JOB # 28430

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A DO PASS AS AMENDED regarding Job Service.

Minutes:

1. Proposed Amendment # 17.0524.01001

Chairman Holmberg: called the Committee to order on SB 2016 at 9:00 am in the Harvest room. Roll call was taken. All committee members were present. Alex Cronquist, Legislative Council was also present.

V. Chairman Krebsbach: moved the amendment # 17.0524.01001. 2nd by Senator Mathern. Chairman Krebsbach explained the amendments.

Chairman Holmberg: Call the roll on amendment # 17.0524.01001.

A Roll Call vote was taken. Yea: 14; Nay: 0; Absent: 0.

V. Chairman Krebsbach: Moved a Do Pass as Amended. 2ND by Senator Robinson.

Chairman Holmberg: Call the roll on a Do Pass as Amended.

A Roll Call vote was taken. Yea: 14; Nay: 0; Absent: 0. Senator Oehlke will carry the bill.

The hearing was closed on SB 2016.

CM
 2/16/17
 1 of 2

PROPOSED AMENDMENTS TO SENATE BILL NO. 2016

Page 1, replace lines 12 through 22 with:

"Salaries and wages	\$39,604,238	(\$12,416,615)	\$27,187,623
Operating expenses	13,479,157	(2,727,902)	10,751,255
Capital assets	20,000	0	20,000
Grants	5,404,326	54,245	5,458,571
Workforce 20/20	1,441,225	(938,818)	502,407
Reed Act - unemployment insurance computer modernization	<u>12,407,000</u>	<u>(1,196,714)</u>	<u>11,210,286</u>
Total all funds	\$72,355,946	(\$17,225,804)	\$55,130,142
Less estimated income	<u>70,467,866</u>	<u>(16,285,971)</u>	<u>54,181,895</u>
Total general fund	\$1,888,080	(\$939,833)	\$948,247
Full-time equivalent positions	237.76	(56.15)	181.61"

Page 2, line 9, replace "\$12,407,000" with "\$11,210,286"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2016 - Job Service North Dakota - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$39,604,238	(\$12,416,615)	\$27,187,623
Operating expenses	13,479,157	(2,727,902)	10,751,255
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General fund	\$1,888,080	(\$939,833)	\$948,247
FTE	237.76	(56.15)	181.61

Department No. 380 - Job Service North Dakota - Detail of Senate Changes

	Adjusts Funding for Base Payroll Changes ¹	Adds Funding for Health Insurance Increases ²	Adjusts Base Level Funding ³	Reduces Funding for Workforce 20/20 Program ⁴	Reduces Reed Act Funding ⁵	Total Senate Changes
Salaries and wages	(\$12,859,057)	\$442,442				(\$12,416,615)
Operating expenses			(2,727,902)			(2,727,902)
Capital assets						
Grants			54,245			54,245
Workforce 20/20	(11,142)	2,407		(930,083)		(938,818)
Reed Act - Computer modernization	253,784	10,062			(1,460,560)	(1,196,714)
Total all funds	(\$12,616,415)	\$454,911	(\$2,673,657)	(\$930,083)	(\$1,460,560)	(\$17,225,804)
Less estimated income	<u>(12,603,617)</u>	<u>451,863</u>	<u>(2,673,657)</u>	<u>0</u>	<u>(1,460,560)</u>	<u>(16,285,971)</u>
General fund	(\$12,798)	\$3,048	\$0	(\$930,083)	\$0	(\$939,833)
FTE	(56.15)	0.00	0.00	0.00	0.00	(56.15)

¹ Funding is adjusted for cost-to-continue 2015-17 biennium salaries and benefit increases and for other base payroll changes. Funding is removed for 56.15 FTE positions.

² Funding is added for increases in health insurance premiums from \$1,130 to \$1,249 per month.

³ Base level funding is adjusted as follows:

	<u>Other Funds</u>
Reduces funding for operating expenses, including reductions to information technology contractual services and repairs and information technology software	(\$2,727,902)
Increases federal funding for participant training contract grants	<u>54,245</u>
Total	(\$2,673,657)

⁴ Funding is reduced for the workforce 20/20 program to provide a total appropriation of \$502,407 for the program.

⁵ Funding for the unemployment insurance computer modernization project from the Reed Act is reduced to provide a total appropriation of \$11,210,286 for the project.

This amendment also amends Section 3 to identify special funds of \$11,210,286 included in Section 1 are from federal Reed Act funds.

Date: 2-14-17

Roll Call Vote #: 1

2017 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2016

Senate Appropriations Committee

Subcommittee

Amendment LC# or Description: _____

- Recommendation:
- Adopt Amendment
 - Do Pass Do Not Pass Without Committee Recommendation
 - As Amended Rerefer to Appropriations
 - Place on Consent Calendar

Other Actions: Reconsider *motion to add back in the \$500,000 in the 20/20 workforce program.*

Motion Made By Senator Oehlke Seconded By Senator Mathern

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg			Senator Mathern	✓	
Vice Chair Krebsbach	✓		Senator Grabinger		
Vice Chair Bowman			Senator Robinson		
Senator Erbele					
Senator Wanzek					
Senator Kilzer					
Senator Lee					
Senator Dever					
Senator Sorvaag					
Senator Oehlke	✓				
Senator Hogue					

Total (Yes) 3 No 0

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 2-14-17

Roll Call Vote #: 2

2017 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2016

Senate Appropriations Committee

Subcommittee

Amendment LC# or Description: _____

- Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar

Other Actions: Reconsider changes made in SB 2016

Motion Made By Senator Oehlke Seconded By Senator Mathern

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg			Senator Mathern	✓	
Vice Chair Krebsbach	✓		Senator Grabinger		
Vice Chair Bowman			Senator Robinson		
Senator Erbele					
Senator Wanzek					
Senator Kilzer					
Senator Lee					
Senator Dever					
Senator Sorvaag					
Senator Oehlke	✓				
Senator Hogue					

Total (Yes) 3 No 0

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

changes on Salary, insurance and the 20/20 dollar amount added back in.

Date: 2-16-17
Roll Call Vote #: 1

2017 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2016

Senate Appropriations Committee

Subcommittee

Amendment LC# or Description: 17.0524.01001

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
Other Actions: Reconsider _____

Motion Made By Krebsbach Seconded By Mather

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Mather	✓	
Vice Chair Krebsbach	✓		Senator Grabinger	✓	
Vice Chair Bowman	✓		Senator Robinson	✓	
Senator Erbele	✓				
Senator Wanzek	✓				
Senator Kilzer	✓				
Senator Lee	✓				
Senator Dever	✓				
Senator Sorvaag	✓				
Senator Oehlke	✓				
Senator Hogue	✓				

Total (Yes) 12 No 0

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 2-16-17
Roll Call Vote #: 2

2017 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2016

Senate Appropriations Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
Other Actions: Reconsider _____

Motion Made By Krebsbach Seconded By Robinson

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Mathern	✓	
Vice Chair Krebsbach	✓		Senator Grabinger	✓	
Vice Chair Bowman	✓		Senator Robinson	✓	
Senator Erbele	✓				
Senator Wanzek	✓				
Senator Kilzer	✓				
Senator Lee	✓				
Senator Dever	✓				
Senator Sorvaag	✓				
Senator Oehlke	✓				
Senator Hogue	✓				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Oehlke

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2016: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2016 was placed on the Sixth order on the calendar.

Page 1, replace lines 12 through 22 with:

"Salaries and wages	\$39,604,238	(\$12,416,615)	\$27,187,623
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2017 HOUSE APPROPRIATIONS

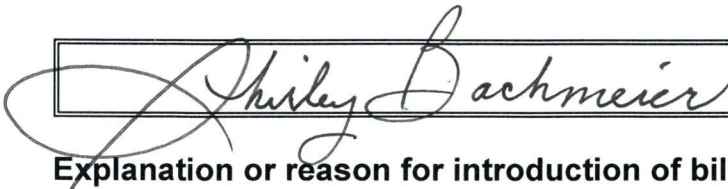
SB 2016

2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Education and Environment Division
Roughrider Room, State Capitol

SB 2016
3/2/2017
28628

- Subcommittee
 Conference Committee



Explanation or reason for introduction of bill/resolution:

To provide an appropriation for defraying the expenses of job service North Dakota.

Minutes:

Attachment 1-2

Chairman Monson: The committee was called to order on SB 2016, Job Service ND.

Cheri Giesen: Executive Director of Job Service ND: (Attachment 1) 1:00-1:19:00

Chairman Monson: 4:12 Cheri, did you work with Career and Tech Educ which could be K12 high school or higher educ? Do you actually work with Kirsten Baesler, DPI. counselors and job career counselors which we created a few sessions back? They will have need of this information by the time they get to college; this is almost too late. They should already be learning this in junior high. The program prepares kids; if you aren't working with that, I would like you to pursue that.

Ms. Giesen: Yes, we do a number of things...CTE also has Are You Ready to Work With The Bank of North Dakota To Provide the In Demand Occupations? So every student in high school has "Are You Ready to Count?" and in eighth grade they create a career plan and they work with this information. All the CTE instructors would know about this. What we do is more on the local level with their school systems and local offices will actually sit down with them and work out career options within North Dakota.

Chairman Monson: You are doing most of these through CTE and career educ teachers where Ms. Baesler's started a new program called "Leveraging The Senior Year"; even by the time they are seniors, it is almost too late. But it is gearing them up for a two-year or a four- year college. Can you saturate those kids before they get out of high school?

Ms. Giesen: The career counselors they had at school were not affiliated with CTE. Any standards being put out right now instead of just being in eighth grade, you have to have a curve point; if the new standards go in place, every rural school is going to have to update their curve plan. We will be in contact with Ms.Baesler to make sure that they have information as they update those curve plans each year.

Ms. Giesen: 7:20 Continued with Job Service North Dakota Testimony.

Chairman Monson: 9:17 Before you move on, Cheri, how did you fill your shortfall? The Budget Section didn't give it to you; you didn't get it through Deficiency Appropriations.

Ms. Giesen: 9:25 We needed the shortfall as the temporary dollars would only help us for a time period. We ended up knowing we had to get our expenses in line with our revenue.

Rep. Jim Schmidt: 11:50 You mentioned that you get federal funds in 18 different programs. Are those federal funds matching dollars or are they a flat rate dollar?

Ms. Giesen: They are just regular, not matching.

Rep. Jim Schmidt: So it is a flat rate.

Ms. Giesen: Yes, it is.

Chairman Monson: When they give you these dollars, do they dictate to you what you are to achieve with those dollars?

Ms. Giesen: Absolutely! We have outcomes that we have to report on with each of the funds.

13:10 Continues with testimony.

Rep Boe: 13:45 When you made the determination that you were going to close these offices, did you notify the staff to let them know they were going to be cut?

Ms. Giesen: No, we made the staff aware that we were having the shortfall and we were considering it and the best approach but we did not go to anyone that day for more security reasons and best practices. We worked with Best Practices, Human Resources on how to facilitate that discussion. With staff, we felt that this was the best approach.

Rep Boe: I read about it in the paper. And how did you determine which ones flowed?

Ms. Giesen: We looked again at the staffing pattern; it really came down to margin graphical. We had to come up with a regional model and provide services in those.

Chairman Monson: How many regions are you broken into?

Ms. Giesen: We have nine offices in nine regions.

Chairman Monson: You have an office in each of those regions? Do you have a copy of that?

Ms. Giesen: I don't have that with me but I can get one. 15.03 Continues testimony

Chairman Monson: 19:00 I'm amazed at all the FTEs you cut and how many vacant ones you had. So when they retired or moved on, you didn't fill their positions?

Ms. Giesen: If we would have kept spending at the rate that we were at, we would have run at a deficit. We don't have the money; we are just now at the level of where we are spending to where our funds are.

Chairman Monson: What happened to all the employees that were in the offices you closed? When the positions were vacated, did you replace them? When the oil industry declined and people moved to other states, you still had to pay the unemployment, didn't you?

Ms. Giesen: That is very correct.

Chairman Monson: How many funds do you have?

Ms. Giesen: We take the 18 funding sources and put them into 4 major buckets. It is a very specific program. We had to look at not only things we could cut; we had to make sure that it cut in the right direction.

Chairman Monson: So you have a fund to pay the claims and one to pay administration?

Ms. Giesen: That is correct.

Rep. Boe: Would you say that that is the money that covered the deficiency appropriation that you didn't get.? Is that where the money came from?

Ms. Giesen: When they left we did not fill their positions. Retirements left. We were starting to have more expenses. We hoped we would get in line to where federal funding would become available just by allowing that attrition. When we took a look and did our projection for that year we saw that if we would continue with the spending for the rest of the year, we would have been in the red.

Rep Boe: How many funds are included in "other funds"? So we had to cut those individuals at that time period in January,

Ms. Giesen: That would be like our veteran's program that we have and another is Workforce Opportunity Tax Credit that we administer from the federal government. These are pretty small dollars. They make up 18 Funding Sources in the total.

Rep Sanford: When the federal government decides how much to give you in each of these line items, for example the unemployment insurance base or above base, is the geographical figure there that they utilize? What is the logic to the number?

Ms. Giesen: We have to submit to a Resource Justification Model. It's a big spread sheet coming with our workload that is involved with that. The base is usually the same no matter how much time and work we put in to the justification.

Ms. Giesen: 30:40 Testimony continues

Chairman Monson: As for the extra space, the major expense would be to heat them. Have you tried to rent them?

Ms. Giesen: Even with the renting that we do, we have so much extra space.

Chairman Monson: In the case of Rolla, it seems like if you sell it, you get nothing outside of it beside getting out from the operation cost of it. If you keep the building and rent it out, you don't have to turn the rent over to the federal government. Is that right? You could then use that money for operations in other places. Is that correct?

Ms. Giesen: When it goes back to the fund that it come from, when the state received that federal fund, we can utilize those funds but we can only utilize them for the purpose they were intended.

Chairman Monson: So they have to go back into your state funds; you don't actually have to cut a check back to the federal government and then hope that you get it back? You can actually put it into your XYZ fund if that's where it came from. But it stays in North Dakota then?

Ms. Giesen: That is correct.

Rep. Boe: On these properties that are owned, do you pay in lieu of taxes to the local governments?

Ms. Giesen: No, we do not.

Representative Jim Schmidt: Can these properties be transferred into surplus properties?

Ms. Giesen: Just because they went through the Grafton office, we went through the process of closing this office, we filed state law on how to sell a building. If your building is access at \$100,000 or less, you have to have two appraisals and then you can go through that time period. But we followed state law procurement on how to sell the facility. It is my understanding that you do not go to surplus property.

Representative Jim Schmidt: So Rolla was paid for by federal funds. So you are telling me that the proceeds would go back into the program that paid for it.

Ms Giesen: Yes, that is correct.

Chairman Monson: So, could you rent that space?

Ms Giesen: Yes, that is correct.

Chairman Monson: It sounds like if you sell it, that money goes back to the federal funds, wouldn't it be better to rent it so you could use those funds.

Ms Giesen: It goes back in to the fund it came from, but it stays in our state. It can only be used for the purposes of that fund.

Rep Boe: On these properties that are owned, do you pay in lieu of taxes to the local governments?

Ms. Giesen: No we do not. Testimony continues 45:00

Chairman Monson: 47:40 Do you set the rates for the employers?

Ms. Giesen: We do have a slide on that but the short answer to that is it is all salutatory driven.

Chairman Monson: So we as legislators have the authority to say how much those rates are. How do our rates compare to other states?

Ms. Giesen: They come up with what they call an average tax rate. That is where we can compare ourselves. 49:10 She continues with testimony.

Chairman Monson: The wages went down?

Ms Giesen: Yes, the average tax base went down.

Chairman Monson: The range of rates are 4.9% to 11.43% You told us that we as legislators set those rates but you must come in and recommend the certain level force and we probably just rubberstamp it. I wouldn't have a clue as to how to set these rates but how is there such a spread?

Ms Giesen: You are absolutely correct. We have about 10 different schedules based on what the benefit amount that you have paid out with; what we call a positive employer and a negative employer. when it gets to 11.43% means that you are paying out more benefits than what you are paying in. They are probably paying a benefit in the range of 11% than they would if they were actually reimbursed for the total amount of their benefits. I.e. A construction company that lays off their employees in winter for 4-5 months; they build the rate into their construction loans because they know they will be a negative rate employer and they are going to actually withdraw more benefits then they will be paying in. The greater number of employers are at the 4.9% rate.

Rep. Sanford: 1:00:00 Is it permissible under job service to track student's initial employment and beyond?

Ms Giesen: 1:01:30 Our retention of employment records are kept for seven years. Testimony continues

Rep. Martinson: We need to have her tell us what the senate did and where we are from there.

Chairman Monson: We want to hit the highlights here due to time limit; we will have you back when you are in Bismarck for further information.

Ms Giesen: Testimony continued. 1:18:00. I am available for any questions from the committee.

Chairman Monson: Do we have further questions from the committee for Ms. Giesen? I thought I knew how Job Service ND worked; there is a lot of new information here. One of the questions I have, when the federal government started to mess around with how long the maximum number of weeks that you can draw unemployment, it kept extending that. What effect did that have on you? You said that the length of time is about four weeks. That is pretty minimal in comparison to federal.

Ms Giesen: I will ask Darren Brostrom to address this question as I was not at Job Service throughout that time.

Darren Brostrom: Director of Unemployment Insurance Director for Job Service:
The federal government, in itself, does not set the duration of unemployment benefits. That is set in each state. They do have some guidelines. I think what you are referring to is the extended unemployment insurance program that actually ended in December of 2013. During that time you could receive up to 99 weeks of benefits. North Dakota never reached that point where we could allow for 99 weeks because upon your unemployment rate. North Dakota maxed out at 36 to 40 weeks. Our average is about 10 to 12 weeks. We did see more claims at that time. The impact on Job Service was more claims, more benefit payments. However, the federal government provided additional funding at that time. There was a jump in unemployment payments.

Chairman Monson: It looks like a big decrease now in federal funds coming in.

Darren Brostrom: You are correct. That fits the 2009-10 national recession.

Chairman Monson: Is there further testimony? Cheri, what are the true colors in your grafts?

Ms Giesen: They are just for show with no specific meaning.

Chairman Monson: Are there any questions beyond that? We will dig into the detail. This used to be simple budget because it used to be 100% special funded but it isn't anymore. We'll wait with this until some of the other bills involved are through, so we'll table it for a couple of weeks.

Connie Ova: President of Economic Development Association of North Dakota:
Received written testimony in support of SB 2016. No oral testimony given.
(See Attachment 2).

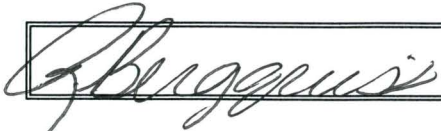
Chairman Monson: Hearing adjourned.

2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Education and Environment Division
Roughrider Room, State Capitol

SB 2016
3/10/2017
29016

- Subcommittee
 Conference Committee



Explanation or reason for introduction of bill/resolution:

To provide an appropriation for defraying the expenses of job service North Dakota.

Minutes:

Chairman Monson: Call the meeting to order for SB 2016

2:15 Vice Chairman Streyle: On the general fund piece, are there people exclusively funded by general fund or are they operating dollars?

Cheri Giesen, Director of Job Service: Going through the general fund budget line items, there is a little bit of staffing in the work force 2020 program but the rest would be for contracts on software.

Vice Chairman Streyle: Operating that we can't do anything about, if it's software we can't cut any of that, it's maintenance and stuff. What is workforce 2020 exactly?

Director Giesen: We administer that program and it allows typical manufacturing to bring new technologies into the manufacturing plant. They provided an application to us where they have to provide 50% in-kind dollars towards the training and we pay 50%. Most of those would be in the manufacturing area. Governor Dalrymple had 500 thousand in the budget for us, Governor Burgum had it down to zero but the senate put the 500 thousand back I, 502,407 to be exact.

Vice Chairman Streyle: I would want that all taken out as we can't cut their budget any more.

Chairman Monson: Levi put that on our list as a possible amendment. 2013-15 biennium was 1.26 million and Governor Burgum cut this to zero and the senate had it at 502,407. If we go with what Governor Burgum had it would be down to zero. What do you do

differently with this then what the colleges do? We have higher Ed as well but they have work force dollars in there.

Director Giesen: We have a little of TRAIN ND but not a lot, most of this goes into contracts with manufactures. If they get a new piece of equipment and that equipment takes software and training for the employees to use it. The vender that sold the equipment and the software typically would be the ones that would do the training, this would just help the employer pay the contractor for that training.

8:00 Chairman Monson: Why don't we work through on page 49 of attachment 1 from March 2nd. There's 1.58 million, the first allotment took 85 thousand the second allotment took 53 thousand available for obligation to employers 1.2 million and Governor Burgum took it to zero. The bill has 1.23 in it correct Levi? But the senate added 502 thousand.

Levi Kinnischtzke Legislative Council: The balance in the workforce 2020-line item in the SB 2016 is the 502,407, that's the amount that Governor Dalrymple had proposed Governor Burgum proposed that we take it out and the senate decided to go back to Governor Dalrymple proposal.

9:40 Vice Chairman Streyle: Is there any carryover in that or did you use it?

Director Giesen: We used all of that fairly early in the biennium.

Chairman Monson: You wouldn't be getting rid of anymore employees, you just wouldn't have the money to pass through to help fund the software training? If this program goes away are all of your employees federally funded?

Director Giesen: There is one more program that is special funds funded, it's a jobs training program. We do have a little salary line item that we have for the person running that.

Employer can make a contract with job service to train those employees, the upfront cost to send them off to training, then they get a loan that is paid back by the income tax received from the individuals that where trained, that they paid to the state of North Dakota.

Chairman Monson: Is this paid to you by the tax department then? Since it's inter agency payment?

The payments don't come back to Job Service. They go back to the lending agency unless the employer can afford to do this themselves.

Chairman Monson: I don't understand how you write the check and it's not in your budget?

Director Giesen: We administer the program; we do the application part of it. We also are the ones that track it. I think it's because we are the ones dealing with the employees.

Chairman Monson: I am wondering, if they don't actually get any money from the tax department, and can pass it through, then why does it even show up?

Director Giesen: We get the funding for the administration of the program.

Rep Boe: Where is the source of this money?

Director Giesen: A bank or lending agency gives them the loan, when it comes time to make a payment on that loan, the tax department takes the state income tax from that individual and use it for the payment. Our money comes from, the loan process, there is a 5% administration fee on top of that.

17:10 Vice Chairman Streyle: Another program that we are funding private sector when they should just pay it themselves, they should pay to train their own employees. I think we should get rid of all subsidized training. It's a form of government welfare if it is paid through our tax department.

Nicole Vorachek, Finance Manager for Job Service: The new jobs program, we have a special fund set up for that and we collect the administrative fee. That is income for us and then we use that to administer and pay the salaries for the program. That line item is all from the 5% administration fee on the loan. This has nothing to do with what we get or give to the tax department.

Representative Streyle: Obviously there's a section of code somewhere. Would we just repeal the whole section until we get into this budget?

Chairman Monson: Whose budget is this in?

Director Giesen: It is in ours, and we do work, this is the EDC's little thing for new employers. This is only for new businesses or expanding businesses, you can't do this program otherwise. We have to administer this program for 10 years to capture enough funding.

Rep Boe: How old is this program? How many dollars does this 5% generate?

Director Giesen: Maybe the early 2000, We will have to get back to you on that.

22:00 Rep Schmidt: I see that you have Workforce 2020, where does this 5% that you are talking about show up on the bill?

Director Giesen: It would be a special funding line item; I am trying to find it on the actual bill.

Vice Chairman Streyle: We can eliminate this program, you have the funds to administrate everything that has been done in the past and when it goes away you'll be fine as far as shifting duties of the people that are working on this program.

Rep Schmidt: Are you talking about Workforce 2020 or something else that is included in with that?

Vice Chairman Streyle: We are talking about getting rid of both of them, what we are talking about here and the 500 thousand, we would eliminate the whole section.

Chairman Monson: You will have to continue with your obligations for the 10 year commitments, don't let that get affected.

25:50 Rep Boe: It isn't just the 5%, it's the other 95% too.

Director Giesen: I want to clarify that the 5% is not general funds, it comes from the employer's fee.

Rep. Boe: I thought we had income taxes generated by these employees, going to pay off a loan and 5% was subtracted from for administration fee. Now you are saying that there is 5% bonus tacked onto that as a fee to the employer to pay for your services.

Chairman Monson: You can get that statute to Levi and we will get back to this on Monday.

27:45 Rep Schatz: On IBARS postage and printing went up about a quarter of a million dollars. Why would that be?

Director Giesen: That doesn't sound right. I will check this and have the answer when we come back. Our biggest line item is online so I don't know why postage would go up.

30:50 Chairman Monson: What is this Reed fund? Unemployment insurance computer modernization, in section 3 of the bill?

Director Giesen: In the early 2000s the US Department of Labor granted trust funds back to the states for the purpose of modernization of unemployment insurance system. It is a onetime cost to help states replace the mainframe legacy systems. We are asking for spending authority to use that funding to replace our system.

Chairman Monson: Is that reduction going to affect your ability to get done.

Director Giesen: That was expenditures that we had this last biennium, we used some funding to help prepare for the contract, we also had to do an upgrade with the current system. The \$1.1 million was reduced from actual expenditures we had.

Chairman Monson: There's still 11.2 in the REED act, where did that come from?

Director Giesen: It was a one-time funding that we have only used the 1.1 this biennium.

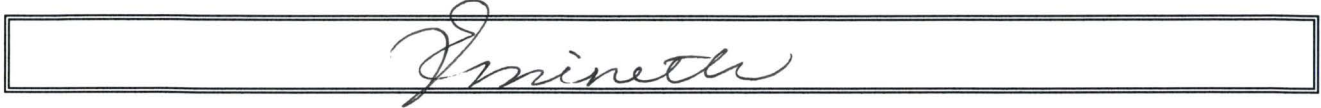
Chairman Monson: I think we've done about as much damage to this bill as we can today.

2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Education and Environment Division
Roughrider Room, State Capitol

SB 2016
3/13/2017
29086

- Subcommittee
 Conference Committee



Explanation or reason for introduction of bill/resolution:

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

Minutes:

Attachment 1-2

Chairman Monson: Levi made a work sheet

Levi Kinnischtzke Legislative Council: (attachment 1) The first three columns are the same as the work sheets that this committee has seen in the first half, before cross over. The first set of columns shows the executive recommendation number for Governor Burgum and Governor Dalrymple, the next couple are the first chamber version and the third set is the changes between the executive and what the senate has passed. What this new works sheets adds two new set of columns that now has the second chamber, house version. That takes SB 2016 as currently stated, this is how it sits.

Rep Schmidt: (3:10) Was that the 5% that we mentioned last week that we didn't have an answer for?

Cheri Giesen: Executive Director of Job Service: Passed out attachment ND New Jobs Training (attachment 2) Also a brief over view of the new jobs training program and what is has done for the state of North Dakota. You can see that average annual salary was 32 thousand and after one year of training the average annual salary was 47 thousand. It's been a good program. The questions you have asked are under, *information requested*, 5% of the administrated fee, goes to the state treasure, and then into special revenue. Because we need to keep this fund for 10 biennia, in case this program goes away, we don't typically use our operating expense, every biennium we probably put it into salaries to help us administrate it.

Chairman Monson: So this is an income maker for us?

Director Giesen: It is to pay our salaries, but that fund has to keep a dollar amount so it goes past 10 years. If you stop the program, there would be no income for those 10 years.

Rep Schmidt: Looking at cost/benefit, are we getting more money back than we are spending on the program?

Director Giesen: The cost of the program would probably be in these claimed tax credits, Right now, 2015, this program 1.5 million out. That would be income tax paid on the individuals that are working in the state of ND, that were part of this contract. The average wage of 32 thousand times the 630 new positions in the state of ND, one year later they are making \$47,000 next year. So it's up to you to determine if that a benefit of having this program or would those companies still come here without have this?

Chairman Monson: So you are saying that by having this program, employee's income increased by 15 thousand dollars a year which we can then tax. Claimed tax credit is 1.5 million, so that would be the cost, we don't have a number of how much added income came in in taxes paid because their wages went up.

Vice Chairman Streyle: New positions is probably 1/10 of that because they would have been hired anyway, but if you are saying they made 15 thousand dollars more and you times that by 603, that is 9.4 million in additional income. If you took it times the highest tax bracket in North Dakota that's 3%, that's 284 thousand in income tax. For what we are getting we can eliminate this.

Rep Schmidt: When I look at it I don't see standard of performance here to evaluate whether the cost/benefit ratio benefits the state.

Director Giesen: I think the bigger question is would we have those 630 positions here in the state without this program? Would that employer be here without the incentive?

12:20 Rep Boe: You receive 5% of the total value of the tax credits that are paying for the training. How many years do they have to pay back that training? Is there ever a case where the companies hiring them are doing the training?

Director Giesen: They have up to 10 years, it doesn't matter who is doing the training but they have to put together a plan identifying the cost and then they put individual's SS on who they are training to us as part of that application and who they are going to.

Rep Boe: Is there ever a case where the company that it's employing is also doing the training? Only employers can apply for this training or can an employee apply?

Director Giesen: Only an employer. There was one other question given to us, that was why we seen the increase rates in the first biennium in both printing and postage. (referred to Power Point slide 13 of 3-2-2017) On slide 13, during our preparation hearing we did talk about two overall cost efficiencies that we did with the agency. One was we removed our printing facilities, we used to have copiers and we had individuals that ran those copiers for the mailing that we would send out. It is more cost effective to move that to OMB. So when we moved that typically we had salaries in that line item before. We had staff and equipment

costs. Now we have a line for printing, it's cheaper than what we had with printing and salaries and equipment charges.

16:40 Rep Schmidt: If you had an employee doing that and you switched it to OMB, did you release that position?

Director Giesen: That person went over to OMB, they had an opening that could be shared with multiple agencies.

Rep Schmidt: We have one fewer FTE then?

Director Giesen: Yes and our overall costs went down. With the postage increase, in 2015/16 we had more claimants. Our increase in claimants plus an increase in the number of employers, or the number of employers that are changing ownership.

Rep Boe: How does Job Service handle unemployment for state employees? I understand that's a separate fund?

Darren Brostrum Director of Unemployment Insurance. OMB has collected over the years, dollars to cover unemployment insurance costs. The state is considered a reimbursable employer, that means that upfront when other employers have to make quarterly contributions, the state doesn't have to do that, however at the end of the game if someone is unemployed and receives benefits the state pays job service directly for any benefits that are paid to a past state employee.

Rep Boe: If the state of ND has a claim, we have to remember job service for 100% of benefits?

Director Brostrum: If job service laid off or terminated an individual, and they filed for unemployment and was found eligible, then unemployment program, which through job service administers, would pay that person benefits on a weekly basis. We would bill the state quarterly on the amount of benefits that person had. Under a normal circumstance OMB changes each state agency every month as part of their payroll process a certain % to build up that fund. Over the past few years we haven't had to do that because the fund has been to a level that would support the benefit payments that would be projected for the state.

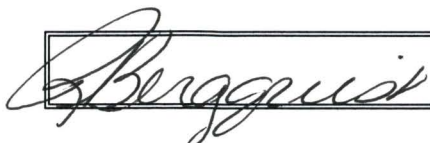
Chairman Monson: Further discussion? We will end this discussion.

2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Education and Environment Division
Roughrider Room, State Capitol

SB 2016
3/16/2017
29327

- Subcommittee
 Conference Committee



Explanation or reason for introduction of bill/resolution:

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

Minutes:



Chairman Monson:

Levi Kinnischtzke, Legislative Council: (attachment 1) It's now on two pages so it's a little bigger, again this shows everything that has been done on the first chamber and the senate. The second page now is the house version and the house changes. Right now the only changes, far right column, is the adjustment for health coverage that all agencies will be having and the elimination of Work Force 20/20 program and the elimination of New Job's Training program.

Chairman Monson: If we are going to go through with new job, I don't want to kick this out until we hear Commerce. These two work together, if we remove it here we'd have to remove it in commerce.

3:10 Vice Chairman Streyle: This is on their list to look at, they like it as a tool to entice business to come here.

Chairman Monson: Maybe there is a way to remove the tax credit? It complicates a lot of stuff, if we found a different way other than tax credits.

Director Giesen: As long as the payments on that loan can be paid back somehow. If this program would go away, we still need the authority to administrate for 10 years to fulfill our obligations.

Vice Chairman Streyle: We have to do the commitments but we certainly can say this program is done and leave that money there to fulfill our commitments.

9:00-10:40 Cheri Giesen: New jobs training, was one of the tabs from March 2nd 2017 (attachment 2)

Chairman Monson: So you are saying that every job created here would not have happened without this program? How many jobs is that?

Director Giesen: Page 3 of the New Jobs training tab from March 2nd explains that. We take the 14,092 jobs and to date there's been 32.1 million in tax credit claims. We divide those two together that's how we get the average investment per job of 2,283. After we paid the \$30 million in cost we got an additional \$28 million.

Chairman Monson: The 28.5 million is the net then and that's shown where?

Director Giesen: The chart that I just handed out (attachment 2) will show that.

Chairman Monson: Is there any further discussion? We will close this discussion.

2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Education and Environment Division
Roughrider Room, State Capitol

SB 2016
3/27/2017
29733

- Subcommittee
 Conference Committee

Virginia L Moch

Explanation or reason for introduction of bill/resolution:

To provide an appropriation for defraying the expenses of job service North Dakota.

Minutes:

1

Chairman Monson: (Attachment 1) I don't think we will finish this completely. We had already agreed that we were going to eliminate Workforce 2020, the New Jobs Initiative. We've decided that we are obligated to continue the New Jobs Initiative for everything that has been committed, but we could stop new ones from going forward. We would take a 2 year break to see how our budget looks.

Vice Chairman Streyle: I agree we should repeal this for now and look at it in 2 years. We shouldn't touch any funds that are there but any new ones would be stopped.

Rep Boe: Could we just do a moratorium on the program for 2 years? Then you could leave the language in and that would leave the money in tact for them to run.

Levi Kinnischtzke: We had that same discussion last time so I did consult with our legal staff. We would repeal most of the chapter that addresses New Jobs Training, but would fulfill the contracts we have left. It would not be a reduction in budget for the current biennium.

Vice Chairman Streyle: We should give them authority in other funds to collect \$750,000 in rent and also a \$100,000 in general fund for relocation and renovation. They'd have 1 floor and collect rents on the other 3 floors. Maybe they come to lease terms where they pay nothing, but this gives them a buffer.

Chairman Monson: Draw the amendment up this way.

Rep Martinson: I so move.

Rep Schmidt: Seconded the motion.

Chairman Monson: Levi, put on the list what we've discussed plus the green on our worksheet. It would be subject to our review. He called for a **voice vote**. **Motion carries.** Amendment adopted. When will you get this done?

Levi Kinnischtzke: Depends on when you would like them. we moved Career and Technology, Commerce, and Job Service.

Chairman Monson: Do CTE first, Job Service next and Commerce after that. Closed the meeting.

2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Education and Environment Division
Roughrider Room, State Capitol

SB 2016
3/29/2017
29797

- Subcommittee
 Conference Committee

Virginia L. Moch

Explanation or reason for introduction of bill/resolution:

To provide an appropriation for defraying the expenses of job service North Dakota.

Minutes:

Attachment 1-2

Chairman Monson: Called the meeting to order on job service SB 2016. (attachment 1-2) I've gone through everything we approved on amendment 02001 which was subject to review and it looks good.

What do the darker sections of our worksheet mean?

Alex Cronquist LC: Those are the sections that were green before and indicate where the house made changes to the senate version.

Rep Boe: I'd like to move that we do a study on the buildings in Bismarck, Rolla, Minot, and Fargo to be sold or long term leased in a least cost manner by June 1. The study would include office state with a directive to occupy the least cost alternative for office space, and they could go through budget section to get approval to sell surplus property after that is done. Any office sold or leased before June 1 would not be subject to that study. I'd like an emergency clause on this bill.

Rep Martinson: Second.

Chairman Monson: If Rolla were not sold by June 1 it would be included in this study. Fargo and Grafton are in the works to be sold. Grafton is not in here. Legislative management would study this. A long term lease would be included in there as if it were a sale.

Rep Boe: Yes, if Rolla were not sold by June 1 it would be part of the study and if it is the lowest cost alternative, it would be occupied.

Chairman Monson: They'd have to occupy that building at some level if it turns out to be the lowest cost alternative. If they leased or sold any before June 1 they would be off the study. That puts some pressure on them to move them out. **Voice vote motion carries.**

Rep Boe: Made a motion to Do Pass SB 2016 as amended.

Rep Martinson: Seconded the motion.

Chairman Monson: Any other discussion? **A roll call vote was taken. Yea: 5 Nay: 0
Absent: 2** we are done with this bill. It goes to full committee.

2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Education and Environment Division
Roughrider Room, State Capitol

SB 2016
3/31/2017
29862

- Subcommittee
 Conference Committee

Virginia L. Mock

Explanation or reason for introduction of bill/resolution:

To provide an appropriation for defraying the expenses of job service North Dakota; to amend and reenact section 52-08-10 of the North Dakota Century Code, relating to the preparation of a business plan for workforce training; to repeal chapter 52-02.1 of the North Dakota Century Code, relating to new jobs training; to provide a statement of legislative intent; to provide for a legislative management study; and to provide for application.

Minutes:

1

MISSED FIRST MINUTE OF RECORDING

Chairman Monson: called the meeting to order on job service, 2016. Representative Boe would like to talk about bringing Fargo into the study on the sale of job service buildings. It has been for sale for 2 years and a couple of offers have been refused as they were not for full REI and the building is in a prime area.

Rep Boe: The additional amendment that I have brings Fargo in to the study. I don't want them to have authorization to do anything with Fargo that they wouldn't do with any other property. They have to sell it or lease it for \$1.

Alan Knudson LC: The amendment 02003 says Fargo is included: (attachment 1) He reads sections 11 and 12.

Recording starts 00:01

Chairman Monson: Is that in 2016 or 2119?

Representative Boe: It is in 2016, we did the study and told them what they were supposed to do: get an appraisal on the building, find out the square footage, occupy the least valued or lowest cost option building and then move on, with the caveat that if any of those properties were disposed of before the study, those properties would not be a part of the study. I'd say that Rolla will probably be one of their lowest cost properties. So I'd either get a Job Service back or have them get rid of that property through a lease or sale, also with the vacant space in Minot and Bismarck. I would think there would be some urgency to find an answer to that to occupy with a lease or something.

Chairman Monson: I would want to get rid of all I could so as not to go through that study. We've already given 2016 a Do Pass.

Rep Martinson: Not to throw a wrench in to this. We've talked about this so much. I wouldn't mind reconsidering it and getting it the way Representative Boe wants it.

Chairman Monson: 4:15 I think we should reconsider it and get it the way Rep Boe wants it. Are you ready to do this?

Rep Boe: Now, with 2016 Fargo is in the study, it will be brought into the mix so this other amendment that I have to bring it in, probably isn't necessary. This extra amendment that I have doesn't have to go on.

Chairman Monson: Well, the more we muddy it up the more explanation we have to do and the less chance there is of getting it passed. If you think it is clean enough so you can explain it and get the votes to pass it out... Rep Streyle, what do you think?

Vice Chairman Streyle: I think it is good, we can fix a few words in conference.

Chairman Monson: If you are o.k. with that, Boe, you are the carrier. Streyle will definitely be on the conference committee with you. I want to stay as far away from this as possible. Rep Martinson you can sit on that conference committee. We are done talking about Job Service ND then. WSI, 1021, Representative Delzer said the senate has changed some things. I haven't seen that. Does someone want to bring that up?

Vice Chairman Streyle: It's my understanding that they didn't change much of anything in that bill. The only thing they did is change the healthcare. I would say we just concur on this.

Chairman Monson: PSC, they did some major stuff, so I'm going to not concur on that one. WSI looks o.k. so I'll let Delzer know.

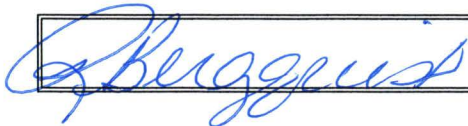
Meeting ended 9:11

2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

SB 2016
March 31, 2017
29883

- Subcommittee
 Conference Committee



Explanation or reason for introduction of bill/resolution:

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

Minutes:

Representative Boe: Reviewing bill and amendment 17.0524.02004, section 6 & 7 is the removal of the job training program, this is suspending the program but it will continue on because the contracts are 10 years in length. Section 8 is the application where they will honor the contracts. Section 9 is spending authority for estimated rent revenue. Section 10 is one-time funding for relocation.

Chairman Delzer: Is that written so that is can only be used for relocation?

Levi Kinnischtzke, Legislative Council: Yes, the way it's written it would only be used for relocation and renovations.

Representative Boe: Section 11 give legislative intent, they would occupy the most cost effect space Fargo, Minot, Bismarck. Section 12 shall consider studying office space cost and value of properties owned by job service ND, if they sell or lease before July of 2017 it wouldn't go into this study.

Chairman Delzer: Shouldn't the input from the office and management budget be after the *shall consider*? Should we make that switch we do this? Otherwise we are telling the management committee to deal with office management budget about where we consider it or not.

Representative Boe: And in this study, if they have a signed lease or a sale they aren't part of the study.

7:10 Representative Streyle: Really quick on the jobs program, last year is being 1.1 million and in the past years it was around 3 million, by eliminating this program we won't see it immediately but over time we will as those contracts end, but it is over a million dollars a year to the general fund.

Chairman Delzer: We were able to get rid of this one time and then it showed back up in the OMB budget and it's been here ever since.

Representative Boe Some of the contracts were signed before the tax reduction of last biennium. **I will move amendment 17.0524.02004 with the change on the study.**

Representative Monson: Second

Voice vote all in favor, motion carries

Chairman Delzer: Further amendments?

Representative Boe: I move Do Pass as Amended

Representative Monson: Second

A Roll Call vote was taken. Yea: 18 Nay: 0 Absent: 3

Motion Carries

Representative Boe will carry the bill

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2016

Page 1, line 2, after "Dakota" insert "; to amend and reenact section 52-08-10 of the North Dakota Century Code, relating to the preparation of a business plan for workforce training; to repeal chapter 52-02.1 of the North Dakota Century Code, relating to new jobs training; and to provide for application"

Page 1, replace lines 12 through 21 with:

"Salaries and wages	\$39,604,238	(\$12,448,672)	\$27,155,566
Operating expenses	13,479,157	(1,977,902)	11,501,255
Capital assets	20,000	100,000	120,000
Grants	5,404,326	54,245	5,458,571
Workforce 20/20	1,441,225	(1,441,225)	0
Reed Act - unemployment insurance computer modernization	<u>12,407,000</u>	<u>(1,197,443)</u>	<u>11,209,557</u>
Total all funds	\$72,355,946	(\$16,910,997)	\$55,444,949
Less estimated income	<u>70,467,866</u>	<u>(15,568,710)</u>	<u>54,899,156</u>
Total general fund	\$1,888,080	(\$1,342,287)	\$545,793"

Page 1, after line 22, insert:

"SECTION 2. HEALTH INSURANCE INCREASES. The salaries and wages line item in section 1 of this Act includes the sum of \$421,951, of which \$2,827 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month."

Page 1, line 23, after "FUNDING" insert "- **EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SIXTH LEGISLATIVE ASSEMBLY**"

Page 1, line 24, after "biennium" insert "and the 2017-19 biennium one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 2 through 6 with:

"Oil and gas employment study	\$80,000	\$0
Virtual OneStop application	9,500	0
Renovation of Bismarck regional office	<u>0</u>	<u>100,000</u>
Total all funds	\$89,500	\$100,000
Total special funds	<u>0</u>	<u>0</u>
Total general fund	\$89,500	\$100,000

The 2017-19 biennium one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. Job service North Dakota shall report to the appropriations committees of the sixty-sixth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 2, line 9, replace "\$11,210,286" with "\$11,209,557"

Page 2, after line 16, insert:

"SECTION 6. AMENDMENT. Section 52-08-10 of the North Dakota Century Code is amended and reenacted as follows:

52-08-10. Preparation of business plan - Revolving loans.

Subject to state board of higher education policies, the president of an institution of higher education that is assigned primary responsibility for workforce training shall prepare an annual business plan that must include provisions for use of the training capacity of the tribal colleges within the designated region, in consultation with the workforce training board. ~~The business plan may include participation as a community under the new jobs training program under chapter 52-02.1.~~ The workforce training board shall approve the business plan and make recommendations for funding of the business plan to the state board of higher education. Any state funds received under this program by the institutions of higher education assigned primary responsibility for workforce training must be used for business and customized training activities. The state board of higher education may establish for each institution of higher education assigned primary responsibility for workforce training a revolving loan fund for workforce training program startups using the borrowing authority provided in section 15-10-16.1.

SECTION 7. REPEAL. Chapter 52-02.1 of the North Dakota Century Code is repealed.

SECTION 8. APPLICATION. Job service North Dakota shall honor contractual obligations under the new jobs training program in chapter 52-02.1 which were in effect before the effective date of this Act, until the terms of the contracts have been fulfilled.

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SECTION 10. ONE-TIME FUNDING - BISMARCK REGIONAL OFFICE RENOVATION - RELOCATION COSTS. Section 1 of this Act includes \$100,000 of one-time funding from the general fund, for defraying the expenses of job service North Dakota relocating from the Bismarck central office to the Bismarck regional office and for costs associated with renovations of the Bismarck regional office necessary for normal business operations for the biennium beginning July 1, 2017, and ending June 30, 2019."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2016 - Job Service North Dakota - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$39,604,238	\$27,187,623	(\$32,057)	\$27,155,566
Operating expenses	13,479,157	10,751,255	750,000	11,501,255
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Grants	5,404,326	5,458,571		5,458,571
Workforce 20/20	1,441,225	502,407	(502,407)	
Reed Act - Computer modernization	12,407,000	11,210,286	(729)	11,209,557
	<u>\$72,355,946</u>	<u>\$55,130,142</u>	<u>\$314,807</u>	<u>\$55,444,949</u>

Total all funds				
Less estimated income	70,467,866	54,181,895	717,261	54,899,156
General fund	\$1,888,080	\$948,247	(\$402,454)	\$545,793
FTE	237.76	181.61	0.00	181.61

Department No. 380 - Job Service North Dakota - Detail of House Changes

	Adjusts Funding for Health Insurance ¹	Eliminates Funding Workforce 20/20 Program ²	Adds Funding for Estimated Rent Revenue ³	Adds One-Time Funding for Relocating and Office Renovations ⁴	Total House Changes
Salaries and wages	(\$32,057)				(\$32,057)
Operating expenses			750,000		750,000
Capital assets				100,000	100,000
Grants					
Workforce 20/20	(174)	(502,233)			(502,407)
Reed Act - Computer modernization	(729)				(729)
Total all funds	(\$32,960)	(\$502,233)	\$750,000	\$100,000	\$314,807
Less estimated income	(32,739)	0	750,000	0	717,261
General fund	(\$221)	(\$502,233)	\$0	\$100,000	(\$402,454)
FTE	0.00	0.00	0.00	0.00	0.00

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month.

² Funding is eliminated for the Workforce 20/20 program. The Senate provided \$502,407 from the general fund for the program.

³ Funding for operating expenses is increased by \$750,000 of revenue to be collected as a result of Job Service North Dakota leasing the Minot regional office and Bismarck central office to other state agencies. Revenue collected will be deposited in the Job Service North Dakota operating fund.

⁴ One-time funding is added from the general fund for costs associated with Job Service North Dakota relocating from the Bismarck central office to the Bismarck regional office and for any related renovations of the Bismarck regional office necessary for normal business operations.

This amendment also:

- Adds a section to identify the amount of funding included in the bill for the increase in employee health insurance premiums.
- Adjusts the amount of funding for Reed Act funds in Section 4 of the bill.
- Repeals North Dakota Century Code Chapter 52-02.1 related to the new jobs training program and amends Section 52-08-10 to eliminate reference to Chapter 52-02.1.
- Adds a section providing an application clause related to the new jobs training program, allowing Job Service North Dakota to honor current contractual obligations under the program.
- Adds a section to identify an increase in special fund spending authority of \$750,000 due to estimated rent revenue to be collected as a result of leasing the Job Service North Dakota Minot regional office and Bismarck central office.
- Adds a section to identify \$100,000 of one-time funding from the general fund for costs associated with Job Service North Dakota relocating to the Bismarck regional office and for related renovation costs of the property.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2016

Page 1, line 2, after "Dakota" insert "; to amend and reenact section 52-08-10 of the North Dakota Century Code, relating to the preparation of a business plan for workforce training; to repeal chapter 52-02.1 of the North Dakota Century Code, relating to new jobs training; to provide a statement of legislative intent; to provide for a legislative management study; and to provide for application"

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The 2017-19 biennium one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. Job service North Dakota shall report to the appropriations committees of the sixty-sixth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2017, and ending June 30, 2019."

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SECTION 11. LEGISLATIVE INTENT - JOB SERVICE NORTH DAKOTA PROPERTIES. It is the intent of the sixty-fifth legislative assembly that, as a result of the study provided for in section 12 of this Act, job service North Dakota enter into a long-term lease or sell the property determined most valuable and continue to occupy the property with the lowest cost for office space.

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included in the study. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-sixth legislative assembly."

Renumber accordingly

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Department No. 380 - Job Service North Dakota - Detail of House Changes

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1 of 4

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2016

Page 1, line 2, after "Dakota" insert "; to amend and reenact section 52-08-10 of the North Dakota Century Code, relating to the preparation of a business plan for workforce training; to repeal chapter 52-02.1 of the North Dakota Century Code, relating to new jobs training; to provide a statement of legislative intent; to provide for a legislative management study; and to provide for application"

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9 of 4

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Date: 3-27-2017
Roll Call Vote #: 1

2017 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2016

House Appropriations - Education and Environment Division Committee

Subcommittee

Amendment LC# or Description: 17.0524.02001

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
Other Actions: Reconsider _____

Motion Made By Rep. Martinson Seconded By Rep. Schmidt

Representatives	Yes	No	Representatives	Yes	No
Chairman Monson			Rep Boe		
Vice Chairman Streyle					
Rep Martinson					
Rep Sanford					
Rep Schatz					
Rep Schmidt					

Total (Yes) _____ No _____

Absent 1

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

approve green on work sheet plus additions we made upon review

Motion Carries

Date: 3-29-2017
 Roll Call Vote #: 1

**2017 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. _____**

SB 2016

House Appropriations - Education and Environment Division Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar

Other Actions: Reconsider _____

Motion Made By Rep Boe Seconded By Rep Martinson

Representatives	Yes	No	Representatives	Yes	No
Chairman Monson			Rep Boe		
Vice Chairman Streytle					
Rep Martinson					
Rep Sanford					
Rep Schatz					
Rep Schmidt					

Vote

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent: *to further amend 17.0524.02001
 to study on buildings in Rolla, Minot and Fargo
 and to sell or long term lease on any not sold by June 1*

Motion Carried

Date: 3-29-2017
 Roll Call Vote #: 2

**2017 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. _____**

SB 2016

House Appropriations - Education and Environment Division Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar

Other Actions: Reconsider _____

Motion Made By Rep Boe Seconded By Rep Martinson

Representatives	Yes	No	Representatives	Yes	No
Chairman Monson	✓		Rep Boe	✓	
Vice Chairman Streyle	✓				
Rep Martinson	✓				
Rep Sanford	A				
Rep Schatz	✓				
Rep Schmidt	A				

Total (Yes) 5 No _____

Absent 2

Floor Assignment Representative Boe

If the vote is on an amendment, briefly indicate intent:
Motion Carries

Date: 3/31/2017
 Roll Call Vote #: 1

**2017 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. SB 2016**

House Appropriations Committee

Subcommittee

Amendment LC# or Description: 17.0524.02004

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By Representative Boe Seconded By Representative Monson

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer					
Representative Kempenich			Representative Streyle		
Representative: Boehning			Representative Vigesaa		
Representative: Brabandt					
Representative Brandenburg					
Representative Kading			Representative Boe		
Representative Kreidt			Representative Delmore		
Representative Martinson			Representative Holman		
Representative Meier					
Representative Monson					
Representative Nathe					
Representative J. Nelson					
Representative Pollert					
Representative Sanford					
Representative Schatz					
Representative Schmidt					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Motion Carries

Date: 3/31/2017
 Roll Call Vote #: 2

**2017 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. SB 2016**

House Appropriations Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By Representative Boe Seconded By Representative Monson

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer	X				
Representative Kempenich	X		Representative Streyle	X	
Representative: Boehning	X		Representative Vigesaa	X	
Representative: Brabandt	X				
Representative Brandenburg	X				
Representative Kading	A		Representative Boe	X	
Representative Kreidt	X		Representative Delmore	A	
Representative Martinson	X		Representative Holman	X	
Representative Meier	X				
Representative Monson	X				
Representative Nathe	X				
Representative J. Nelson	X				
Representative Pollert	X				
Representative Sanford	X				
Representative Schatz	X				
Representative Schmidt	A				

Total (Yes) 18 No 0

Absent 3

Floor Assignment Representative Boe

If the vote is on an amendment, briefly indicate intent:

Motion Carries

REPORT OF STANDING COMMITTEE

SB 2016, as engrossed: Appropriations Committee (Rep. Delzer, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (18 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). Engrossed SB 2016 was placed on the Sixth order on the calendar.

Page 1, line 2, after "Dakota" insert "; to amend and reenact section 52-08-10 of the North Dakota Century Code, relating to the preparation of a business plan for workforce training; to repeal chapter 52-02.1 of the North Dakota Century Code, relating to new jobs training; to provide a statement of legislative intent; to provide for a legislative management study; and to provide for application"

Page 1, replace lines 12 through 21 with:

"Salaries and wages	\$39,604,238	(\$12,448,672)	\$27,155,566
Operating expenses	13,479,157	(1,977,902)	11,501,255
Capital assets	20,000	100,000	120,000
Grants	5,404,326	54,245	5,458,571
Workforce 20/20	1,441,225	(1,441,225)	0
Reed Act - unemployment insurance computer modernization	<u>12,407,000</u>	<u>(1,197,443)</u>	<u>11,209,557</u>
Total all funds	\$72,355,946	(\$16,910,997)	\$55,444,949
Less estimated income	70,467,866	(15,568,710)	54,899,156
Total general fund	\$1,888,080	(\$1,342,287)	\$545,793"

Page 1, after line 22, insert:

"SECTION 2. HEALTH INSURANCE INCREASES. The salaries and wages line item in section 1 of this Act includes the sum of \$421,951, of which \$2,827 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month."

Page 1, line 23, after "**FUNDING**" insert "**- EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SIXTH LEGISLATIVE ASSEMBLY**"

Page 1, line 24, after "biennium" insert "and the 2017-19 biennium one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 2 through 6 with:

"Oil and gas employment study	\$80,000	\$0
Virtual OneStop application	9,500	0
Renovation of Bismarck regional office	0	100,000
Total all funds	\$89,500	\$100,000
Total special funds	0	0
Total general fund	\$89,500	\$100,000

The 2017-19 biennium one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. Job service North Dakota shall report to the appropriations committees of the sixty-sixth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 2, line 9, replace "\$11,210,286" with "\$11,209,557"

Page 2, after line 16, insert:

"SECTION 6. AMENDMENT. Section 52-08-10 of the North Dakota Century Code is amended and reenacted as follows:

52-08-10. Preparation of business plan - Revolving loans.

Subject to state board of higher education policies, the president of an institution of higher education that is assigned primary responsibility for workforce training shall prepare an annual business plan that must include provisions for use of the training capacity of the tribal colleges within the designated region, in consultation with the workforce training board. ~~The business plan may include participation as a community under the new jobs training program under chapter 52-02-1.~~ The workforce training board shall approve the business plan and make recommendations for funding of the business plan to the state board of higher education. Any state funds received under this program by the institutions of higher education assigned primary responsibility for workforce training must be used for business and customized training activities. The state board of higher education may establish for each institution of higher education assigned primary responsibility for workforce training a revolving loan fund for workforce training program startups using the borrowing authority provided in section 15-10-16.1.

SECTION 7. REPEAL. Chapter 52-02.1 of the North Dakota Century Code is repealed.

SECTION 8. APPLICATION. Job service North Dakota shall honor contractual obligations under the new jobs training program in chapter 52-02.1 which were in effect before the effective date of this Act, until the terms of the contracts have been fulfilled.

SECTION 9. ESTIMATED INCOME - RENT REVENUE. The estimated income line item in section 1 of this Act includes \$750,000 of estimated rent revenue as a result of job service North Dakota leasing the Minot regional office and a portion of the Bismarck central office to other state agencies. Any revenue collected must be deposited in the job service North Dakota operating fund for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 10. ONE-TIME FUNDING - BISMARCK REGIONAL OFFICE RENOVATION - RELOCATION COSTS. Section 1 of this Act includes \$100,000 of one-time funding from the general fund, for defraying the expenses of job service North Dakota relocating from the Bismarck central office to the Bismarck regional office and for costs associated with renovations of the Bismarck regional office necessary for normal business operations for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 11. LEGISLATIVE INTENT - JOB SERVICE NORTH DAKOTA PROPERTIES. It is the intent of the sixty-fifth legislative assembly that, as a result of the study provided for in section 12 of this Act, job service North Dakota enter a long-term lease or sell the property determined most valuable and continue to occupy the property with the lowest cost for office space.

SECTION 12. LEGISLATIVE MANAGEMENT STUDY - JOB SERVICE NORTH DAKOTA PROPERTIES. During the 2017-18 interim, the legislative management shall consider studying office space cost and value of properties owned by job service North Dakota in Fargo, Rolla, Minot, and Bismarck with input from the office of management and budget. If job service North Dakota sells or leases any property identified in this section before July 1, 2017, the property may not be included in the study. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-sixth legislative assembly."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2016 - Job Service North Dakota - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$39,604,238	\$27,187,623	(\$32,057)	\$27,155,566
Operating expenses	13,479,157	10,751,255	750,000	11,501,255
Capital assets	20,000	20,000	100,000	120,000
Grants	5,404,326	5,458,571		5,458,571
Workforce 20/20	1,441,225	502,407	(502,407)	
Reed Act - Computer modernization	12,407,000	11,210,286	(729)	11,209,557
Total all funds	\$72,355,946	\$55,130,142	\$314,807	\$55,444,949
Less estimated income	70,467,866	54,181,895	717,261	54,899,156
General fund	\$1,888,080	\$948,247	(\$402,454)	\$545,793
FTE	237.76	181.61	0.00	181.61

Department No. 380 - Job Service North Dakota - Detail of House Changes

	Adjusts Funding for Health Insurance ¹	Eliminates Funding Workforce 20/20 Program ²	Adds Funding for Estimated Rent Revenue ³	Adds One-Time Funding for Relocating and Office Renovations ⁴	Total House Changes
Salaries and wages	(\$32,057)				(\$32,057)
Operating expenses			750,000		750,000
Capital assets				100,000	100,000
Grants					
Workforce 20/20	(174)	(502,233)			(502,407)
Reed Act - Computer modernization	(729)				(729)
Total all funds	(\$32,960)	(\$502,233)	\$750,000	\$100,000	\$314,807
Less estimated income	(32,739)	0	750,000	0	717,261
General fund	(\$221)	(\$502,233)	\$0	\$100,000	(\$402,454)
FTE	0.00	0.00	0.00	0.00	0.00

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month.

² Funding is eliminated for the Workforce 20/20 program. The Senate provided \$502,407 from the general fund for the program.

³ Funding for operating expenses is increased by \$750,000 of revenue to be collected as a result of Job Service North Dakota leasing the Minot regional office and Bismarck central office to other state agencies. Revenue collected will be deposited in the Job Service North Dakota operating fund.

⁴ One-time funding is added from the general fund for costs associated with Job Service North Dakota relocating from the Bismarck central office to the Bismarck regional office and for any related renovations of the Bismarck regional office necessary for normal business operations.

This amendment also:

- Adds a section to identify the amount of funding included in the bill for the increase in employee health insurance premiums.
- Adjusts the amount of funding for Reed Act funds in Section 4 of the bill.

- Repeals North Dakota Century Code Chapter 52-02.1 related to the new jobs training program and amends Section 52-08-10 to eliminate reference to Chapter 52-02.1.
- Adds a section providing an application clause related to the new jobs training program, allowing Job Service North Dakota to honor current contractual obligations under the program.
- Adds a section to identify an increase in special fund spending authority of \$750,000 due to estimated rent revenue to be collected as a result of leasing the Job Service North Dakota Minot regional office and Bismarck central office.
- Adds a section to identify \$100,000 of one-time funding from the general fund for costs associated with Job Service North Dakota relocating to the Bismarck regional office and for related renovation costs of the property.
- Adds a section providing legislative intent regarding the study of Job Service North Dakota properties in Fargo, Rolla, Minot, and Bismarck.
- Adds a section providing for a legislative management study, in conjunction with the office of management and budget, related to Job Service North Dakota properties in Fargo, Rolla, Minot, and Bismarck.

2017 CONFERENCE COMMITTEE

SB 2016

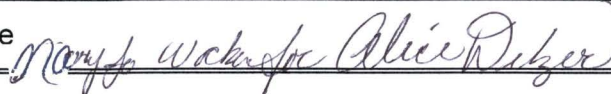
2017 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

SB 2016
4/11/2017
JOB # 30034

Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A Conference Committee hearing for Job Service

Minutes:

1. Job Service North Dakota Budget No. 380

Chairman Krebsbach: called the Conference Committee to order on SB 2016 at 8:30 am in the Harvest Room. Roll call was taken. All conferees were present: Chairman Karen Krebsbach, Senator Dave Oehlke and Senator Tim Mathern. Representatives: Roscoe Streyle, Bob Martinson and Tracy Boe. Levi Kinnischtzke, Legislative Council and Becky J. Keller, OMB were also present.

Chairman Krebsbach: Once again we have some changes we have to look at. Council did prepare the Job Service North Dakota Budget # 380 (see Testimony attached # 1.) with the Senate version, the House version and the changes. I will ask the House side to review them with us.

Rep. Streyle: I will go over the two that were already talked about in Section 9, which is the rental income and that was giving them the authority to collect and expend that for 45,000 square feet is \$720,000 so we rounded it up a little bit to give them some lee way, the rent could be less. They cannot make money on their lease terms so we don't know what's that is going to be because we've got costs all over the board on what they determined. Section 10 is \$100,000 general fund for relocating from the central office to the regional office and any expenses related to that. Should it cost them \$100,000, I can't imagine that it would, but we put that in there just in case it would. So that's the two that we talked about in the previous Conference Committee (SB 2119) **(0.01.52)**

Chairman Krebsbach: You didn't include anything if they relocated the Minot office?

Rep. Streyle: No, based on our understanding yes they would like to sell the building. Should they sell the building they would have to get appraisals to sell the building in the interim, then we would probably have to provide some money; being that we don't have the money to buy it this biennium that would be the next biennium discussion. So they would stay in their 5,000 square foot that they are in now and lease the 12,000 or 10,000 whatever they determine in that building at that time was our thought there. **(0.02.31)**

Senator Oehlke: Would the money for that \$750,000 about \$50,000, which agency is that budget in?

Rep. Streyle: In the Job Service budget.

Senator Oehlke: Where does the \$750,000 come from?

Rep. Streyle: That would be the AG and the HP in their lease.

Senator Oehlke: That's in those budgets right now?

Rep. Streyle: No. It is not specifically in those budgets, depending the passage or forwarding of SB 2119, although they do have money in their budget to lease space around Bismarck and Minot right now because they lease it at \$10. So there is money in their budget for a lease. So if this one would come in at \$6.00 a square foot they would probably be a little bit short but not by a lot. In the Bismarck one, should this deal come together where AG gets located, everything in the Bismarck office, they would save anywhere from \$700,000 to \$1M dollars depends on the lease term. So they would have access money in their budget if they were to come to terms on that. **(0.03.47)**

Chairman Krebsbach: Are they under lease contracts now where they are presently residing, and can they be changed?

Rep. Streyle: Yes and without authorizing them to. Yes, with a paragraph we can get them out of all those leases. All state leases are subject to appropriations, if we take out the appropriations the lease is automatically broke is my understanding.

Senator Oehlke: That's your understanding or is that a fact?

Rep. Streyle: Unless I am proven wrong, that is a fact. If you read any of the leases it is subject to state appropriations just like the health insurances is subject to appropriation. If there is not the money, its dead. It's gone. It's in every state contract. And then section, we eliminated the Workforce 20-20 program completely. We did also eliminate the New Jobs Training Loan Program but it did if you look at Section 8, would honor all the current obligations, they are 10-year contracts. But this would eliminate the program going forward. It has been as high as \$3M, a year in cost, I think the last one was around \$1.5M. So there is chipping down a little bit, but the fault was its time to end some of these programs. So we eliminated both 20-20 and the new Jobs Training. **(0.05.50)**

Chairman Krebsbach: Did you check with the Department of Commerce? I think they are involved in those programs. Did you check with them on that issue of eliminating them?

Rep. Streyle: Yes, we know they are in involved. They like every program so they're not going to like this. That's just to be blunt. They like all the incentives they could possibly give. We just felt that at this time subsidizing corporate training just didn't make sense to us. If you want to train your employees, pay to train your employees. Why is that the state's job?

Senator Oehlke: It begs the question then, is that the same reasoning for Cutting back on TrainND? Because we are cutting this training program, cutting TrainND program? We basically are trying to get to a pay as you go.

Rep. Streyle: Yes, in that budget by carrying them forward in conference committee. TrainND was supposed to be self-sufficient. It was to keep the oil money in that subsidizing training of, and a lot of it was subsidized training for bank tellers. Where do we draw the line on what we subsidize and what we don't?

Senator Oehlke: Actually I think you can get training for your bank tellers.

Rep. Streyle: They should then, I guess.

Senator Oehlke: It's not free though, by the way. Have you ever done it?

Rep. Streyle: You have to pay but that's a totally different budget.

Senator Oehlke: I know. But we are talking about training here. I'm just wondering if, not that the Department of Commerce is the be-all or end-all but maybe there are some employers out there that are interested in this too.

Chairman Krebsbach: You're absolutely right. I think there would be a lot of employers that have utilized the programs and have seen benefit from it. I think Rep. Boe has a comment.

Rep. Boe: Part of our discussion was the fact that when we lowered the income tax rate in half, we all but neutered the program anyway. It makes the program not that valuable of a program because if people are going to go in and sign a 10- year contract, the refunds won't cover the cost of the training going forward.

Rep. Martinson: Absolutely the employers want this. They want it because they want the state to subsidize the training for their employees. It's not as though we're training people for a new industry that we are trying to attract to North Dakota, but if you ever look at the list of all of the training that they've done, they even list the schools even list in some cases the training that they did for their own people. So yes, all the employers want this because we subsidize their training. The original intent of these training programs was to give them the seed money and then it would be self-sufficient. But that never seems to happen in government when we start these programs. **(0.09.10)**

Senator Oehlke: Do we really need Section 6? What's with that if we are not going to do any training.

Rep. Boe: Section 6 is, as Rep. Streyle had indicated these are 10 year contracts that we signed in good faith.

Sen. Oehlke: But if they are not funded it is just rent.

Rep. Boe: The money is there in Job Service. Job Services share of this is 5% is what they get to cover, to administer the program. The money is there for them to administer the

program from what we understand. This just allows them to take care of the tail of the program because there's this contracts. The longest contract could be 10 years, there is probably contracts that are only 3 years left, this is just to take care of them to finish them up.

Chairman Krebsbach: Just for information I have to state the fact that these monies have been used also to retain businesses, because there are other states that are attracting certain businesses in this state and if we can have a program like this it may make the difference if they can get some help in training the people. If they are going to expand and they're being sought by another state, so there is more than one aspect to look at with these programs.

Rep. Streyle: Like what was mentioned, the corporate tax rate. We've reduced that dramatically. We divvy a portion of what takes effect next biennium. We are not a regulatory heavy handed state. We reduced all of the training programs because train your own employees was our thought. Why is it the job of the state of North Dakota to train everybody's employees. That should be the obligation of the businesses and that's why we cut down the use of TrainND. We did not eliminate it. We just reduced the funding. I don't know what will come of that, maybe that money is put back, maybe it doesn't. That was the thought to eliminate these two programs at this time. If they are needed in the future, fine, we'll bring the case back and maybe that Legislature will help.

Chairman Krebsbach: At this time make a note that I would request that we have the Department of Commerce come in and address this issue for us.

Senator Mathern: Part of our motivation for these programs was really regarding increasing the income of individuals. Really it wasn't just helping a business, or competing with bringing in businesses. It was to increase the skills of workers so that they would increase their quality of life by a higher paying job. So that translates into, not only their quality of life, but a bigger tax return from income taxes on the part of employees. So that would be useful for us to also consider, what is the benefit to individuals and families to have additional training and maybe Commerce could do that. But anyway that is the perspective I wanted to add here. (0.13.10)

Rep. Streyle: We did have a lengthy discussion on that too and seen some data on it. Section 11, some of these play into 2119. What this says is study all your properties, determine which one is the lowest cost and put your staff there. Do they want to probably move their staff into another office, no probably not, because this was another piece to push them along to make these decisions and get rid of that property basically. So that was legislative intent. Section 12 details the study. We've got the study and the intent in that in the 4 buildings. If Job service determines before, but basically, what we are trying to do here is say hurry up and make a decision with OMB on these properties by this date and if you did make a decision on the Minot one, the Rolla one, the Bismarck one, they're not in the study, it's out. So it was just a measure to push them along to lease these or determine if they are going to sell the Rolla one, for example. And then they are not part of the study we can move along. So we see a little bit of 2119 in this bill. They kind of play together somewhat. That's the changes that we made and we talked about the one-time funding for the renovation and rental income. Other than that we didn't change the bill. (0.15.09)

Chairman Krebsbach: Are the studies requested in 2119 the same as in 2016 or do they differ?

Rep. Streyle: They are different. This one is quicker one, so we are looking at Section 12 says you are going to study all of them, but if by before July 1st, you have lease agreements, you determine that you are going to sell that building in Rolla, then you are not in the study. There may be one facility in this study going forward if they move quickly. If not, then they are going to have to study all 4 of them.

Rep. Boe: If I could add onto that, this is a study of any vacant space. If it's not vacant, If it is leased out to the Attorney General, Highway Patrol, County of Rolette, it's not part of the study. And if it's down to one building there is no study to have. This is a little bit of a fire building, let's get moving and let's make a decision.

Chairman Krebsbach: Any other questions from the committee? Anything further from the House? We will take all of this under advisement and do some more research and I think at this particular time we will recess the Conference Committee of 2016. OK, before we recess, Senator Oehlke has something to say.

Senator Oehlke: It would be nice if the appropriations or budget carry amounts for 2119 would be in 2119 and not in 2016. Is there angst about that? Would that be a little more clearer?

Rep. Streyle: I guess I totally disagree. It should be in a budget. It is a budget item; it should be in the budget bill. I just believe that money should be in budget bills, not in policy bills. But that's just me.

Senator Oehlke: Maybe 2119 should be merged into 2016.

Rep. Streyle: I would be fine with that too. 2119 is a policy decision on the bill 2119. Should that fail then we can take that money out of 2016 because it is not needed. It's up to the Floors I guess whether or not this bill goes forward. I would say we should make a decision on 2119 and then if it fails on the Floor then will take the money out of the other one.

Rep. Martinson: I don't think this is going to cause us any delay. If that's going to be an issue then we can resolve this pretty easy. That is not going to be a show stopper for us.

Chairman Krebsbach: We will recess and reconvene at another time. 2119 came in as a simple bill to grant them authority to deal with the problems that they are now having. It has gotten a little bit complicated with a lot of wording. I don't think we are going to be too far apart on what we want to achieve, it's just a matter of getting there.

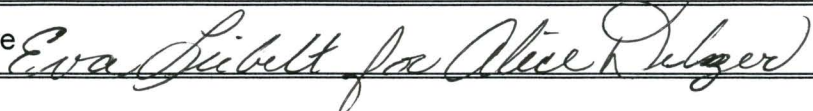
2017 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

SB 2016
4/12/2017
JOB # 30096

Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A Conference Committee hearing on Job Service

Minutes:

1. Dept. of Commerce Testimony 2. Workforce Training Proposal -10/21/16 3. Workforce Training Proposal -12/04/16 4. ND Workforce Training Program Funding
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Chairman Krebsbach: Called the Conference Committee to order on SB 2016 at 4:00 pm in the Harvest Room. Let the record show that all conferees were present: Chairman Karen Krebsbach, Senator Dave Oehlke and Senator Tim Mathern. Representatives: Roscoe Streyle, Bob Martinson and Tracy Boe. Levi Kinnischtzke, Legislative Council and Becky J. Keller, OMB were also present.

Chairman Krebsbach: I had asked Justin Dever to come and address the two issues of the Workforce 20/20 and Train North Dakota. Justin Dever do you have any remarks on those in regards to the bill and what has been done in the bill? This is for our benefit.

Representative Streyle: I will tell you what he will say. They are both essential programs.

Chairman Krebsbach: We felt it was necessary to get what you had to say about these two programs and to get your opinion on the changes that were made to them.

Justin Dever, Co-Deputy Commissioner for the Department of Commerce: I am in favor of keeping the New Jobs Training Program.

Representative Martinson: I was wondering because he said he was here to testify in favor.

Chairman Krebsbach: We will take it as it is. Please proceed.

Justin Dever: I apologize. Here is my testimony. **Attachment # 1**- Department of Commerce Testimony; **Attachment # 2** - Workforce Training Proposal dated October 21, 2016; **Attachment # 3** - Workforce Training Proposal dated December 14, 2016; **Attachment # 4** - North Dakota Workforce Training Program Funding. Madam Chairman you had also

mentioned Workforce 20/20 which is another program that is used but it is not as essential as the new jobs training program, from our view. I spoke to one of our business developers today and she said next to the Bank of North Dakota programs, the New Jobs Training is their second most go to program in promoting our state to companies to grow and expand in North Dakota. (0.02:54-0.06:05)

Chairman Krebsbach: That is the new jobs training program and although workforce 20/20 is important it is not quite as important?

Justin Dever: That is correct. Obviously both programs have been utilized in the past but the new jobs training is more important of the two.

Senator Mathern: The examples are helpful. What do you do when there isn't enough money? We have a level that we approve, what happens when you hit that cap? Is there a percent of the program funded or do you change eligibility process or how do you deal with a limitation of funding compared to an eligible project?

Justin Dever: If you look at Workforce 20-20, in the total funding for the proposal you are going to see zero in both of those examples. The reason why is because at this point they had hit that cap. The new job training does not have a cap so that is not an issue.

Chairman Krebsbach: Any further questions? If not, thank you for clueing us in, Mr. Dever. Ok. Any thoughts on the committee's part on the new information we received today. Then we will go on with 2016 and review what our differences are again and what we need to look at. In my estimation I think we should take a good look at adding some dollars to the workforce 20-20.

Representative Streyle: No, it is not our job to train the employees in the state, they can train their own employees.

Chairman Krebsbach: Ok we have your opinion. Other than that?

Senator Mathern: The House added funding for rent income. I am trying to understand, is that conditional on the other bill passing or does the House believe that was still possible without the other bill passing the way you set it up on the buildings?

Representative Streyle: It could be possible even if it didn't pass. When you look at the study that says, "shall occupy the lowest cost", that would incentivize them to lease some of this space out in the various spots. It would require a section for them to allow them to collect the rent and pay the utilities. The one-time appropriation of \$100,000, should they choose not to relocate with consultation of facilities management, then that is not necessary. They just won't expend that money. Everything ties together.

Senator Oehlke: Don't you agree that any property that gets leased, would this be an entire building that they would be leasing to someone else in Minot?

Representative Streyle: It is a seventeen thousand square foot building right now. There is about twelve thousand extra square space up there. They have some of it leased to these entities. Their intent was to sell it and move on. We as a state don't have the money to buy it at this time. It is a good building and good location. BCI would like to expand their space in Minot, Highway Patrol co-locating there. So they would take up the majority of the space.

Senator Oehlke: So job service would be leasing elsewhere?

Representative Streyle: They could stay in their 5000 square foot and lease to the Highway Patrol and BCI, if that is determined. It doesn't force them to do that but all three of them would be in there.

Senator Oehlke: So then they would have \$1.5M?

Representative Streyle: No, we have to give them the authority to spend the money. They can collect the money but they don't have the authority to expend it on utilities for example or building maintenance or upkeep included in the lease terms.

Representative Boe: The \$750,000 is spending authority up to \$750,000. If the level income is \$5,000, they will spend \$5,000, if it is \$10,000, they will spend \$10,000. They don't have anything to spend until they collect the rental check.

Senator Oehlke: Shouldn't that be what it says rather than \$750,000. If you go from \$5000 to \$750,000, that is many percentages off. A banker ought to be able to calculate rent. A little closer than between \$5,000 and \$750,000.

Representative Streyle: We did calculate it and I explained it yesterday. 11,000 times 3, which is $\frac{3}{4}$ of the bill in here, is 33,000 square feet plus 12,000 square feet times 8 bucks, divided by 2 is 720,000 and we rounded it up just in case it is not eight dollars. We have no idea what the terms are. We gave them this number because that is the estimate if we could lease all of those buildings out at 8 bucks a square foot, this is enough revenue. This is how all appropriation bills are. That is just how it is done in appropriations.

Senator Oehlke: It doesn't have to say what you are limited to spend what you get in? It just gives you \$750,000, if it gets that high. I am just asking.

Chairman Krebsbach: There is many facets to this and there is a lot of complicated issues. With the understanding if they vacated it completely that isn't allowed by federal law. They have to either remain in it or sell it. They cannot lease the entire building. We have many moving parts on all of this. Has there ever been a cost benefit analyses done on this entire operation to get solid figures for us?

Representative Streyle: Yes, they can't make any money on a lease. They don't know what it is in some cases but they are leasing to generate now on the fourth floor. How do you not know that answer? They give you a range, same thing in Minot, but they are leasing right now so how do you not know what your costs are? We never could get a clear answer. Yes, you are right, although we don't know what it is because we can't get that answer either. What's the percentage you have to be in the building in order to comply with federal law.

They don't know the answer to that. That should be an easy figure to get, but we haven't got it yet.

Chairman Krebsbach: I think we have a lot of work to do yet on this particular bill. I think we need clearer answers on anything we are working on here.

Representative Streyle: Hence, 2119 has all the mechanisms in it. There is a study in 2119, includes the sale of it too.

Chairman Krebsbach: Is there anything further to discuss on 2016 at this time? Hearing none, we will then recess at this time.

2017 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

SB 2016
4/17/2017
JOB # 30162

- Subcommittee
 Conference Committee

Committee Clerk Signature

Mary Jo Wacker for Alvin Delzer

Explanation or reason for introduction of bill/resolution:

A Conference Committee hearing for Job Service of ND

Minutes:

Chairman Krebsbach: Called the Conference Committee to order on SB 2016 at 11:00 am in the Harvest Room. Roll call was taken. Let the record show that all conferees were present: **Chairman Karen Krebsbach, Senator Dave Oehlke and Senator Tim Mathern; Representatives: Roscoe Streyle, Bob Martinson and Tracy Boe.** Levi Kinnischtzke, Legislative Council and Becky J. Keller, OMB were also present.

Rep Streyle: We talked about the 20/20 eliminating that. On the new jobs training I propose we cap that at \$2 ½ million versus the \$3 ½ million which was in the other budget. That is the budget request, this would reduce it about \$1m and put a cap on it which it doesn't have a cap on it now and then I think the rest of it, the study was a concern. I know that the Senate, 'shall consider' studying and it would have to be selected by Legislative Management. So if it is not selected, section 12 and 11 don't matter anyway. I think those sections are fine. The one-time appropriation of \$100,000 if the study in SB 2119 comes back and says there is nothing, needed there, this will just be turned back next session because it can't be used for anything else. The rental income piece, should those buildings be rented or leased, that just gives them the authority. Everything depends on the study from OMB basically is my point.

Chairman Krebsbach: Any comments on the proposals made by Rep. Streyle?

Senator Mathern: I did receive considerable feedback from companies using the New Jobs Training Program, the point is they create more jobs with this, which could be created elsewhere, but this has helped them create these jobs in ND. I appreciate your openness of keeping that program going.

Chairman Krebsbach: I myself am rather bothered with sections 11 and 12. I don't see them as being necessary, but, I would appreciate comment from the other side.

Rep. Streyle: It is a Legislative Management, it is not a forced study. So should they be chosen by Legislative Management then section 11 would apply. Should it not, they both are

null and void. We do have other studies in SB 2119 that would be done before this, so leaving this in here doesn't harm anything and should the studies complete quicker in SB 2119. It is a legislative management study versus a OMB study, so maybe they both should be studied at the same time, but one will be done before the other.

Chairman Krebsbach: The most disturbing part to me is the last sentence, it is pretty long sentencing in 11, that they shall continue to occupy the property with the lowest cost for office space, that doesn't really always take care of the needs of the public in that effect.

Rep. Streyle: If they should lease it or sell it they are out. Then nothing changes basically. In SB 2119 we've already talked about 'may lease' instead of 'shall' so that doesn't force them to lease it. But once an appraisal is done on that building, Rolette County is going to buy it, unless their appraisal is outrageous. They will move on and both parties will be pleased with the result.

Senator Oehlke: I would suspect that Section 12 is a good idea. Section 11 seems kind of superfluous to me because, if the study shows certain things we would be addressing that in the next session anyhow. If you want to change Section 12 to a "shall study" I don't think I would have heartburn with that either. Section 11 doesn't make much sense.

Rep. Boe: (0.06.44) Or we can just take away the authority to sell any of the property and leave them fat and sassy with surplus property and sit on it. We are looking for efficiencies. We are looking for them to get themselves lean and mean and get rid of all the surplus, and try to configure a way to get rid of surplus office space. This gives them the avenue to do it and it gives them the incentive to do it. It is all in management, they can manage their way around it and get to where they want to be.

Chairman Krebsbach: I am looking at the requested study in SB 2119, so we can eliminate 11 and 12? Aren't we accomplishing what we need to do with the study in that section of the other bill?

Rep. Streyle: The only difference is OMB would be studying it as Legislative Management committee would be studying it. So, we would have a little bit of input should OMB study it quickly and determine if there is a new amendment and at least we could look (8:00) at can look at it again in further detail. I am not completely convinced that there won't be politics played in this unfortunately, with various agencies but separate the studies is a good idea and in bill and have separate entities studying it, should OMB not come to a favorable result on their study. **(0.08.44)**

Chairman Krebsbach: I am personally pleased with the ND training issue, and I wonder if we could get that issue behind us and have a motion on that area and act on that at this time.

Rep. Streyle: I move we add to cap it at \$2.5 M, for the biennium. 2nd by Senator Oehlke.

A Roll Call vote was taken: Yea: 6; Nay: 0; Absent: 0.

Chairman Krebsbach:	Yea	Rep. Streyle:	Yea
Senator Oehlke:	Yea	Rep. Martinson:	Yea
Senator Mathern:	Yea	Rep. Boe:	Yea

Chairman Krebsbach: Any further discussion on SB 2016?

Senator Mathern: I have a question for the House on Section 11. The words, continue to occupy the property with the lowest cost for office space, lines 4,5, that seems like a directive. Let's say in one town, office space was \$5 and then in another town the office space \$10, but in town A, there were no people or very few, but in town B, there was a lot of people. I am just wondering what or how this would work. It would seem that it's really not just the cost of office space, it's also where the needs are for the services and it seems to leave that portion out. Maybe some explanation of that would help me.

Rep. Boe: We heard an awful lot about just data processing. There is a lot of the services are provided for online. Well if they are provided online well somebody is doing the data. So all that you would need is a body that is capable of processing the data. That could be in any town. But if you're worried about that there is just a town of Rolla, they've got the unemployment numbers to support staff. We've got the numbers we've got everything. We can compare to all the other towns.

Chairman Krebsbach: Any other comments on that issue? **(0.12.33)** I am hearing what you are saying, Rep. Boe. But to flip them again against one another, in this matter, it really takes flexibility away from Job Service in managing their needs that I see. I think if the situation arises that Rolla can prove that they need to have a Job Service there, that should be dealt with in a single issue between Job Service and the city of Rolla.

Rep. Boe: (0.13.07) My response to that is that they have got surplus office space spread throughout the state. They are looking to divest themselves of surplus office space at their will. This doesn't take away their ability to do this. We are still going to give them the ability to either lease out or sell surplus office space, and they can do it as long as they get rid of, if they don't want to move back to Rolla, then get rid of it. Sell it or lease it before the specific date and it doesn't become part of the study. They can do it.

Chairman Krebsbach: (0.14.16) My understanding is that that's what they are here seeking approval for is the authority to sell these properties.

Rep. Boe: They have had the authority to sell from Fargo for years. I am not in favor of giving anybody authority to sell at their will. I still think you need to check back in with us before the final sale. Because when we've got properties as Rep. Streyle has pointed out, that we got properties of great vantage point for us as a state. We don't want to see that property just drop without us having an opportunity to utilize it as a state.

Chairman Krebsbach: We did check into that Fargo situation. There was word that came back to me, and I can't find it exactly, so I won't give it to you here what's written but I will give it to you as I understood it. They had sought approval back in about the year 2000,

when things were really growing and expanding and so on, that they would need more room in the Fargo office. As time went on, funding changed. The federal funding changed. They no longer needed that extra space, so they are very well suited as of this time and point with the facility in Fargo for the staff that they have. Things change as we know. Do we have anything more to discuss on SB 2016? We will recess on SB 2016 at this time. We will take a five minute break and move into SB 2119.

2017 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

SB 2016
4/18/2017
JOB # 30217

- Subcommittee
 Conference Committee

Committee Clerk Signature

Mame Johnson for Alice Decker

Explanation or reason for introduction of bill/resolution:

A Conference Committee for Job Service of ND

Minutes:

No testimony submitted

Chairman Krebsbach: Called the Conference Committee to order on SB 2016 at 6:30 pm in the Harvest Room. Roll call was taken. Let the record show that all conferees were present: **Chairman Karen Krebsbach, Senator Dave Oehlke and Senator Tim Mathern; Representatives: Roscoe Streyle, Bob Martinson and Tracy Boe.** Levi Kinnischtzke, Legislative Council and Becky J. Keller, OMB were also present.

Chairman Krebsbach: It hasn't been clear to me why we should draft these amendments, so let's have a discussion on this bill.

Senator Mathern: I think it would be helpful for me, and maybe the Senate, if we got a further description from the House regarding the need for two studies.

Representative Streyle: One is an OMB study and the other is a Legislative Management shall consider study. I don't have any problem with it.

Chairman Krebsbach: Do the two meld or do they fight one another. Is there a way to amend it so they can be consistent with one another, or is it necessary to have two studies?

Representative Streyle: With the Legislature looking at it and OMB looking at it, I don't see any problem with that. We should look at it as well.

Chairman Krebsbach: A lot of my concern is this language that they shall continue to occupy the property with the lowest cost of office space. Does that mean that they close the other?

Representative Streyle: If they do something with Rolla, then that one's out, so it's between the three then. Maybe they would have to shift some people around, it depends on what the study will show. We don't know what it costs for each of the three to operate. Again, it is a shall consider a study. It would have to be voted on by Legislative Management as a study

that's needed and maybe Legislative Management says we don't need it. I think the legislative body looking at it is appropriate.

Senator Mathern: In light of your question about the meeting, I'm wondering if the House could explain if section 12 were not chosen by Legislative Management as you suggest could happen, what would be that implication on section 11, as it refers to section 12.

Representative Streyle: It goes away; it's contingent on the study, if it isn't chosen, that section becomes meaningless. Let's remember it's legislative intent too. Just because we say we intend to do this or that, it doesn't carry the force of law.

Chairman Krebsbach: Where are we on section 7 of the bill? Is that the training that is being repealed?

Representative Streyle: That's the new jobs training program. We talked about putting the cap on it, where there isn't one now.

Chairman Krebsbach: You would reverse the repeal?

Representative Streyle: If a cap is doable; if a cap isn't doable, then no, we would not reverse the repeal. They have to track it, Job Service would have to keep a running total, once it hits that cap, the program shuts off for that particular biennium.

Chairman Krebsbach: Your cap amount would be what?

Representative Streyle: \$2.5M. And what they've used in the past ranges. In 2016 it was around \$2M, in 2015 it was \$1.4M. It was about at the \$3.4M mark for the biennium. This would put a cap at about a million less.

Chairman Krebsbach: We did vote on that in the last meeting. I think we have to check and see if the reversal of the repeal. I am wondering about the language in the cap too, if that is going to work. Can you tell us, Levi?

Levi Kinnischtzke, Legislative Council: It is possible, however, we couldn't stipulate it to be capped for the tax credit claim. It has to be at the application level. My understanding that the language would be proposed for session law, rather than in Century Code, so it would be applicable only to the 17-19 biennium, and then be looked at again at the next legislative assembly.

Senator Mathern: So Legislative Council, does that mean that you would add some different wording to relate to the application time that is presently in Code, and would it be proper then to delete Section 7 of the bill at the same time?

Levi Kinnischtzke: Yes, we would be able to eliminate Sections 6, 7, and 8. Section 6 was dealing with a cross reference to the chapter that would have been repealed in Section 7, and then Section 8 was just an application date; an application clause to allow Job Service honor the current contractual obligations of the program. If the program is not being eliminated and repealed, those sections would not be necessary.

Senator Mathern: I would be open to those changes; to take those sections out and new intent language with that cap put in.

Chairman Krebsbach: We should have an amendment drafted for that particular situation so we're all aware of what's going to be taking place. I'm hearing it affects sections 6,7, and 8. Would you agree that we should look at language for that?

Representative Streyle: Yes.

Senator Oehlke: I am looking at section 12 again. I'm not sure how just four communities got put in this study. Where I live, Devils Lake has a building that used to have 30 people working in it; now there is 3. Should we be including all the locations in the state where there's a Jobs Service office? If we are going to study it, shouldn't we be studying all of it? Why were just these few chosen?

Representative Streyle: The three were chosen because that's where they wanted to sell the property. The fourth one was looked at because they already have the ability to sell. I wouldn't mind putting them all in here.

Senator Oehlke: Do we have the ability to sell other property?

Representative Streyle: No. The locations they have listed are: Williston, Wahpeton, Jamestown, Grand Forks, Fargo, Dickinson, Devils Lake, and Bismarck. Of course, Rolla is closed down.

Senator Mathern: If we were to expand the study, we should probably get some input from the Department, I'm concerned, we've been shutting down so many of their activities, and the funding, I would like some input, because I imagine it takes some management time. If we expand the study, we would get some input from the Department.

Chairman Krebsbach: I agree. You do want to have their input; they are the ones who know the situation across the state. You bring up a good point. It probably wouldn't hurt to take a look at each of the places as long as we're doing some of it.

Representative Streyle: If we were to include all of them we'll get their input should their study be chosen, so I don't know why we'd need their input before.

Chairman Krebsbach: Any other comments to be made regarding that?

Senator Mathern: I would talk to them now before we amend it.

Chairman Krebsbach: Since this is something new that has come before us, we will meet one more time. We will recess on 2016. Thank you for getting the one area done. So we are in recess in SB 2016.

2017 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

SB 2016
4/20/2017
JOB # 30244

- Subcommittee
 Conference Committee

Committee Clerk Signature

Mary Jo Wachen for Alvin DeBer

Explanation or reason for introduction of bill/resolution:

A Conference Committee hearing for Job Service

Minutes:

1. Proposed Amendment # 17.0524.02006

Chairman Krebsbach: Called the Conference Committee to order on SB 2016 at 9:30 am in the Harvest Room. Let the record show that all conferees were present: **Chairman Karen Krebsbach, Senator Dave Oehlke and Senator Tim Mathern; Representatives: Roscoe Streyle, Bob Martinson and Tracy Boe. Levi Kinnischtzke**, Legislative Council and **Becky J. Keller**, OMB were also present.

Chairman Krebsbach: I have some amendments here. These are not complete. I will pass them out. Attachment # 1 – Proposed Amendment # 17.0524.02006. Looking on page 3, the insurance, that is a no brainer. The 2nd one is the elimination of Workforce 20/20, and that has been I believe agreed upon. The 3rd one is funding for operating expenses increased by \$750,000 of revenue to be collected as a result of Job Service leasing the Minot Regional and the Bismarck Central office. That money would be deposited **(0.01:40)** in the Job Service North Dakota operating fund. Is there any problem with that? OK. Then one- time funding is added from the General Fund for costs associated with Job Service North Dakota relocating from the Bismarck central to the regional office and for any renovations of Bismarck regional office necessary for normal business operation. This is the same as the House version, so I guess I would have to ask my senator.

Senator Oehlke: I guess I am trying to figure out if we are studying, or doing something here because if we're only studying I don't know if we need a \$ 100,000 from General Fund to do something that we're only studying if we're forcing someone to move from a 4 story building into the regional office and that is a different animal.

Rep. Streyle (0.02.45) This ties in to SB 2119. Should that study come out, that is the most cost effective during the biennium this would be the money to move a portion of it. I think what the study should show that the AG should have one, three, and four and they should leave the second floors so each of the employees can transfer the rest into the 9,000 square foot, that is vacant at the regional. I don't know if that's what is going to happen. The server can stay on the 4th floor just fine without any problem if the Attorney General is up there. So

that's, this would give them the money, probably more than they need frankly. But I think it's and if none of it happens it is just turned back next session.

Senator Mathern: (0.03.40) I am just wondering if the language here is conditional enough. I think Senator Oehlke raises a good point. I am wondering if this language is almost directive or is it conditional enough that it doesn't really suggest they have to make that move if the study doesn't prove out to recommend that. Maybe the Legislative Council could tell me if the wording here and the numbers imply that they need to do this or that it is very conditional to the outcome of that study.

Levi Kinnischtzke, Legislative Council: Section 10 addresses the \$100,000 of one-time funding. It doesn't specifically reference the study in SB 2119, however that would be the intent of it is that I don't believe that Job Service ND would relocate to the Bismarck regional office unless that study comes out that is the most cost effective way to deal with the Bismarck Central office thus resulting in them relocating to the Bismarck Regional office. If the committee wants we could put language in there saying that it is conditional one-time funding otherwise I think the intent is there for to be as a result of the study in 2119.

Senator Oehlke: When you reference Section 10 you are referencing what's in the original bill, but in the amendment it shows Section 7. Is that what you were talking about, right? Let's make sure because there is still a Section 10.

Levi Kinnischtzke: Yes. I was going off the current engrossed version, the 4000 version.

Chairman Krebsbach: Is there anything else that should be brought up on this bill?

Rep. Streyle: (0.05.50) The biggest heartburn you all had is Section 9, with the legislative intent. If I am not mistaken. It is in the amendment in Section 9 where they would have to occupy the lowest costs base. If we could take that section out, and pass this amendment we would end this thing. If that's your desire.

Chairman Krebsbach: Would you like to put that in the form of a motion Rep. Streyle?

Rep. Streyle: I would move that the House recede from the Senate amendments and further amend with 2006 minus the legislative intent, in Section 9 of the amendment.

2nd by Rep. Martinson.

Chairman Krebsbach: Representative Streyle moved and Representative Martinson seconded the motion. Is there any question on that?

Senator Mathern: I would like to hear from the House that they understand that Section 7, is in fact conditional on the study in the other bill and is not directive.

Rep. Streyle: I think there is enough on the record discussions what the intent is on that. I don't know that we need any other changes to it.

Senator Mathern: I am not suggesting any changes. I just want to hear from you that you understand it that way.

Rep. Streyle: Yes, I understand it that way, although I think if they should do it anyway but I understand that is the intent and agree with wait until the study and then this gets turned back if they don't move.

Senator Mathern: Got you! Thank you.

Chairman Krebsbach: Would you please call for the motion to remove Section 9 from the bill?

Rep. Streyle(0.08.22) To adopt the amendments minus that, yes.

Chairman Krebsbach: I think we're going to need a little more time before we make a final decision today.

Representative Streyle: I would pull the motion back then.

Chairman Krebsbach: In other words, your motion is contingent upon us kicking the bill out, is that what you're saying?

Rep. Streyle: Well I move to kick the bill out so then I would have to pull it back or we would have to vote on it. So, Yes. Yes, I move that we pull that section out in that pending whatever else we need to talk about this is pretty much the second to the last meeting I guess.

Chairman Krebsbach: I would accept that motion that we just remove Section 9. 2nd by Senator Mathern.

Chairman Krebsbach: Any further discussion on that motion? Would the clerk please call roll on the motion to remove Section 9?

A Roll Call vote was taken. Yea: 4; Nay: 2; Absent: 0. Motion failed.

Chairman Krebsbach:	Yea	Representative Streyle:	Yea
Senator Oehlke:	Yea	Representative Martinson:	Nay
Senator Mathern:	Yea	Representative Boe:	Nay

Chairman Krebsbach: (0.10.25) That motion fails. We are back where we started folks with that again. Is there any other discussion at this time on 2016?

Rep. Streyle: We are ready to remove that Section and move it out, so we are ready to go. The next meeting we'll be ready to move.

Chairman Krebsbach: We should be ready in the next meeting to clarify the entire bill. So with that we are recessed once again on 2016.

2017 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

SB 2016
4/24/2017
JOB # 30280

Subcommittee
 Conference Committee

Committee Clerk Signature

Pam Dever for Allison DeLuzo

Explanation or reason for introduction of bill/resolution:

A Conference Committee hearing for Job Service of ND

Minutes:

1. Proposed Amendment # 17.0524.02007

Chairman Krebsbach: Called the Conference Committee to order on SB 2016 at 2:30 pm in the Harvest Room. Let the record show that all conferees were present: **Senators: Chairman Karen Krebsbach, Dave Oehlke and Tim Mathern; Representatives: Roscoe Streyle, Bob Martinson and Kathy Hogan. (Representative Hogan is replacing Representative Boe)** Levi Kinnischtzke, Legislative Council and Becky J. Keller, OMB were also present.

Chairman Krebsbach: I have given you a copy of proposed amendment. There will be changes suggested. Pam if you would like to go through.

Representative Streyle: The new draft is fine. Just make the motion the amendment .02007.

Representative Martinson: I second.

Chairman Krebsbach: We do have some wording changes. We just received this. If they are going to do a qualified consultant, we need to put some dollars into that for OMB. It was suggested up to \$25,000. I don't know if it will cost that much. We need to incorporate that into the amendment. Just after the word "TIBESAR", which is 4th line down, the sentence after that, "the office of OMB in consult with AG and job service". We need to include both of them. Do you have any problems with that? (2.31)

Representative Streyle: What are they going to provide? I support this amendment. This is basic math here. We don't need to hire a consultant. We could pull this together in 20 minutes. Seriously.

Chairman Krebsbach: I think we need to satisfy the parties involved. Just another little change, is the term cost effective means savings to the general or federal funds including any costs of relocation, remodeling, and rental space of office space for job service and AG office. They are not major changes, just clarification.

Senator Mathern: I think those changes are simple enough. I would feel comfortable adopting these changes on these amendments.

Representative Streyle: What is the point of the last one you said?

Chairman Krebsbach: You mean the cost effective part of it? Or adding the language of rental?

Representative Streyle: Correct. So they can go out and say it will cost \$20 per square foot and throw out factious numbers. They, Job Service, don't want to do this. I don't care that they do not want to do this. We already know that this will save ND lots of money. If OMB won't do or can't do it, that is their problem. Because Job Service does not want to do it, they will throw up every road block they can. That is my concern. (5.29)

Chairman Krebsbach: I don't feel that way. Job service is concerned that they have excess space and they want to do the right thing. Sometimes we got to trust.

Representative Streyle: If you can bring your changes, we can discuss tomorrow. If OMB can't handle it, then they have problems at OMB. This is very simple.

Chairman Krebsbach: They seem to be at controversy. That is why a qualified consultant is being requested to take it to independent review. (6.23)

Representative Streyle: What is the office of Facilities Management job then? That's get rid of that part then. I could put this on a spreadsheet in 25 minutes.

Chairman Krebsbach: That would be your opinion. We are dealing with three different parties so we need to get some conclusions. You've heard the suggested changes. There isa motion of the floor to adopt the amendment as is. Do you want to vote on that amendment that includes the changes or without the changes?

Representative Streyle: I move to include the \$25,000, but not any of the rest.

Representative Martinson: I second.

Chairman Krebsbach: I would like to take about a 3 to 5-minute recess. (short break) We will resume the conference committee.

Representative Streyle: I would move .02007 with the addition of up to \$25,000 for the independent study including consultation with AG and Job Service after costs associated with relocation, rental costs associated with the regional office and remodeling. (8.20)

Senator Oehlke: I second.

Representative Streyle: I remove my first motion.

Chairman Krebsbach: I will call for this motion as mentioned. Levi, did you get the changes for the final draft? They are not agreeing to add the federal funds. It's just general funds. This is going to be a study.

Levi Kinnischtzke, Legislative Council: I want a point of clarification. The way it is stated in section 11, that was provided directly from AG office. That section only provides legislative intent regarding the AG office appropriation.

Representative Streyle: Levi, this would not break their existing lease, then? We would need something from OMB or something contingent to break their lease.

Levi: It is the AG office belief that they would be able to cancel any obligations in current leases. They can use this if they so wish. That would be up to their office to use this.

Representative Streyle: OK. That sounds good.

Chairman Krebsbach: They would only be doing this if they come to some agreement on section 10.

Levi: Correct.

Chairman Krebsbach: Any further discussion? Would the clerk please call the roll on the amended version of the amendment #17.0524.02007.

A Roll Call vote was taken. Yea: 6; Nay: 0; Absent: 0. Motion carried.

V. Chairman Krebsbach:	Yea	Representative Streyle:	Yea
Senator Oehlke:	Yea	Representative Martinson:	Yea
Senator Mathern:	Yea	Representative Hogan:	Yea

Chairman Krebsbach: A new amendment will be drafted and everyone on the committee will have a chance to see the amendment. (The House will recede and amend as follows: The Proposed Amendment # 17. 0524.02007 with changes made in Representative Streyle's motion.)

The Conference Committee hearing was closed on SB 2016.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2016

That the House recede from its amendments as printed on pages 508-509 of the Senate Journal and pages 1344-1347 of the House Journal and that Engrossed Senate Bill No. 2016 be amended as follows:

Page 1, line 2, after "Dakota" insert "; to provide a statement of legislative intent; and to provide for a legislative management study"

Page 1, replace lines 12 through 21 with:

"Salaries and wages	\$39,604,238	(\$12,448,672)	\$27,155,566
Operating expenses	13,479,157	(1,977,902)	11,501,255
Capital assets	20,000	100,000	120,000
Grants	5,404,326	54,245	5,458,571
Workforce 20/20	1,441,225	(1,441,225)	0
Reed Act - unemployment insurance	<u>12,407,000</u>	<u>(1,197,443)</u>	<u>11,209,557</u>
computer modernization			
Total all funds	\$72,355,946	(\$16,910,997)	\$55,444,949
Less estimated income	<u>70,467,866</u>	<u>(15,568,710)</u>	<u>54,899,156</u>
Total general fund	\$1,888,080	(\$1,342,287)	\$545,793"

Page 1, after line 22, insert:

"SECTION 2. HEALTH INSURANCE INCREASES. The salaries and wages line item in section 1 of this Act includes the sum of \$421,951, of which \$2,827 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month."

Page 1, line 23, after "**FUNDING**" insert "**- EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SIXTH LEGISLATIVE ASSEMBLY**"

Page 1, line 24, after "biennium" insert "and the 2017-19 biennium one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 2 through 6 with:

"Oil and gas employment study	\$80,000	\$0
Virtual OneStop application	9,500	0
Renovation of Bismarck regional office	<u>0</u>	<u>100,000</u>
Total all funds	\$89,500	\$100,000
Total special funds	<u>0</u>	<u>0</u>
Total general fund	\$89,500	\$100,000

The 2017-19 biennium one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. Job service North Dakota shall report to the appropriations committees of the sixty-sixth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 2, line 9, replace "\$11,210,286" with "\$11,209,557"

Page 2, after line 16, insert:

"SECTION 6. ESTIMATED INCOME - RENT REVENUE. The estimated income line item in section 1 of this Act includes \$750,000 of estimated rent revenue as a result of job service North Dakota leasing the Minot regional office and a portion of the Bismarck central office to other state agencies. Any revenue collected must be deposited in the job service North Dakota operating fund for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 7. ONE-TIME FUNDING - BISMARCK REGIONAL OFFICE RENOVATION - RELOCATION COSTS. Section 1 of this Act includes \$100,000 of one-time funding from the general fund, for defraying the expenses of job service North Dakota relocating from the Bismarck central office to the Bismarck regional office and for costs associated with renovations of the Bismarck regional office necessary for normal business operations for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 8. NEW JOBS TRAINING. During the biennium beginning July 1, 2017 and ending June 30, 2019, job service North Dakota may not award more than \$2,500,000 for new agreements related to the new jobs training program under chapter 52-02.1.

SECTION 9. LEGISLATIVE INTENT - JOB SERVICE NORTH DAKOTA PROPERTIES. It is the intent of the sixty-fifth legislative assembly that, as a result of the study provided for in section 12 of this Act, job service North Dakota enter a long-term lease or sell the property determined most valuable and continue to occupy the property with the lowest cost for office space.

SECTION 10. LEGISLATIVE MANAGEMENT STUDY - JOB SERVICE NORTH DAKOTA PROPERTIES. During the 2017-18 interim, the legislative management shall consider studying office space cost and value of properties owned by job service North Dakota in Fargo, Rolla, Minot, and Bismarck with input from the office of management and budget. If job service North Dakota sells or leases any property identified in this section before July 1, 2017, the property may not be included in the study. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-sixth legislative assembly."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2016 - Job Service North Dakota - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$39,604,238	\$27,187,623	(\$32,057)	\$27,155,566	\$27,155,566	
Operating expenses	13,479,157	10,751,255	750,000	11,501,255	11,501,255	
Capital assets	20,000	20,000	100,000	120,000	120,000	
Grants	5,404,326	5,458,571		5,458,571	5,458,571	
Workforce 20/20	1,441,225	502,407	(502,407)			
Reed Act - Computer modernization	12,407,000	11,210,286	(729)	11,209,557	11,209,557	
Total all funds	\$72,355,946	\$55,130,142	\$314,807	\$55,444,949	\$55,444,949	\$0
Less estimated income	70,467,866	54,181,895	717,261	54,899,156	54,899,156	0
General fund	\$1,888,080	\$948,247	(\$402,454)	\$545,793	\$545,793	\$0
FTE	237.76	181.61	0.00	181.61	181.61	0.00

Department No. 380 - Job Service North Dakota - Detail of Conference Committee Changes

	Adjusts Funding for Health Insurance ¹	Eliminates Funding For Workforce 20/20 Program ²	Adds Funding for Estimated Rent Revenue ³	Adds One-Time Funding for Relocating and Office Renovations ⁴	Total Conference Committee Changes
Salaries and wages	(\$32,057)				(\$32,057)
Operating expenses			750,000		750,000
Capital assets				100,000	100,000
Grants					
Workforce 20/20	(174)	(502,233)			(502,407)
Reed Act - Computer modernization	(729)				(729)
Total all funds	(\$32,960)	(\$502,233)	\$750,000	\$100,000	\$314,807
Less estimated income	(32,739)	0	750,000	0	717,261
General fund	(\$221)	(\$502,233)	\$0	\$100,000	(\$402,454)
FTE	0.00	0.00	0.00	0.00	0.00

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month.

² Funding is eliminated for the Workforce 20/20 program, the same as the House version. The Senate provided \$502,407 from the general fund for the program.

³ Funding for operating expenses is increased by \$750,000 of revenue to be collected as a result of Job Service North Dakota leasing the Minot regional office and Bismarck central office to other state agencies, the same as the House version. Revenue collected will be deposited in the Job Service North Dakota operating fund. The House also included these provisions.

⁴ One-time funding is added from the general fund for costs associated with Job Service North Dakota relocating from the Bismarck central office to the Bismarck regional office and for any related renovations of the Bismarck regional office necessary for normal business operations, the same as the House version.

This amendment also:

- Adds a section to identify the amount of funding included in the bill for the increase in employee health insurance premiums, the same as the House version.
- Adjusts the amount of funding for Reed Act funds in Section 4 of the bill, the same as the House version.
- Adds a section to identify an increase in special fund spending authority of \$750,000 due to estimated rent revenue to be collected as a result of leasing the Job Service North Dakota Minot regional office and Bismarck central office, the same as the House version.
- Adds a section to identify \$100,000 of one-time funding from the general fund for costs associated with Job Service North Dakota relocating to the Bismarck regional office and for related renovation costs of the property, the same as the House version.
- Adds a section limiting the amount Job Service North Dakota may award for new agreements under the new jobs training program to \$2.5 million during the 2017-19 biennium. The House repealed North Dakota Century Code Chapter 52-02.1, related to the new jobs training program and allowed Job Service North Dakota to honor any current obligations of the program. The conference committee did not repeal the chapter.
- Adds a section providing legislative intent regarding the study of Job Service North Dakota properties in Fargo, Rolla, Minot, and Bismarck, the same as the House version.
- Adds a section providing for a legislative management study, in conjunction with the Office of Management and Budget, related to Job Service North Dakota properties in Fargo, Rolla, Minot, and Bismarck, the same as the House version.

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PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2016

That the House recede from its amendments as printed on pages 1249-1252 of the Senate Journal and pages 1344-1347 of the House Journal and that Engrossed Senate Bill No. 2016 be amended as follows:

Page 1, line 2, after "Dakota" insert "; to provide a statement of legislative intent; to provide for a legislative management study; to provide for a study by the office of management and budget; to provide an appropriation to the office of management and budget; and to declare an emergency"

Page 1, replace lines 12 through 21 with:

"Salaries and wages	\$39,604,238	(\$12,448,672)	\$27,155,566
Operating expenses	13,479,157	(1,977,902)	11,501,255
Capital assets	20,000	100,000	120,000
Grants	5,404,326	54,245	5,458,571
Workforce 20/20	1,441,225	(1,441,225)	0
Reed Act - unemployment insurance	<u>12,407,000</u>	<u>(1,197,443)</u>	<u>11,209,557</u>
computer modernization			
Total all funds	\$72,355,946	(\$16,910,997)	\$55,444,949
Less estimated income	<u>70,467,866</u>	<u>(15,568,710)</u>	<u>54,899,156</u>
Total general fund	\$1,888,080	(\$1,342,287)	\$545,793"

Page 1, after line 22, insert:

"SECTION 2. HEALTH INSURANCE INCREASES. The salaries and wages line item in section 1 of this Act includes the sum of \$421,951, of which \$2,827 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month."

Page 1, line 23, after "FUNDING" insert "- EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SIXTH LEGISLATIVE ASSEMBLY"

Page 1, line 24, after "biennium" insert "and the 2017-19 biennium one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 2 through 6 with:

"Oil and gas employment study	\$80,000	\$0
Virtual OneStop application	9,500	0
Renovation of Bismarck regional office	<u>0</u>	<u>100,000</u>
Total all funds	\$89,500	\$100,000
Total special funds	<u>0</u>	<u>0</u>
Total general fund	\$89,500	\$100,000

The 2017-19 biennium one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. Job service North Dakota shall report to the appropriations committees of the sixty-sixth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 2, line 9, replace "\$11,210,286" with "\$11,209,557"

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"SECTION 6. ESTIMATED INCOME - RENT REVENUE. The estimated income line item in section 1 of this Act includes \$750,000 of estimated rent revenue as a result of job service North Dakota leasing the Minot regional office and a portion of the Bismarck central office to other state agencies. Any revenue collected must be deposited in the job service North Dakota operating fund for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 7. ONE-TIME FUNDING - BISMARCK REGIONAL OFFICE RENOVATION - RELOCATION COSTS. Section 1 of this Act includes \$100,000 of one-time funding from the general fund, for defraying the expenses of job service North Dakota relocating from the Bismarck central office to the Bismarck regional office and for costs associated with renovations of the Bismarck regional office necessary for normal business operations for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 8. NEW JOBS TRAINING. During the biennium beginning July 1, 2017, and ending June 30, 2019, job service North Dakota may not award more than \$2,500,000 for new agreements related to the new jobs training program under chapter 52-02.1.

SECTION 9. LEGISLATIVE MANAGEMENT STUDY - JOB SERVICE NORTH DAKOTA PROPERTIES. During the 2017-18 interim, the legislative management shall consider studying office space cost and value of properties owned by job service North Dakota in Fargo, Rolla, Minot, and Bismarck with input from the office of management and budget. If job service North Dakota sells or leases any property identified in this section before July 1, 2017, the property may not be included in the study. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 10. APPROPRIATION - STUDY AND LEASE OF JOB SERVICE NORTH DAKOTA BISMARCK PROPERTY - JOB SERVICE NORTH DAKOTA RELOCATION - BUDGET SECTION REPORT. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$25,000, or so much of the sum as may be necessary, to the office of management and budget for the purpose of contracting with a qualified consultant by June 30, 2017, to conduct a study of the most cost-effective use for the job service North Dakota property Parcel# 0485-010-045; Lot# N.50; of L 3, ALL 4-6, ALL L 17-19; Block# 10; Addition - TIBESAR's first in the city of Bismarck, Burleigh County, North Dakota. The funding appropriated in this section is considered one-time funding. The office of management and budget, in consultation with the attorney general and job service North Dakota, shall determine the most cost-effective use of the property described in this section. The term "cost-effective" means savings to the general fund, including any costs associated with relocation, rental costs related to the job service North Dakota Bismarck regional office, and remodeling of office space for job service North Dakota and the attorney general's office. The office of management and budget shall complete its study by September 30, 2017. If the office of management and budget determines it is more cost-effective for the attorney general's office to lease a portion of the property described in this section, job service North Dakota shall lease the number of square feet that is determined the most cost-effective, up to seventy-five percent of the building, to the attorney general, no later than March 31, 2018. Job service North Dakota shall continue to occupy at least twenty-five percent of the building. As a result

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of the study provided for in this section and upon the lease of a portion of the property described in this section, job service North Dakota may relocate a portion of its central office operations to another suitable location. The office of management and budget shall report the findings and results of its study to the budget section prior to the lease of the job service North Dakota central office building and subsequent relocation of job service North Dakota to the Bismarck regional office or other office space.

SECTION 11. LEGISLATIVE INTENT. If the attorney general's office relocates a portion of its operations to the job service North Dakota central office, it is the intent of the sixty-fifth legislative assembly any funds appropriated to lease office space it is vacating are no longer appropriated for said purpose.

SECTION 12. EMERGENCY. Section 10 of this Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2016 - Summary of Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Office of Management and Budget						
Total all funds	\$0	\$0	\$25,000	\$25,000	\$0	\$25,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$25,000	\$25,000	\$0	\$25,000
Job Service North Dakota						
Total all funds	\$72,355,946	\$55,130,142	\$314,807	\$55,444,949	\$55,444,949	\$0
Less estimated income	70,467,866	54,181,895	717,261	54,899,156	54,899,156	0
General fund	\$1,888,080	\$948,247	(\$402,454)	\$545,793	\$545,793	\$0
Bill total						
Total all funds	\$72,355,946	\$55,130,142	\$339,807	\$55,469,949	\$55,444,949	\$25,000
Less estimated income	70,467,866	54,181,895	717,261	54,899,156	54,899,156	0
General fund	\$1,888,080	\$948,247	(\$377,454)	\$570,793	\$545,793	\$25,000

Senate Bill No. 2016 - Office of Management and Budget - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Operating expenses			\$25,000	\$25,000		\$25,000
Total all funds	\$0	\$0	\$25,000	\$25,000	\$0	\$25,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$25,000	\$25,000	\$0	\$25,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department No. 110 - Office of Management and Budget - Detail of Conference Committee Changes

	Adds Funding for a Job Service North Dakota Property Study ¹	Total Conference Committee Changes
Operating expenses	\$25,000	\$25,000
Total all funds	\$25,000	\$25,000

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Less estimated income	0	0
General fund	\$25,000	\$25,000
FTE	0.00	0.00

¹ One-time funding of \$25,000 is added from the general fund to the Office of Management and Budget for the purpose of contracting with a consultant to conduct a study to determine the most cost-effective use of the Job Service North Dakota Bismarck central office building.

Senate Bill No. 2016 - Job Service North Dakota - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$39,604,238	\$27,187,623	(\$32,057)	\$27,155,566	\$27,155,566	
Operating expenses	13,479,157	10,751,255	750,000	11,501,255	11,501,255	
Capital assets	20,000	20,000	100,000	120,000	120,000	
Grants	5,404,326	5,458,571		5,458,571	5,458,571	
Workforce 20/20	1,441,225	502,407	(502,407)			
Reed Act - Computer modernization	12,407,000	11,210,286	(729)	11,209,557	11,209,557	
Total all funds	\$72,355,946	\$55,130,142	\$314,807	\$55,444,949	\$55,444,949	\$0
Less estimated income	70,467,866	54,181,895	717,261	54,899,156	54,899,156	0
General fund	\$1,888,080	\$948,247	(\$402,454)	\$545,793	\$545,793	\$0
FTE	237.76	181.61	0.00	181.61	181.61	0.00

Department No. 380 - Job Service North Dakota - Detail of Conference Committee Changes

	Adjusts Funding for Health Insurance ¹	Eliminates Funding For Workforce 20/20 Program ²	Adds Funding for Estimated Rent Revenue ³	Adds One-Time Funding for Relocating and Office Renovations ⁴	Total Conference Committee Changes
Salaries and wages	(\$32,057)				(\$32,057)
Operating expenses			750,000		750,000
Capital assets				100,000	100,000
Grants					
Workforce 20/20	(174)	(502,233)			(502,407)
Reed Act - Computer modernization	(729)				(729)
Total all funds	(\$32,960)	(\$502,233)	\$750,000	\$100,000	\$314,807
Less estimated income	(32,739)	0	750,000	0	717,261
General fund	(\$221)	(\$502,233)	\$0	\$100,000	(\$402,454)
FTE	0.00	0.00	0.00	0.00	0.00

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month. Section 2 of the bill is also adjusted to reflect the revised premium rate.

² Funding is eliminated for the Workforce 20/20 program, the same as the House version. The Senate provided \$502,407 from the general fund for the program.

³ Funding for operating expenses is increased by \$750,000 of revenue to be collected as a result of Job Service North Dakota leasing the Minot regional office and Bismarck central office to other state agencies, the same as the House version. Revenue collected will be deposited in the Job Service North Dakota operating fund. The House also included these provisions.

⁴ One-time funding is added from the general fund for costs associated with Job Service North Dakota relocating from the Bismarck central office to the Bismarck regional office and for any related renovations

of the Bismarck regional office necessary for normal business operations, the same as the House version.

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This amendment also:

- Adjusts the amount of funding for Reed Act funds in Section 4 of the bill, the same as the House version.
- Adds a section to identify an increase in special fund spending authority of \$750,000 due to estimated rent revenue to be collected as a result of leasing the Job Service North Dakota Minot regional office and Bismarck central office, the same as the House version.
- Adds a section to identify \$100,000 of one-time funding from the general fund for costs associated with Job Service North Dakota relocating to the Bismarck regional office and for related renovation costs of the property, the same as the House version.
- Adds a section limiting the amount Job Service North Dakota may award for new agreements under the new jobs training program to \$2.5 million during the 2017-19 biennium. The House repealed North Dakota Century Code Chapter 52-02.1, related to the new jobs training program and allowed Job Service North Dakota to honor any current obligations of the program. The Conference Committee did not repeal the chapter.
- Removes a section approved by the House to provide legislative intent regarding the study of Job Service North Dakota properties in Fargo, Rolla, Minot, and Bismarck.
- Adds a section providing for a Legislative Management study, with input from the Office of Management and Budget, related to Job Service North Dakota properties in Fargo, Rolla, Minot, and Bismarck. The House version included a similar section.
- Adds a section providing for a study by the Office of Management and Budget regarding the potential lease of the Job Service North Dakota central office in Bismarck. This section is declared to be an emergency measure.
- Adds a section providing legislative intent that upon the Attorney General's potential relocation to the Job Service North Dakota central office, funds appropriated to the Attorney General to lease office space in the 2017-19 biennium is no longer appropriated for that purpose.

Date: _____
 Roll Call Vote #: _____

**2017 SENATE CONFERENCE COMMITTEE
 ROLL CALL VOTES**

BILL/RESOLUTION NO. 2016 as (re) engrossed

Senate Appropriations Committee

- Action Taken**
- SENATE accede to House Amendments
 - SENATE accede to House Amendments and further amend
 - HOUSE recede from House amendments
 - HOUSE recede from House amendments and amend as follows

 - Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: _____ Seconded by: _____

Senators	4/11	4/12	4/17	Yes	No	Representatives	4/11	4/12	4/17	Yes	No
Senator Krebsbach	✓	✓	✓			Rep. Streyle	✓	✓	✓		
Senator Dehike	✓	✓	✓			Rep. Martinson	✓	✓	✓		
Senator Mathern	✓	✓	✓			Rep. Bee	✓	✓	✓		
Total Senate Vote						Total Rep. Vote					

Vote Count Yes: _____ No: _____ Absent: _____

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Title # _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Date: _____
 Roll Call Vote #: _____

**2017 SENATE CONFERENCE COMMITTEE
 ROLL CALL VOTES**

BILL/RESOLUTION NO. _____ as (re) engrossed

Senate Appropriations Committee

- Action Taken SENATE accede to House Amendments
 SENATE accede to House Amendments and further amend
 HOUSE recede from House amendments
 HOUSE recede from House amendments and amend as follows
- Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: _____ Seconded by: _____

Senators	4/18	4/20		Yes	No	Representatives	4/18	4/20		Yes	No
<i>Krusback</i>	✓	/				<i>Streyll</i>	✓	/			
<i>Behlke</i>	✓	/				<i>Martinson</i>	✓	/			
<i>Mather</i>	✓	/				<i>Boe</i>	✓	/			
Total Senate Vote						Total Rep. Vote					

Vote Count Yes: _____ No: _____ Absent: _____

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Title # _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Date: _____
 Roll Call Vote #: _____

**2017 SENATE CONFERENCE COMMITTEE
 ROLL CALL VOTES**

BILL/RESOLUTION NO. 2016 as (re) engrossed

Senate Appropriations Committee

- Action Taken**
- SENATE accede to House Amendments
 - SENATE accede to House Amendments and further amend
 - HOUSE recede from House amendments
 - HOUSE recede from House amendments and amend as follows
 - Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: _____ Seconded by: _____

Senators				Representatives			
	4/24	Yes	No		4/24	Yes	No
<i>Kreitzberg</i>	✓			<i>Streyle</i>	✓		
<i>Oehlke</i>	✓			<i>Martinson</i>	✓		
<i>Mother</i>	✓			<i>Hogans</i>	✓		
Total Senate Vote				Total Rep. Vote			

Vote Count Yes: _____ No: _____ Absent: _____

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Title # _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Date: 4-17-17
 Roll Call Vote #: 1

**2017 SENATE CONFERENCE COMMITTEE
 ROLL CALL VOTES**

BILL/RESOLUTION NO. 2016 as (re) engrossed

Senate Appropriations Committee

- Action Taken SENATE accede to House Amendments
 SENATE accede to House Amendments and further amend
 HOUSE recede from House amendments
 HOUSE recede from House amendments and amend as follows
- Unable to agree, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Rep. Streyle Seconded by: Sen. Deplke

Senators				Yes	No	Representatives				Yes	No
<u>Krubback</u>				✓		<u>Streyle</u>				✓	
<u>Deplke</u>				✓		<u>Mattinson</u>				✓	
<u>Mather</u>				✓		<u>Boe</u>				✓	
Total Senate Vote				<u>3</u>		Total Rep. Vote				<u>3</u>	

Vote Count Yes: 6 No: 0 Absent: 0

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Title # _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Motion to cap the NO Training program at 2.5M for the biennium.

Date: 4-20-17
 Roll Call Vote #: 1

**2017 SENATE CONFERENCE COMMITTEE
 ROLL CALL VOTES**

BILL/RESOLUTION NO. 2016 as (re) engrossed

Senate Appropriations Committee

- Action Taken SENATE accede to House Amendments
 SENATE accede to House Amendments and further amend
 HOUSE recede from House amendments
 HOUSE recede from House amendments and amend as follows
- Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Streyke Seconded by: Martinson

Senators	<i>present</i> 4/20			Yes	No	Representatives	<i>present</i> 4/20			Yes	No
<i>Krebslack</i>	✓			✓		<i>Streyke</i>	✓			✓	
<i>Bentke</i>	✓			✓		<i>Martinson</i>	✓				✓
<i>Mathers</i>	✓			✓		<i>Boe</i>	✓				✓
Total Senate Vote				3		Total Rep. Vote				1	2

Vote Count Yes: 4 No: 2 Absent: 0

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Title # _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Failed

Motion is to Remove Section 9 of Amendment #17. 0524. 02006.

Date: H. 24-11
 Roll Call Vote #: 1

**2017 SENATE CONFERENCE COMMITTEE
 ROLL CALL VOTES**

BILL/RESOLUTION NO. 2016 as (re) engrossed

Senate Appropriations Committee

- Action Taken
- SENATE accede to House Amendments
 - SENATE accede to House Amendments and further amend
 - HOUSE recede from House amendments
 - HOUSE recede from House amendments and amend as follows
 - Unable to agree, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Streyle Seconded by: Sen Oehlke

Senators	<u>4/24</u>	Yes	No	Representatives	<u>4/24</u>	Yes	No
<u>Krebsbach</u>		✓		<u>Streyle</u>		✓	
<u>Oehlke</u>		✓		<u>Martinson</u>		✓	
<u>Mothers</u>		✓		<u>Hogan</u>		✓	
Total Senate Vote		<u>3</u>		Total Rep. Vote		<u>3</u>	

Vote Count Yes: 6 No: 0 Absent: 0

Senate Carrier Krebsbach House Carrier Streyle

LC Number 17.0524 . 02008 of amendment

LC Title # 05000 . 17.0524.02008 of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Motion: to move 02007 with the addition of up to \$25000 for the independent study including consultation with Attorney General + Job Service after costs associated with relocation, rental costs associated with the regional office + remodeling.

Insert LC: 17.0524.02008
Senate Carrier: Oehlke
House Carrier: Streyle

REPORT OF CONFERENCE COMMITTEE

SB 2016, as engrossed: Your conference committee (Sens. Krebsbach, Oehlke, Mathern and Reps. Streyle, Martinson, Hogan) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1249-1252, adopt amendments as follows, and place SB 2016 on the Seventh order:

That the House recede from its amendments as printed on pages 1249-1252 of the Senate Journal and pages 1344-1347 of the House Journal and that Engrossed Senate Bill No. 2016 be amended as follows:

Page 1, line 2, after "Dakota" insert "; to provide a statement of legislative intent; to provide for a legislative management study; to provide for a study by the office of management and budget; to provide an appropriation to the office of management and budget; and to declare an emergency"

Page 1, replace lines 12 through 21 with:

"Salaries and wages	\$39,604,238	(\$12,448,672)	\$27,155,566
Operating expenses	13,479,157	(1,977,902)	11,501,255
Capital assets	20,000	100,000	120,000
Grants	5,404,326	54,245	5,458,571
Workforce 20/20	1,441,225	(1,441,225)	0
Reed Act - unemployment insurance	12,407,000	(1,197,443)	11,209,557
computer modernization			
Total all funds	\$72,355,946	(\$16,910,997)	\$55,444,949
Less estimated income	70,467,866	(15,568,710)	54,899,156
Total general fund	\$1,888,080	(\$1,342,287)	\$545,793"

Page 1, after line 22, insert:

"SECTION 2. HEALTH INSURANCE INCREASES. The salaries and wages line item in section 1 of this Act includes the sum of \$421,951, of which \$2,827 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month."

Page 1, line 23, after "**FUNDING**" insert "**- EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SIXTH LEGISLATIVE ASSEMBLY**"

Page 1, line 24, after "biennium" insert "and the 2017-19 biennium one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 2 through 6 with:

"Oil and gas employment study	\$80,000	\$0
Virtual OneStop application	9,500	0
Renovation of Bismarck regional office	0	100,000
Total all funds	\$89,500	\$100,000
Total special funds	0	0
Total general fund	\$89,500	\$100,000

The 2017-19 biennium one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. Job service North Dakota shall report to the appropriations committees of the sixty-sixth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 2, line 9, replace "\$11,210,286" with "\$11,209,557"

Page 2, after line 16, insert:

Insert LC: 17.0524.02008
Senate Carrier: Oehlke
House Carrier: Streyle

"SECTION 6. ESTIMATED INCOME - RENT REVENUE. The estimated income line item in section 1 of this Act includes \$750,000 of estimated rent revenue as a result of job service North Dakota leasing the Minot regional office and a portion of the Bismarck central office to other state agencies. Any revenue collected must be deposited in the job service North Dakota operating fund for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 7. ONE-TIME FUNDING - BISMARCK REGIONAL OFFICE RENOVATION - RELOCATION COSTS. Section 1 of this Act includes \$100,000 of one-time funding from the general fund, for defraying the expenses of job service North Dakota relocating from the Bismarck central office to the Bismarck regional office and for costs associated with renovations of the Bismarck regional office necessary for normal business operations for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 8. NEW JOBS TRAINING. During the biennium beginning July 1, 2017, and ending June 30, 2019, job service North Dakota may not award more than \$2,500,000 for new agreements related to the new jobs training program under chapter 52-02.1.

SECTION 9. LEGISLATIVE MANAGEMENT STUDY - JOB SERVICE NORTH DAKOTA PROPERTIES. During the 2017-18 interim, the legislative management shall consider studying office space cost and value of properties owned by job service North Dakota in Fargo, Rolla, Minot, and Bismarck with input from the office of management and budget. If job service North Dakota sells or leases any property identified in this section before July 1, 2017, the property may not be included in the study. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 10. APPROPRIATION - STUDY AND LEASE OF JOB SERVICE NORTH DAKOTA BISMARCK PROPERTY - JOB SERVICE NORTH DAKOTA RELOCATION - BUDGET SECTION REPORT. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$25,000, or so much of the sum as may be necessary, to the office of management and budget for the purpose of contracting with a qualified consultant by June 30, 2017, to conduct a study of the most cost-effective use for the job service North Dakota property Parcel# 0485-010-045; Lot# N.50; of L 3, ALL 4-6, ALL L 17-19; Block# 10; Addition - TIBESAR's first in the city of Bismarck, Burleigh County, North Dakota. The funding appropriated in this section is considered one-time funding. The office of management and budget, in consultation with the attorney general and job service North Dakota, shall determine the most cost-effective use of the property described in this section. The term "cost-effective" means savings to the general fund, including any costs associated with relocation, rental costs related to the job service North Dakota Bismarck regional office, and remodeling of office space for job service North Dakota and the attorney general's office. The office of management and budget shall complete its study by September 30, 2017. If the office of management and budget determines it is more cost-effective for the attorney general's office to lease a portion of the property described in this section, job service North Dakota shall lease the number of square feet that is determined the most cost-effective, up to seventy-five percent of the building, to the attorney general, no later than March 31, 2018. Job service North Dakota shall continue to occupy at least twenty-five percent of the building. As a result of the study provided for in this section and upon the lease of a portion of the property described in this section, job service North Dakota may relocate a portion of its central office operations to another suitable location. The office of management and budget shall report the findings and results of its study to the budget section prior to the lease of the job service North Dakota central office building and subsequent relocation of job service North Dakota to the Bismarck regional office or other office space.

SECTION 11. LEGISLATIVE INTENT. If the attorney general's office relocates a portion of its operations to the job service North Dakota central office, it is the intent of the sixty-fifth legislative assembly any funds appropriated to lease office space it is vacating are no longer appropriated for said purpose.

SECTION 12. EMERGENCY. Section 10 of this Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2016 - Summary of Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Office of Management and Budget						
Total all funds	\$0	\$0	\$25,000	\$25,000	\$0	\$25,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$25,000	\$25,000	\$0	\$25,000
Job Service North Dakota						
Total all funds	\$72,355,946	\$55,130,142	\$314,807	\$55,444,949	\$55,444,949	\$0
Less estimated income	70,467,866	54,181,895	717,261	54,899,156	54,899,156	0
General fund	\$1,888,080	\$948,247	(\$402,454)	\$545,793	\$545,793	\$0
Bill total						
Total all funds	\$72,355,946	\$55,130,142	\$339,807	\$55,469,949	\$55,444,949	\$25,000
Less estimated income	70,467,866	54,181,895	717,261	54,899,156	54,899,156	0
General fund	\$1,888,080	\$948,247	(\$377,454)	\$570,793	\$545,793	\$25,000

Senate Bill No. 2016 - Office of Management and Budget - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Operating expenses			\$25,000	\$25,000		\$25,000
Total all funds	\$0	\$0	\$25,000	\$25,000	\$0	\$25,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$25,000	\$25,000	\$0	\$25,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department No. 110 - Office of Management and Budget - Detail of Conference Committee Changes

	Adds Funding for a Job Service North Dakota Property Study ¹	Total Conference Committee Changes
Operating expenses	\$25,000	\$25,000
Total all funds	\$25,000	\$25,000
Less estimated income	0	0
General fund	\$25,000	\$25,000
FTE	0.00	0.00

¹ One-time funding of \$25,000 is added from the general fund to the Office of Management and Budget for the purpose of contracting with a consultant to conduct a study to determine

Insert LC: 17.0524.02008
 Senate Carrier: Oehlke
 House Carrier: Streyle

the most cost-effective use of the Job Service North Dakota Bismarck central office building.

Senate Bill No. 2016 - Job Service North Dakota - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$39,604,238	\$27,187,623	(\$32,057)	\$27,155,566	\$27,155,566	
Operating expenses	13,479,157	10,751,255	750,000	11,501,255	11,501,255	
Capital assets	20,000	20,000	100,000	120,000	120,000	
Grants	5,404,326	5,458,571		5,458,571	5,458,571	
Workforce 20/20	1,441,225	502,407	(502,407)			
Reed Act - Computer modernization	12,407,000	11,210,286	(729)	11,209,557	11,209,557	
Total all funds	\$72,355,946	\$55,130,142	\$314,807	\$55,444,949	\$55,444,949	\$0
Less estimated income	70,467,866	54,181,895	717,261	54,899,156	54,899,156	0
General fund	\$1,888,080	\$948,247	(\$402,454)	\$545,793	\$545,793	\$0
FTE	237.76	181.61	0.00	181.61	181.61	0.00

Department No. 380 - Job Service North Dakota - Detail of Conference Committee Changes

	Adjusts Funding for Health Insurance ¹	Eliminates Funding For Workforce 20/20 Program ²	Adds Funding for Estimated Rent Revenue ³	Adds One-Time Funding for Relocating and Office Renovations ⁴	Total Conference Committee Changes
Salaries and wages	(\$32,057)				(\$32,057)
Operating expenses			750,000		750,000
Capital assets				100,000	100,000
Grants					
Workforce 20/20	(174)	(502,233)			(502,407)
Reed Act - Computer modernization	(729)				(729)
Total all funds	(\$32,960)	(\$502,233)	\$750,000	\$100,000	\$314,807
Less estimated income	(32,739)	0	750,000	0	717,261
General fund	(\$221)	(\$502,233)	\$0	\$100,000	(\$402,454)
FTE	0.00	0.00	0.00	0.00	0.00

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month. Section 2 of the bill is also adjusted to reflect the revised premium rate.

² Funding is eliminated for the Workforce 20/20 program, the same as the House version. The Senate provided \$502,407 from the general fund for the program.

³ Funding for operating expenses is increased by \$750,000 of revenue to be collected as a result of Job Service North Dakota leasing the Minot regional office and Bismarck central office to other state agencies, the same as the House version. Revenue collected will be deposited in the Job Service North Dakota operating fund. The House also included these provisions.

⁴ One-time funding is added from the general fund for costs associated with Job Service North Dakota relocating from the Bismarck central office to the Bismarck regional office and for any related renovations of the Bismarck regional office necessary for normal business operations, the same as the House version.

This amendment also:

Insert LC: 17.0524.02008
Senate Carrier: Oehlke
House Carrier: Streyle

- Adjusts the amount of funding for Reed Act funds in Section 4 of the bill, the same as the House version.
- Adds a section to identify an increase in special fund spending authority of \$750,000 due to estimated rent revenue to be collected as a result of leasing the Job Service North Dakota Minot regional office and Bismarck central office, the same as the House version.
- Adds a section to identify \$100,000 of one-time funding from the general fund for costs associated with Job Service North Dakota relocating to the Bismarck regional office and for related renovation costs of the property, the same as the House version.
- Adds a section limiting the amount Job Service North Dakota may award for new agreements under the new jobs training program to \$2.5 million during the 2017-19 biennium. The House repealed North Dakota Century Code Chapter 52-02.1, related to the new jobs training program and allowed Job Service North Dakota to honor any current obligations of the program. The Conference Committee did not repeal the chapter.
- Removes a section approved by the House to provide legislative intent regarding the study of Job Service North Dakota properties in Fargo, Rolla, Minot, and Bismarck.
- Adds a section providing for a Legislative Management study, with input from the Office of Management and Budget, related to Job Service North Dakota properties in Fargo, Rolla, Minot, and Bismarck. The House version included a similar section.
- Adds a section providing for a study by the Office of Management and Budget regarding the potential lease of the Job Service North Dakota central office in Bismarck. This section is declared to be an emergency measure.
- Adds a section providing legislative intent that upon the Attorney General's potential relocation to the Job Service North Dakota central office, funds appropriated to the Attorney General to lease office space in the 2017-19 biennium is no longer appropriated for that purpose.

Engrossed SB 2016 was placed on the Seventh order of business on the calendar.

2017 TESTIMONY

SB 2016

**Department 380 - Job Service North Dakota
Senate Bill Nos. 2016 and 2076**

Executive Budget Comparison to Prior Biennium Appropriations

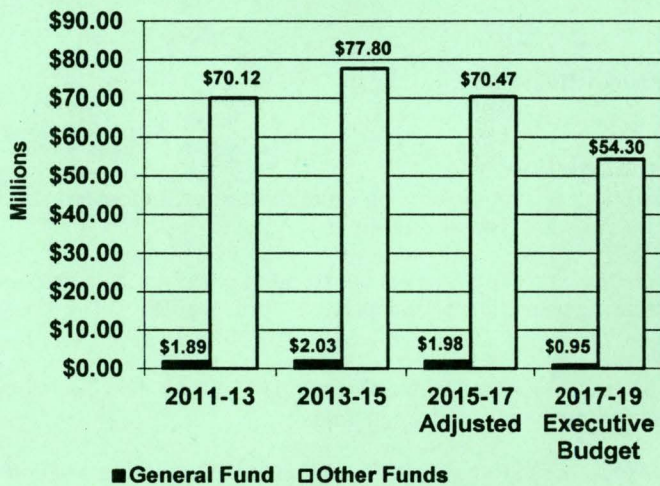
	FTE Positions	General Fund	Other Funds	Total
2017-19 Executive Budget	181.61	\$949,014	\$54,295,639	\$55,244,653
2015-17 Adjusted Legislative Appropriations ¹	237.76	1,977,580	70,467,866	72,445,446
Increase (Decrease)	(56.15)	(\$1,028,566)	(\$16,172,227)	(\$17,200,793)

¹The 2015-17 biennium agency appropriation amounts reflect general fund budget reductions made in August 2016.

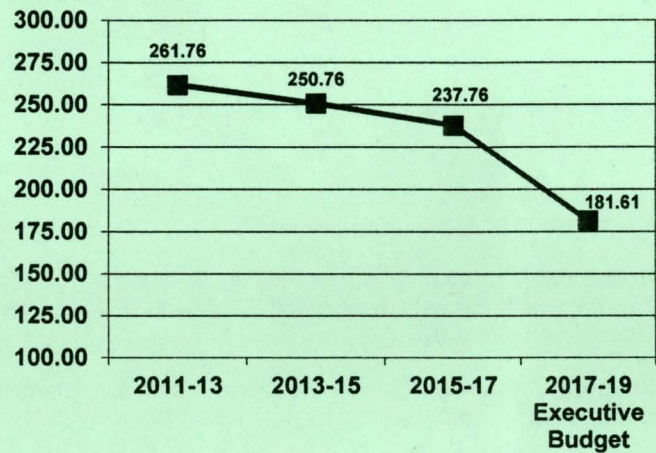
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2017-19 Executive Budget	\$949,014	\$0	\$949,014
2015-17 Adjusted Legislative Appropriations	1,888,080	89,500	1,977,580
Increase (Decrease)	(\$939,066)	(\$89,500)	(\$1,028,566)

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2017-19 Executive Budget	\$949,014	\$54,295,639	\$55,244,653
2017-19 Base Level	1,888,080	70,467,866	72,355,946
Increase (Decrease)	(\$939,066)	(\$16,172,227)	(\$17,111,293)

Executive Budget Highlights

	General Fund	Other Funds	Total
1. Adds funding for state employee salary and benefit increases, of which \$114,511 is for salary increases and \$454,911 is for health insurance increases	\$3,815	\$565,607	\$569,422
2. Adjusts funding for base payroll changes, including a reduction of 56.15 FTE positions	(\$12,798)	(\$12,603,617)	(\$12,616,415)
3. Reduces funding for operating expenses, including reductions to information technology contractual services and repairs and information technology software	\$0	(\$2,727,902)	(\$2,727,902)
4. Increases federal funding for participant training contract grants	\$0	\$54,245	\$54,245
5. Reduces funding for the Workforce 20/20 program	(\$930,083)	\$0	(\$930,083)
6. Reduces Reed Act funding	\$0	(\$1,460,560)	(\$1,460,560)

**Other Bill Sections Recommended to be Added in the Executive Budget
(As Detailed in Senate Bill No. 2076)**

Reed Act funds - Section 3 provides a special fund appropriation of \$11,213,427 in Section 1 from federal Reed Act funds made available to the state by the federal Reed Act distributions made in federal fiscal years 1957, 1958, 1999, and 2002 pursuant to section 903 of the federal Social Security Act for the purpose of developing a modernized unemployment insurance computer system.

Federal funds - Section 4 provides all federal funds received by Job Service North Dakota in excess of those funds appropriated in Section 1 are appropriated for the 2017-19 biennium.

Continuing Appropriations

Federal advance interest repayment fund - North Dakota Century Code Section 52-04-22 - Collection of penalty and interest on delinquent unemployment insurance contribution reports and payment of any interest due on federal and nonfederal obligations of the unemployment insurance trust fund.

Unemployment insurance tax fund - Section 52-03-04 - Collection of unemployment taxes and the payments of unemployment benefits.

Job task analysis - Section 52-08-13 - Collection of fees for providing job task analysis services to employers that request such services and the payment of the expenses related to the activity.

Deficiency Appropriation

There are no deficiency appropriations for this agency.

Significant Audit Findings

There are no significant audit findings for this agency.

Major Related Legislation

House Bill No. 1072 - Section 12 of this bill provides for the Department of Human Services to purchase the Grafton Job Service North Dakota building, using donated funds, for the use of the Life Skills and Transition Center.

House Bill No. 1132 - This bill requires Job Service North Dakota to complete a criminal background check on all employees and final applicants for employment with Job Service North Dakota, and contractors of Job Service North Dakota with access to federal tax information.

Senate Bill No. 2104 - This bill requires a written agreement between Job Service North Dakota and the Information Technology Department for disclosure of any data identifying individual unemployment insurance wage data.

Senate Bill No. 2119 - This bill authorizes the state of North Dakota, acting through Job Service North Dakota, to sell certain property and to declare an emergency.

Job Service North Dakota - Budget No. 380
Senate Bill Nos. 2016 and 2076

Executive Budget Recommendation

	<u>FTE</u>	<u>General</u>	<u>Other Funds</u>	<u>Total</u>
	<u>Position</u>	<u>Fund</u>		
2017-19 Biennium Base Level	237.76	\$1,888,080	\$70,467,866	\$72,355,946
2017-19 Ongoing Funding Changes				
Adjusts funding for base payroll changes	(56.15)	(\$12,798)	(\$12,603,617)	(\$12,616,415)
Salary increase		767	113,744	114,511
Health insurance increase		3,048	451,863	454,911
Reduces funding for operating expenses			(2,727,902)	(2,727,902)
Increases funding for participant training contract grants			54,245	54,245
Reduces funding for Workforce 20/20 program		(930,083)		(930,083)
Reduces Reed Act funding			(1,460,560)	(1,460,560)
Total ongoing funding changes	(56.15)	(\$939,066)	(\$16,172,227)	(\$17,111,293)
One-time funding items				
No one-time funding items				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	(56.15)	(\$939,066)	(\$16,172,227)	(\$17,111,293)
2017-19 Total Funding	181.61	\$949,014	\$54,295,639	\$55,244,653

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

Executive Budget Recommendation

Reed Act funds

Section 3 provides a special fund appropriation of \$11,213,427 in Section 1 from federal Reed Act funds made available to the state by the federal Reed Act distributions made in federal fiscal years 1957, 1958, 1999, and 2002, pursuant to section 903 of the federal Social Security Act for the purpose of developing a modernized unemployment insurance computer system.

Federal funds

Section 4 provides all federal funds received by Job Service North Dakota in excess of those funds appropriated in Section 1 are appropriated for the 2017-19 biennium.

Department 380 - Job Service North Dakota

Appropriations Comparisons to the Original and Adjusted Base Budgets

General Fund Appropriations Adjustments (As a result of the August 2016 General Fund Budget Reductions)

	Ongoing	One-Time	Total
2015-17 original general fund appropriations	\$2,026,691	\$89,500	\$2,116,191
General fund reductions	(138,611)	0	(138,611)
Adjusted 2015-17 appropriations	\$1,888,080	\$89,500	\$1,977,580
Executive Budget changes	(939,066)	(89,500)	(1,028,566)
2017-19 Executive Budget	\$949,014	\$0	\$949,014

Summary of August 2016 General Fund Budget Reductions

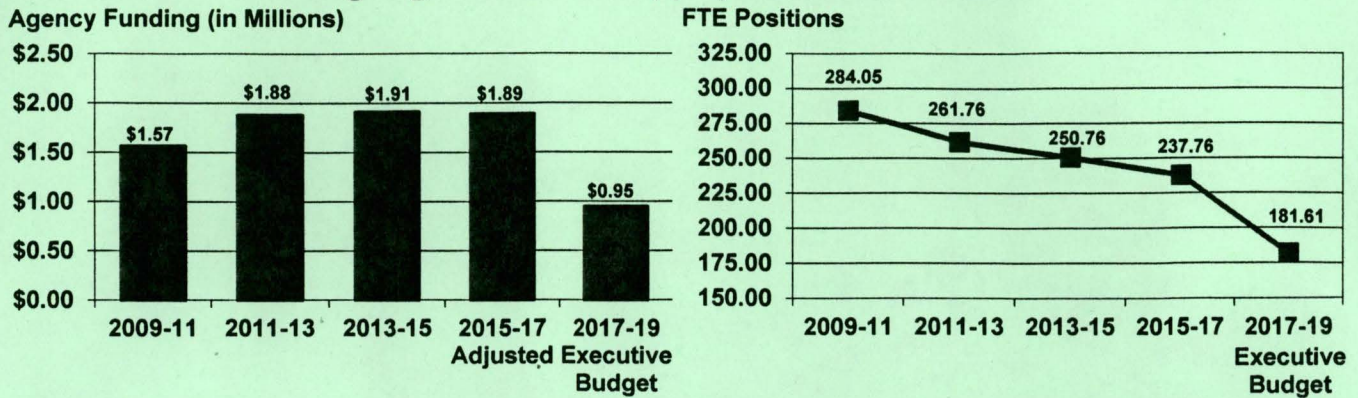
	Ongoing	One-Time	Total
Reduced funding for Workforce 20/20 program	(\$138,611)	\$0	(\$138,611)
Total reductions	(\$138,611)	\$0	(\$138,611)
Percentage reduction to ongoing and one-time general fund appropriations	6.84%	0.00%	6.55%

2017-19 Executive Budget Changes to the Original and Adjusted Base Budgets

	Changes to Original Budget	Budget Reduction Adjustments	Changes to Adjusted Budget
Adds funding for recommended salary and benefit increases	\$3,815	\$0	\$3,815
Adjusts funding for base payroll changes	(12,798)	0	(12,798)
Reduces funding for Workforce 20/20 program	(1,068,694)	138,611	(930,083)
Total	(\$1,077,677)	\$138,611	(\$939,066)

Historical Appropriations Information

Ongoing General Fund Appropriations Since 2009-11



Ongoing General Fund Appropriations					
	2009-11	2011-13	2013-15	2015-17 Adjusted	2017-19 Executive Budget
Ongoing general fund appropriations	\$1,565,442	\$1,879,892	\$1,910,235	\$1,888,080	\$949,014
Increase (decrease) from previous biennium	N/A	\$314,450	\$30,343	(\$22,155)	(\$939,066)
Percentage increase (decrease) from previous biennium	N/A	20.1%	1.6%	(1.2%)	(49.7%)
Cumulative percentage increase (decrease) from 2009-11 biennium	N/A	20.1%	22.0%	20.6%	(39.4%)

Major Increases (Decreases) in Ongoing General Fund Appropriations

2011-13 Biennium

- 1. Added funding to continue job spidering online employment tool \$300,000

2013-15 Biennium

- 1. No major changes identified

2015-17 Biennium

- 1. Added funding for Virtual OneStop application to allow access to Job Service North Dakota job listings \$100,000

2017-19 Biennium (Executive Budget Recommendation)

- 1. Reduces funding for the Workforce 20/20 program (\$930,083)

Job Service North Dakota Testimony SB2076 SB2016

2017 Senate Appropriations
Education and Environment Division

Cheri Giesen
Executive Director



10108
9108
2016
2016
SB
2017
10-10

Agency Overview

Job Service North Dakota . . .

Proud to be our state's workforce agency.

- Administer federal and state employment programs
- Administer the Unemployment Insurance program
- Provide critical labor market information
- Deliver workforce training and reemployment services
- Provide services to targeted workforce sectors

Vision:

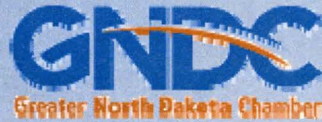
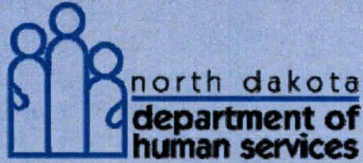
Job Service North Dakota strengthens the economy of North Dakota as a strategic partner in the delivery of workforce services



1-9-17 SB 2016/2016

#1 22

Valued Partnerships



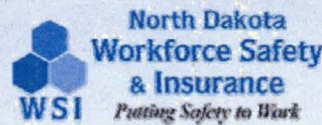
NORTH DAKOTA
GAME AND FISH DEPARTMENT

Veterans Service Organizations

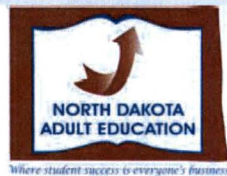
Community Organizations



ND Dept. of Labor



Local Chambers of Commerce



1-9-17 - SB 2016/2017

1

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Update on Job Service Operations

for
1-9-17 SB2016/2017 #1

New Federal Regulations

Workforce Innovation and Opportunity Act (WIOA)

- Final regulations posted August 2016
- New reporting requirements and performance measures
- Created Eligible Training Provider list
- Developed In-Demand Occupation list (handout)

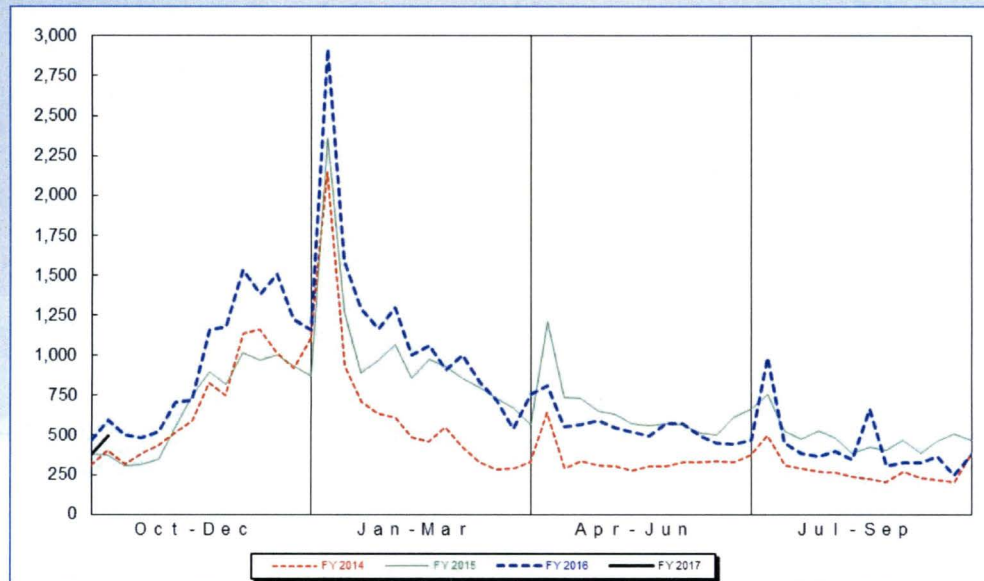
Increased Workload

- Over last 10 years
 - Unemployment Insurance program
 - Number of employers have grown by 34%
 - Covered wages have grown by 130%
 - Claims filed have grown by 37%
 - Appeals filed have grown by 159%
 - Benefits paid have grown by 345%

1-9-17 SB 2016 + 2016 #1 P 6

Unemployment Insurance Department

- Concerned with the increase number of claims in 2015
- Predicted 2016 claims would be higher but would peak
 - Expected claims in the 1st quarter of 2016 to be very high
 - Actual claim volumes exceeded our expectations of growth by a large margin, and remained high through much of 2016



1-09-17

SB 2016 + 2017
#1 PM

What Actions Have We Taken?

- Requested short-term state funding to assist in staffing to process 1st quarter of 2016 claims increases
- Emergency Commission approved of the request, sending the request to the Budget Section
- Budget Section did not approve of request
 - Job Service understood the basis of the decision
 - State funding of a federally funded program is not desired
 - Subsidizing federal funds should be a decision which included all of the legislators
 - Limited state funds were available

1-09-17

582016 + 2017

#1
8

What Actions Have We Taken?

- Restructured agency
 - Focused changes on service delivery – not straight across the board cuts
 - Restructured UI claims area and reduced temporary staffing
 - Restructured administrative area and consolidated duties
 - Realigned our services to a sustainable format
 - Identified priority of service in line with specific federal funding source
 - Discontinued employer employment testing
 - Streamlined management
 - Consolidated leadership and reduced the number of directors
- Did not fill open positions
 - 16 positions were not filled
 - Did not receive funding for these positions

7/20/08/08 as L1-6-1
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b

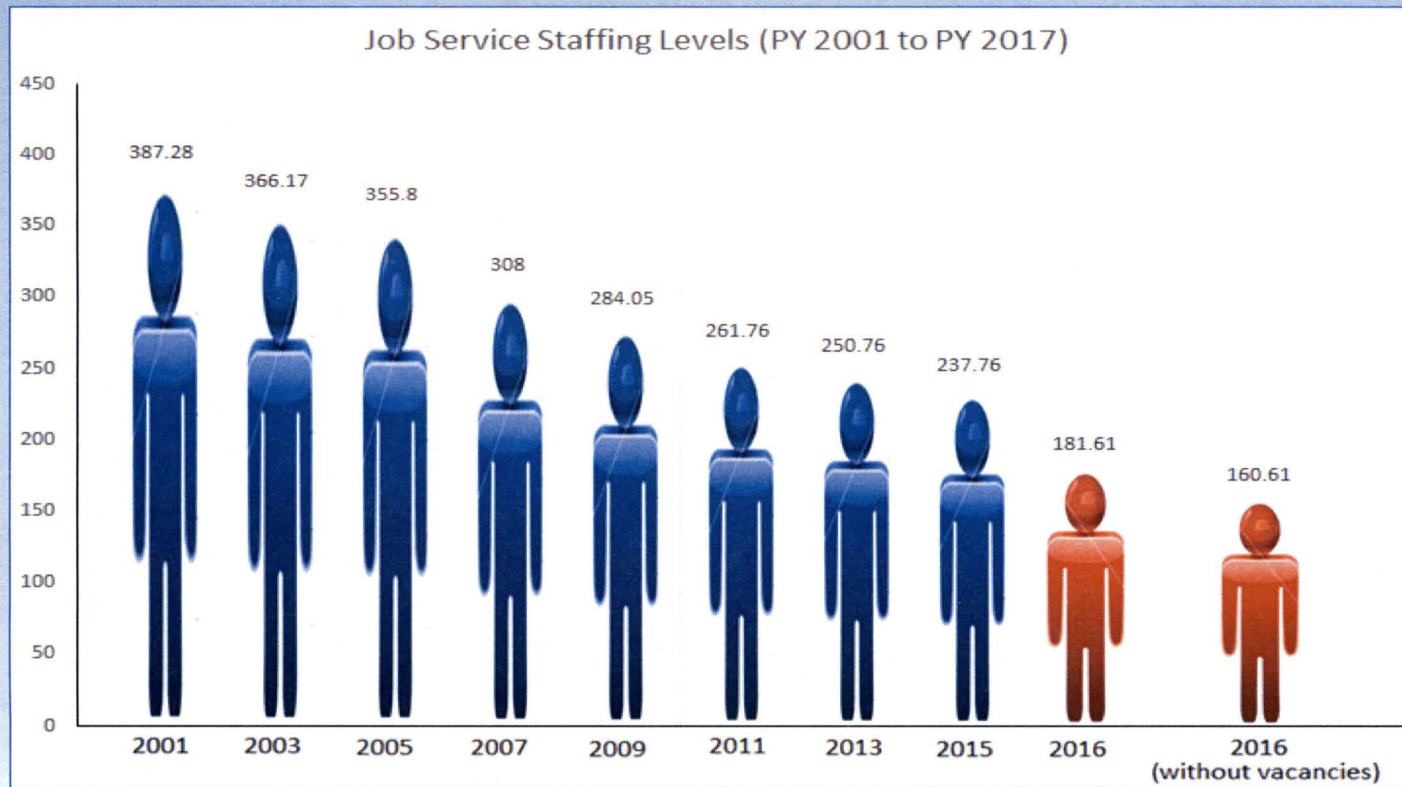
What Actions Have We Taken?

- Implemented a voluntary separation program
 - 20 people voluntarily separated
- Eliminated temporary staff
 - 13 temporary staff
- Reduction in force on January 7, 2016
 - 22 regular staff were laid off
- Net FTE count down 58 from 2015
 - 2015 – 238
 - 2016 – 180 (11 of these positions are currently unfilled)

1-9-17
S.B. 2016 + 2017

#1
P10

What Actions Have We Taken?



1-9-17
SB 2016 + 2017
#1
11

What Actions Have We Taken?

- Analyzed customer traffic patterns to align staffing and facilities
- Regional model to deliver workforce services. Closed seven offices statewide
 - Grafton
 - Valley City
 - Rolla
 - Beulah
 - Oakes
 - New Town
 - Harvey
- Began an analysis of all locations to determine where cost savings could be realized.
 - Potential to sell facilities and lease at a lower rate, etc.

1-9-17
SB 2016 + 2017

old / X
2/12

What Actions Have We Taken?

- Business process modeling in each division to gain efficiencies
 - Years of flat funding has caused the agency to become very efficient out of necessity
 - Many further efficiencies have been identified but IT costs and limited funding prevent implementation
- Reduced already low operational costs
 - Analyzed internal print shop operations and moved those operations to OMB
 - Began encouraging customers to access materials online to reduce print charges and printing on demand for those items we continue to print
 - Reduced travel

SB 2016 + 2017
1-9-17
#1 p13

What Actions Have We Taken?

- Increased Automation
 - Fall of 2015, changes to the existing internet-based system and IVR to complete automation of claim intake/filing
 - A projected 4 month IT project was completed in 1 ½ months
 - Eliminated much need for staff intervention in filing a claim
 - Minimized the number of temporary staff needed
 - Freed up staff to determine claimant eligibility for benefits

1-9-17

9/20/16 + 2017

#1
help

What Actions Have We Taken?

- Revised scheduling of appeals business processes
 - Only appeals involving single party are processed in new block scheduling format
 - Typical appeal takes 30 to 60 minutes to complete with an additional 30 to 60 minutes needed to write and process the referee's decision
 - Normal processing allows between 12 and 20 appeal hearings per day
 - Block scheduling allows between 50 and 100 appeals to be completed per day
 - Had over 1,400 appeals pending - now reduced to 350
- Different process than federal performance metrics which indicates first in – first out

1-9-17 SB2016/2017 #1 p15

Future Federal Funding and Expenditure Projections

1-9-17 SB 2016/2017
116
07/16

Agency Funding

- Agency federal funding has decreased since 2007

Biennium	07-09		09-11		11-13		13-15		15-17	
<i>Wagner Peyser</i>	\$5,395,540	\$5,301,280	\$5,302,783	\$5,302,783	\$5,292,177	\$5,282,176	\$5,005,887	\$5,005,890	\$4,992,444	\$5,111,188
<i>Workforce Investment Act</i>	\$5,376,112	\$5,590,021	\$5,294,922	\$5,104,054	\$4,446,938	\$4,438,612	\$4,207,404	\$4,464,523	\$4,535,464	\$4,883,896
<i>Unemployment Insurance - Base</i>	\$6,380,666	\$6,422,801	\$6,117,771	\$6,316,983	\$6,729,310	\$6,372,004	\$6,534,481	\$5,975,768	\$6,413,040	\$6,585,016
<i>Unemployment Insurance - Above Base</i>	\$164,823	\$1,073,348	\$947,363	\$494,607	\$319,479	\$576,560	\$616,343	\$1,123,952	\$1,666,439	\$850,000
<i>Labor Market Information</i>	\$884,462	\$899,733	\$947,317	\$928,392	\$938,958	\$865,457	\$873,675	\$872,971	\$847,502	\$871,004
<i>Other Federal Program Funding</i>	\$5,409,061	\$2,027,159	\$8,877,015	\$5,724,745	\$5,972,136	\$4,497,699	\$4,107,466	\$2,373,978	\$6,106,596	\$1,674,559
Total Federal Funding	\$23,610,664	\$21,314,342	\$27,487,171	\$23,871,564	\$23,698,998	\$22,032,508	\$21,345,256	\$19,817,082	\$24,561,485	\$19,975,663
	\$44,925,006		\$51,358,735		\$45,731,506		\$41,162,338		\$44,537,148	

- Unemployment Insurance above base funding has kept North Dakota afloat
 - Quarterly federal funding distribution based upon state workload
 - Above base only provided when the USDOL has remaining federal funding
- Currently operating on federal continuing resolution (CR)
- Discussion about 5% reduction in Unemployment Insurance program
- Watching any changes with new presidential administration

1-9-17- SB 2016/2017 #1 P17

Agency Forecast Five Year Budget

- Created a five year budget assuming flat funding and normal inflationary increase operational expenditure
 - Will modify budget each year with current information
- Four major federal funding pools
 - Labor Market Information
 - Wagner- Peyser – funds local office
 - Workforce Innovation and Opportunity Act - funds workforce training
 - **Unemployment Insurance**

1-9-14 SB2016/2016 #1/18

Future Funding Projections

UI Grant Budget Projections	Total Expenditures	Total Resources	End of Year Funding Surplus (Shortage)
PY2016	8,124,195	9,186,927	1,062,732
PY2017	8,031,476	8,225,732	194,256
PY2018	8,272,421	7,357,256	(915,165)
PY2019	8,655,067	7,163,000	(1,492,067)
PY2020	8,914,719	7,163,000	(1,751,719)

Any "surplus" noted is carried over to the next year and is accounted for within the total resources column

- The UI program could be in a shortage situation as early as 2018 based upon the projection of flat federal funding

1-9-17 SB2016/2017
#1 p19

Options to Deal with Federal Funding Shortfall

- Federal Initiatives & Funding
 - Gain support of federal delegation to increase federal funding
 - Continue pressing for awareness that the USDOL needs to put priority on base operations funding rather than discretionary grants or supplemental budget requests
- Reduce Operating Expenditures
 - Require all employers to file their UI quarterly tax reports electronically
 - Complete an analysis of facility needs
- Expand use of the Federal Advance Interest Repayment (FAIR) Fund
 - Expand the allowed uses of this fund in state statute to provide for the option of additional administrative and technology expenditures by Job Service

1-9-17 SB 2016/2017 #1 p20

Options to deal with Federal Funding Shortfall

- Take actions that other states have done with reduced budgets
 - Increase late filing/late payment fees
 - Cut hours of operation in UI call center
 - Receive state general funds
 - Establish a special fund for administrative purposes
 - 30 States have administrative fees that are used to supplement funding

1-9-17 SB2016/2016 #1 P21

Options to Deal with Federal Funding Shortfall

Neighboring & Small States	1	Montana	.13% to .18%	Fee generated \$17.1 million last fiscal year		
	2	South Dakota	.05% to .53%	\$500,000 per year of general funds		
	3	Wyoming	Varies	Fee generates \$9 million a biennium, also receives \$3 million per year in state general funds		
	4	Minnesota	0.10%			
	5	Rhode Island	0.03%			
Other States	6	Alaska	0.1% to 1.5%	19	Massachusetts	.056% to .36%
	7	Alabama	0.06%	20	Mississippi	0.16%
	8	Arizona	0.10%	21	Nevada	0.05%
	9	Arkansas	.1% to .8%	22	New Hampshire	0.20%
	10	California	0.10%	23	New Jersey	0.0175% to .025%
	11	Delaware	0.085%	24	New York	0.075%
	12	DC	0.20%	25	Oregon	.03% to .09%
	13	Georgia	0.08%	26	Puerto Rico	1%
	14	Hawaii	0.01%	27	South Carolina	0.06%
	15	Idaho	3.00%	28	Texas	0.10%
	16	Kentucky	0.30%	29	Washington	0.02%
	17	Louisiana	Varies	30	Wisconsin	0.20%
	18	Michigan	Varies			

- In ND, .01% fee would generate \$1 million/year



1-9-17
 SP2016/2017 #1 P22

2017 Legislative Session

Job Service submitted the following bill:

1. SB 2119 Sale of Job Service owned offices
 - Rolla, Central Office, Minot
 - Requesting retention of General Fund proceeds from sale of property

Job Service supports the following bills:

1. Expand the use of the FAIR account
 - The FAIR Fund was established to pay interest obligations in the event that money is borrowed to supplement the Unemployment Insurance Trust Fund. The fund receives dollars via the collection of interest and penalties owed to Job Service
2. Employer electronic reporting requirement

#1923

Gain Authority to Sell Job Service Owned Facilities

- Restructuring of Job Service has resulted in differing infrastructure needs
 - Vacant buildings
 - Less staff lowers need for space
 - Cost of maintaining buildings
- Legislative approval is needed to sell the vacant Rolla office
- Completing an analysis of facility needs
 - Bismarck Central office and Minot office are initial focus
 - Central office is larger than currently needed
 - Opportunities exist to lease or sell Central office to another agency
 - Co-locate the Bismarck local office and Central office
- Request retention of General Fund proceeds

1 p 24
held

Expand use of FAIR Fund

- Forty other states utilize penalty and interest funds to supplement federal funding shortfalls
- Changes have been made in past to statute to allow for the use of FAIR funds for specific expenses:
 - Mortgage payments for Bismarck local office, rent, infrastructure repairs, etc.

	July 2012	July 2013	July 2014	July 2015	July 2016
Expenses	\$418,016	\$233,349	\$322,532	\$311,027	\$821,058
Balance	\$2,356,766	\$3,198,260	\$3,919,538	\$4,712,104	\$4,772,460



1-9-17
 SB 9016/9076
 #1
 P 25

Expand Use of FAIR Fund

- Least impact to state, employers and claimants
 - State General funds are not a good option this biennium
 - Don't have to initiate an employer surcharge or administrative fee
 - Don't have to increase penalties/fees
- Recommendation is to expand the allowed uses of this fund to include technology and administrative expenditures
- Currently the fund is growing due to limited allowable expenditures
- Introduced bill includes minimum balance

1-9-17 SB 2016/2017 #1
P26

Expand use of FAIR Fund

- The FAIR Account bill is the most important bill this session
 - Without passage, severe cuts will have to take place
 - The use of seasonal temporary staff will not be available
 - Program performance will drop significantly
 - Longer wait times for call center
 - Long waits for benefit payments
 - Lack of support to employers
 - Programs and initiatives meant to speed re-employment and positively impact the Trust Fund will have to end
- Short term solution to our funding needs
 - Five years of funding at current operational levels until deficit
 - No increase in level of service

1-9-17
SB 2016/2017 #1 Pg 7

Require all Employers to File and Quarterly Tax Reports Electronically

- Past legislation passed
 - 2005 – Employers with more than 99 employees required to file electronically
 - 2009 - lowered to employers with more than 24 employees
- Employer reporting methods for 4th quarter 2015
 - 60% or 15,636 employers report electronically
 - 40% or 10,578 employers reported via paper
- A savings of \$80,000 to \$100,000 per year if all employers were required
 - Reduces time of field staff to track employers and assist with report completion
 - Eliminates hiring temporary staff to process quarterly tax reports
 - Understand initial learning curve for employers
 - Strong educational efforts will be made by Job Service

1-9-17
SB 2016/2017
#1-6-1
28

2017 Unemployment Insurance Tax Rates

- Solvent unemployment insurance trust fund
- Tax rate setting process is defined in North Dakota century code
- 2017 rates range from 0.49 to 11.43 percent
2016 rates ranged from 0.28 to 10.72 percent
- Average tax rate – 1.79 percent
- Taxable wage base
 - 2016 – \$37,200
 - 2017 - \$35,100
- 71 percent of employers will receive the lowest rate – 0.49 percent

1-9-17
SB 9016/2016
#1 p29

Job Service Successes and Initiatives

1-9-17 SB 2016/2016

1

P 30

Job Service Successes

Diversifying Our Service Delivery

- Created more social media presence
 - Implemented Facebook May 2015
 - Increased our Facebook audience 257%
 - Reached more than 45,000 Facebook followers for job fairs and career program campaigns
 - Begin utilizing LinkedIn to promote North Dakota's workforce opportunities
 - Had an average monthly Twitter impression of 20,000

1-9-17

2/20/2016

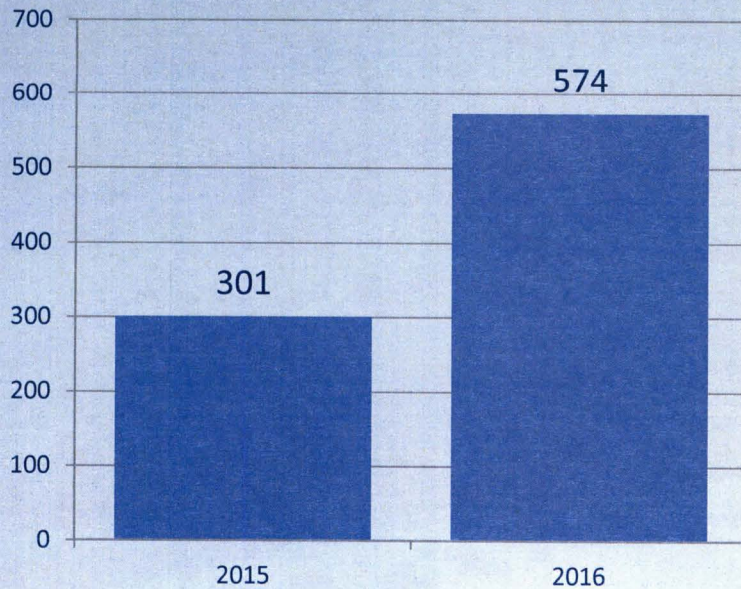
#1 P 31

Job Service Successes

Onsite Hiring Events

• 90% increase since 2015

Yearly Total



1-9-17
582016/2016

#1
-662

Job Service Successes

Training Services: Workforce Investment Act

Job Service provides training services for adults, dislocated workers, and youth.

Individuals Enrolled in WIA Training		
	PY 15	PY 16
Adults	167	191
Dislocated Workers	23	39
Youth	108	127
Total	298	357

PY = Program Year which runs from July 1 to June 30 of the following year.

1-9-17
SB 2016/2017
#1
933

Job Service Successes

Workforce Investment Act Training

PY 15	Total Training	
	No. Trained	%
Energy	60	17
Advanced Mftg.	47	13
Value-Added Ag.	0	0
Technology	17	5
Healthcare	131	37
Transportation	66	18
Support Occupations	17	5
Other	19	5
Total	357	100

1-9-17 SB 2016/2017
 #1
 P39

Job Service Initiatives

Career Awareness

- Career Fairs in Grand Forks, Fargo, and Jamestown
 - 8,000 students, 456 employers and local colleges
- Developing Career Hub
 - A statewide network designed to help communities create career awareness event to students and parents
- Job Shadow Events in Grand Forks and Bismarck
 - 213 participants over 611 employer opportunities
- Develop Boot Camps and Pre-Apprenticeships
 - Partner with Career Technical Education (CTE) to promote energy, health, information technology, and manufacturing industries

1-9-17
SB 2016/2016
#1 P35

Job Service Initiatives

Workforce Initiatives

- Received grant to expand Registered Apprenticeship and Credentialing
 - Partner with Department of Commerce
- Coordinate the creation of apprenticeships and credentialing for industries that have traditionally not had these programs: health care, energy, manufacturing and information technology
- Research other states apprenticeships, credentialing and models for sustainability into the future
- Facilitate sector strategy meetings with employers of North Dakota
- Work with Higher Education to develop curriculum and ND Office of Apprentice to develop standards
- Create promotional material of programs

1-9-17

588 2016
976 2016
#1

Job Service Successes

Other Workforce Activities

- Pilot project with Department of Corrections – Parole and Probation in Minot
 - Send unemployed parolees to local office for orientation on our employment services available
- Second Chance Job Fairs in Fargo and Grand Forks
 - Only available to individuals with criminal background
 - 33 employers and 567 job seekers
- Re-employment outreach to unemployment insurance in-state claimants after receiving four weeks of benefits

1-9-17

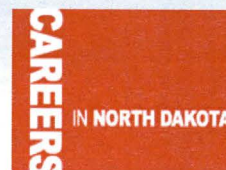
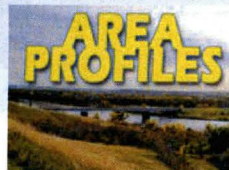
SB 2016/2017

#1 p 37

Labor Market Information (LMI)

Job Service provides a wealth of labor market tools and information on jobsnd.com

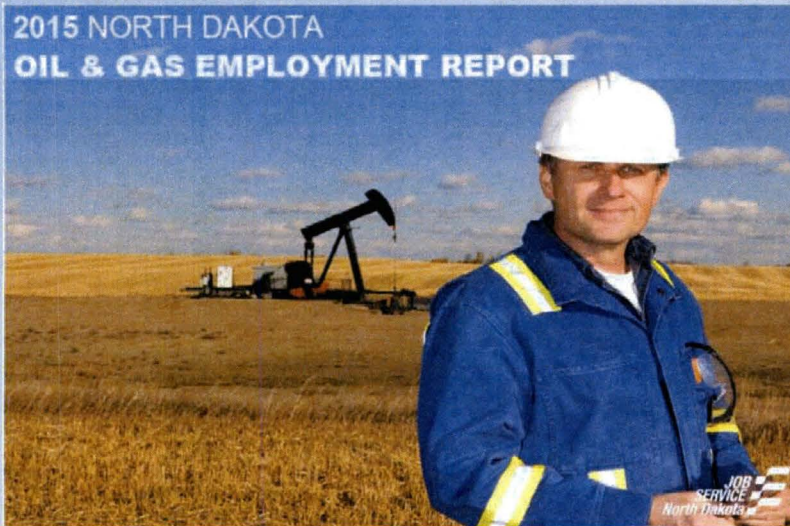
- LMI initiatives are to provide employers and state and local leaders with data driven information
 - Cost of living
 - Retention of ND graduates with Statewide Longitudinal Data System (SLDS) committee
 - Expansion of workforce supply with SLDS committee



1-9-17
SBa016/a076
#1 p 38

Oil and Gas Employment Study

(Not part of 17-19 Biennium budget request)



Comprehensive Data:

- Examines all employers in the state rather than taking a sample
- Information is available down to the worksite level
- Information is available for all geographies and industries in the state

1-9-17
SB 2016/2017
#1
39

2015-17 Appropriation Update

1-9-17 SB 2016/2017 #1 PHO

Requested Information

- No major general funding increases or decreases were approved by the legislature during the 2013 legislative session.
- During the 2015 legislative session, \$100,000 was approved for implementation of the Virtual OneStop Mobile application.
- Job Service has no audit findings to report.

1-9-17
SB 2016/2016
#1
P41

2015-17 At-a-Glance

		Appropriation	Projected Expenditures	Variance
Source:				
General Fund	2.7%	1,989,232	1,989,232	0
Federal Funds	96.3%	69,777,470	43,312,657	(26,464,813)
Special Funds	1.0%	<u>690,396</u>	<u>220,209</u>	<u>(470,187)</u>
Total Funds		72,457,098	45,522,098	(26,935,000)
Expenditures:				
Salaries/Wages		39,671,890	29,239,172	(10,432,718)
Operating Exp.		13,512,657	10,525,405	(2,987,252)
Capital Assets		20,000	20,000	0
Grants/Benefits/Claims		5,404,326	3,102,723	(2,301,603)
Workforce 20/20		1,441,225	1,441,225	0
Reed Act*		<u>12,407,000</u>	<u>1,193,573</u>	<u>(11,213,427)</u>
Total		72,457,098	45,522,098	(26,935,000)

*One-time funding.



1-9-17
SB 2016/2016

#1 P42

Reed Act

Appropriation	\$12,407,000
Projected Expenditure	(<u>1,193,573</u>)
Variance	\$ 11,213,427

Reed Act funds were awarded by USDOL for an unemployment insurance technology modernization project.

Issued Request for Information (RFI) for cost proposal from vendors and ITD on replacement system. Concerned about project cost and ongoing expenses.

We are requesting that these funds be appropriated in the 2017-19 biennium.



1-9-17
S02016/2016
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PR3

2017- 2019 Appropriations Request

1-9-17
SB 2016/2016
#1
P 219

Special Fund Request

New Jobs Training

Special Fund appropriation request: \$1,047,238

- Helps new or expanding primary-sector businesses secure funding for worker education and training
- Employers may qualify if they create new, high-wage jobs by relocating to or expanding current operations in North Dakota
- State income tax withholdings are captured to repay loans, grants, or self-financing
- 630 – New positions filled in 2014-15
- \$32,808 – Avg. annual pre-New Jobs training salary.
- \$47,695 – Avg. annual salary 1 year after training (45% increase)
- Economic developers promote New Jobs program as an incentive to prospective new employers



1-9-17 SB 2016/2017

#1 p 45

Base General Fund Request

Job Spidering

General Fund appropriation request: \$300,000

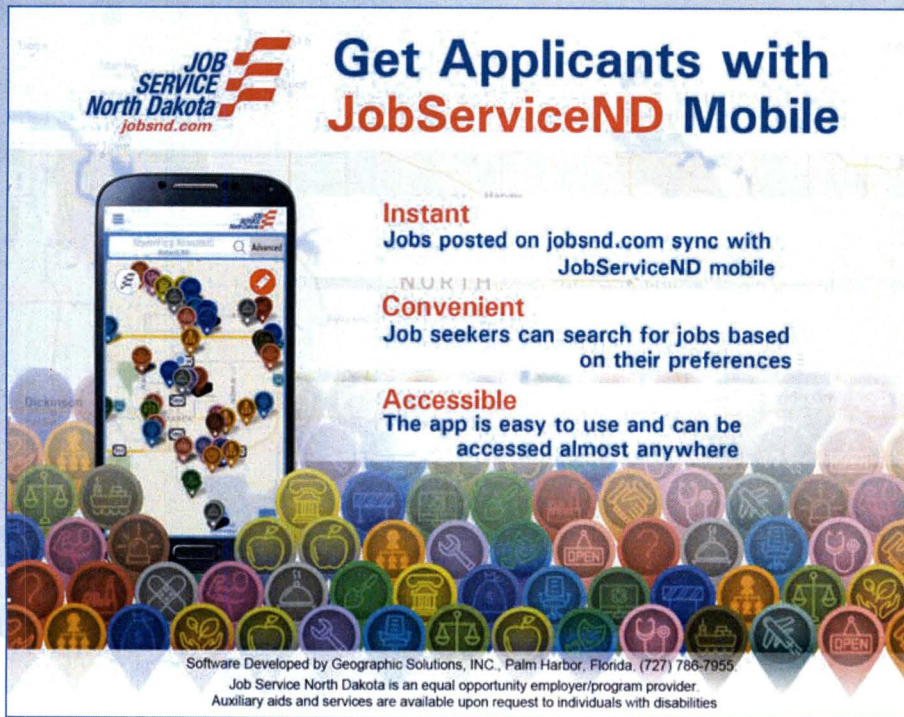
- Job spidering is an online tool that searches the Internet for job postings and automatically posts them to jobsnd.com.
- Job postings are captured from several sites including:
 - Monster
 - Indeed
 - Employer job boards
 - Government job boards
- 75% of jobs posted on jobsnd.com are “spidered” jobs
- 8.1 million total page views on jobsnd.com
- No charge to jobseekers and employers
- Provides monthly number of job openings throughout the state and local communities.

1-9-17 SB 2016/2017
448 / # 1 246

Base General Fund Request

Making Searching for Jobs and Applicants More Mobile Device Friendly

General Fund Appropriation Request: \$100,000



JOB SERVICE North Dakota
jobsnd.com

Get Applicants with JobServiceND Mobile

Instant
Jobs posted on jobsnd.com sync with JobServiceND mobile

Convenient
Job seekers can search for jobs based on their preferences

Accessible
The app is easy to use and can be accessed almost anywhere

Software Developed by Geographic Solutions, INC., Palm Harbor, Florida, (727) 786-7955
Job Service North Dakota is an equal opportunity employer/program provider.
Auxiliary aids and services are available upon request to individuals with disabilities

40,000 Job Searches
80,000 Detail Requests

1-9-17
SB 2016/2017
#1
P17

Base General Fund Request

Workforce 20/20

General Fund appropriation request:

SB2016: \$1,441,225

SB2076 (Governor request): \$502,909

- State-funded training program which helps employers keep up with technological advances, global competition, and new work methods.
- 2013-15 biennium
 - \$1,261,449 spent on training and 5% administrative costs
 - 142 training contracts - trained 1,290 employees
 - The state recovers program investment in 14 months due to the average \$2.33/hr increase in employee wages after 1 year
- 95% of trainees stay in North Dakota
- Economic Developers promote Workforce 20/20 program as an incentive to prospective new employers

1-9-17
SB 2016/2014
* 1
PWS

2016 Special Session

2016 Special Session Update

- Workforce 20/20 2015-2017 biennium
 - Initial appropriation \$1,579,836
 - First allotment reduction \$85,706
 - Second allotment reduction of \$52,905
 - Available for obligation to employers \$1,230,074
 - Great utilization by employers
 - Streamlined application process
 - 96 contracts
 - Obligated \$1,230,005
 - Hold on new applications
 - June 1, 2016 to Nov. 1, 2016
 - Nov. 11, 2016 to June 30, 2017

1-9-17
SB 2016/2017
#1
p 49

2017-19 Appropriation

Requested Information

- A listing of agency proposed budget reductions to meet Governor's 90% budget request guideline
 - Requested - Workforce 20/20 \$1,381,046
- Comparison of the optional adjustment requests included in the Executive Recommendations
 - Reduce Workforce 20/20
 - SB2076 (Governor's Budget) \$ 502,909
 - SB2016 \$1,441,225
- Itemized listing of any changes to Executive Recommendation
 - None
- No one-time funding requests for 2017-2019 Biennium

1-9-17

SP 2016/2017

#1 P50

2017-19 Appropriation

	2017-19 Base Level <u>(SB2016)</u>	Adjustments or Change Packages <u>(SB2076)</u>	2017-19 Appropriation <u>(SB2076)</u>
Salaries/Wages	\$39,604,238	\$(12,305,747)	\$27,298,491
Operating Expenses	13,479,157	(2,727,902)	10,751,255
Capital Assets	20,000	0	20,000
Grants	5,404,326	54,245	5,458,571
Workforce 20/20	1,441,225	(938,316)	502,909
Reed Act	<u>12,407,000</u>	<u>(1,193,573)</u>	<u>11,213,427</u>
Total	\$72,355,946	(\$17,111,293)	\$55,244,653
Less Est. Income	<u>70,467,866</u>	<u>(16,172,227)</u>	<u>54,295,639</u>
Total Gen. Fund	\$1,888,080	\$(939,066)	\$949,014
FTEs	237.76	(56.15)	181.61

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Success Stories

A job seeker came into a Job Service office and wanted to know who could assist him with unemployment. His family was about to lose their housing and he was distraught.

Job Service staff worked with him, called a local building company that needed a carpenter with certain skills. The job seeker fit those skills and the staff connected them.

The building company hired the job seeker full time and gave him family housing.

The job seeker came in a few days later and said it was a "Christmas miracle" and said, "Yes you are the employment office".

He thanked staff several times and went to finish moving and working.

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Success Stories

Leona,
I will never forget the day I met you. I wasn't expecting the opportunity to continue with my education, but because of you & Job Service of ND I was able to finally get my Accountancy Degree. Thank you for opening a door I thought was closed! Your help support and encouragement has meant so much to me.

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Thank you.

1-9-17

SB2016/2074

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SB 2016/2078

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In-Demand
Occupation List

NORTH DAKOTA

IN DEMAND AND EMERGING OCCUPATIONS



EMERGING OCCUPATIONS

Operations Research Analysts
 Data Processing System Analysts
 Statisticians
 Aircraft Pilots and Flight Engineers
 Aerospace Engineers
 Aircraft Structure, Surfaces, Rigging and Systems Assemblers
 Chemical and Process Plant Operators and Technicians



HEALTHCARE

*Licensed Practical and Vocational Nurses
 *Nursing Assistants
 Pharmacists
 Physician Assistants
 Occupational Therapists
 Physical Therapists
 Respiratory Therapists
 Speech-Language Pathologists
 Veterinarians
 Registered Nurses
 Nurse Practitioners
 Medical and Clinical Laboratory Technicians
 Radiologic Technologists
 Pharmacy Technicians
 Surgical Technologists
 Medical Records and Health Information Technicians
 Opticians
 Occupational Health and Safety Technicians
 Phlebotomists
 Medical Secretaries



SOCIAL SERVICES

Substance Abuse and Behavioral Disorder Counselors
 Child, Family, and School Social Workers
 Healthcare Social Workers
 Mental Health and Substance Abuse Social Workers
 Community Health Workers



ENGINEERING AND ARCHITECTURE

Architects
 Surveyors
 Civil Engineers
 Electrical Engineers
 Electronics Engineers
 Industrial Engineers
 Mechanical Engineers
 Mechanical Drafters
 Civil Engineering Technicians
 Surveying and Mapping Technicians



LEGAL

Paralegals and Legal Assistants
 Title Examiners and Abstractors
 Court, Municipal, and License Clerks



FINANCIAL

Wholesale and Retail Buyers
 Purchasing Agents
 Claims Adjusters, Examiners, and Investigators
 Cost Estimators
 Management Analysts
 Meeting, Convention, and Event Planners
 Training and Development Specialists
 Market Research Analysts and Marketing Specialists
 Accountants and Auditors
 Financial Analysts
 Loan Officers
 Bill Collectors and Clerks
 Bookkeeping and Accounting Clerks
 Payroll Clerks
 Loan Interviewers
 Cargo and Freight Agents



EDUCATION

*Secondary School Teachers
 *Teacher Assistants
 Biological Science Teacher, Postsecondary
 Nursing Instructors and Teachers, Postsecondary
 Elementary and Middle School Teachers
 Coaches

#1
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INFORMATION TECHNOLOGY

Software Developers, Applications
Software Developers, Systems Software
Network and Computer Systems
Administrators
Computer User Support Specialists
Computer Network Support Specialists



MANAGEMENT

*Farm and Ranch Managers
Chief Executives
General Managers
Marketing Managers
Sales Managers
Administrative Services Managers
Computer and Information Systems
Managers
Financial Managers
Transportation, Storage, and Distribution
Managers
Architectural and Engineering Managers
Medical and Health Services Managers
Property Managers
Social and Community Service Managers
Public Relations Specialists



SERVICE

*Childcare Workers
Interior Designers
Security Guards
Food Preparation and Serving Supervisors
Housekeeping and Janitorial Supervisors
Pesticide Handlers and Applicators
Retail Sales Supervisors
Insurance Sales Agents
Sales Representatives
Office and Administrative Support
Supervisors
Customer Service Representatives
Eligibility Interviewers
Secretaries and Administrative Assistants
Insurance Claims and Policy Processing
Clerks
Brewmasters

Job Service North Dakota is an equal opportunity employer/program provider.
Auxiliary aids and services are available upon request to individuals with disabilities.



TRANSPORTATION

*Automotive Service Technicians and
Mechanics
*Bus and Truck Mechanics and Diesel
Engine Specialists
*Heavy and Tractor-Trailer Truck Drivers
*Light Truck or Delivery Services Drivers
Mobile Heavy Equipment Mechanics
Tire Repairers and Changers
Automotive Body Repairers



SKILLED TRADE

*Service Unit Operators	Aircraft Mechanics and Service Technicians
*Rotary Drill Operators	Farm Equipment Mechanics and Service Technicians
*Derrick Operators	Heating, Air Conditioning, and Refrigeration Mechanics and Installers
*Supervisors of Construction Trades and Extraction Workers	Industrial Machinery Mechanics
Environmental Scientists and Specialists	Maintenance Workers, Machinery
Environmental Science and Protection Technicians, Including Health	Millwrights
Production Schedulers	Electrical Power-Line Installers and Repairers
Weigh Station Operators	Telecommunications Line Installers and Repairers
Agricultural Inspectors	Electrical and Electronics Installers and Repairers
Carpenters	Medical Equipment Repairers
Electricians	Maintenance and Repair Workers
Glaziers	Production Supervisor
Insulation Workers, Mechanical	Structural Metal Fabricators and Fitters
Plumbers, Pipefitters, Steamfitters and helpers	Team Assemblers
Sheet Metal Workers	Machinists
Structural Iron and Steel Workers	Welders
Construction and Building Inspectors	Cabinetmakers
Operating Engineers and Other Construction Equipment Operators	Power Plant Operators
Supervisors of Mechanics, Installers, and Repairers	Water and Wastewater Treatment Plant Operators
	Gas Plant Operators
	Crane and Tower Operators
	Excavating Machine Operators

The list of in demand occupations was derived using the Short-Term Employment Projections 2014-2016 publication created annually by the Job Service North Dakota Labor Market information department. The factors considered in creating the list are below:

- Education requiring a high school equivalent or higher
- Exceptional or high growth
- Replacement opening of five or more
- Growth opening of nine or more
- Wages higher than \$13.41/hr (aggregate of the LMI average hourly entry wages for all occupations)

*The top 35 occupations with the highest replacement openings

#1 P57

UAS Featured
Jobs



Featured Jobs in Unmanned Aerial Systems



JOB TITLE	EMPLOYER	LOCATION	Web Site
Manager Project Management 2	Northrop Grumman	Grand Forks AFB, ND	www.northropgrumman.com/careers
Product Trainer 4	Northrop Grumman	Grand Forks AFB, ND	www.northropgrumman.com/careers
UAV Pilot - Instructor	General Atomics	Grand Forks AFB, ND	www.ga.com
Sensor Operator - Instructor	General Atomics	Grand Forks AFB, ND	www.ga.com
Pipeline Professional Technical - All Levels	Northrop Grumman	Grand Forks AFB, ND	www.northropgrumman.com/careers
UAS Research Scientist	University of North Dakota	Grand Forks, ND	http://www.und.edu/
Facilities Engineer 3	Northrop Grumman	Grand Forks AFB, ND	www.northropgrumman.com/careers
Supervisor Aircraft Maintenance 1	Northrop Grumman	Grand Forks AFB, ND	www.northropgrumman.com/careers
Engineer Guidance Nav Ctrl 3	Northrop Grumman	Grand Forks AFB, ND	www.northropgrumman.com/careers
Laboratory Technician 4	Northrop Grumman	Grand Forks AFB, ND	www.northropgrumman.com/careers
Sensor Operator/Imagery Analyst 3	Northrop Grumman	Grand Forks AFB, ND	www.northropgrumman.com/careers
Ground Visual Observer - Part Time	Organizational Strategies, Inc	Grand Forks, ND	http://ipc.us/t/9CDB70984E564814



To see all posted jobs in North Dakota click here:



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Online Job
Openings Report



Online Job Openings Report

Published by Job Service North Dakota

Labor Market Information Center



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Access Instructions

1. Go to www.jobsnd.com
2. Click the NDWIN logo found under the *Resources* heading.
3. Click on the *Online Job Openings Report* under *Quick Links*
4. Select a report from the drop down menu.

DECEMBER 2016 ONLINE JOB OPENINGS REPORT

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JOB OPENINGS

- Online job openings totaled 13,685 open and available positions in December 2016. Openings were lower by 2.5 percent (-355) from the prior month but 1.2 percent higher (+161) than the same month one year ago.
- Of the 22 non-military major occupational groups, Healthcare Practitioners and Technical reported the largest number of job openings with 1,396, followed by Office and Administrative Support with 1,096 and Sales and Related with 1,030.
- Thirteen of 22 non-military major occupational groups reported over-the-year decreases in job openings. The occupational group reporting the largest over-the-year decline was Healthcare Practitioners and Technical (-458).
- Twenty-five of 53 North Dakota counties reported over-the-year decreases in job openings led by Burleigh (-172), while twenty-seven counties reported over-the-year increases and one county reported no over-the-year change.

ACTIVE RESUMÉS

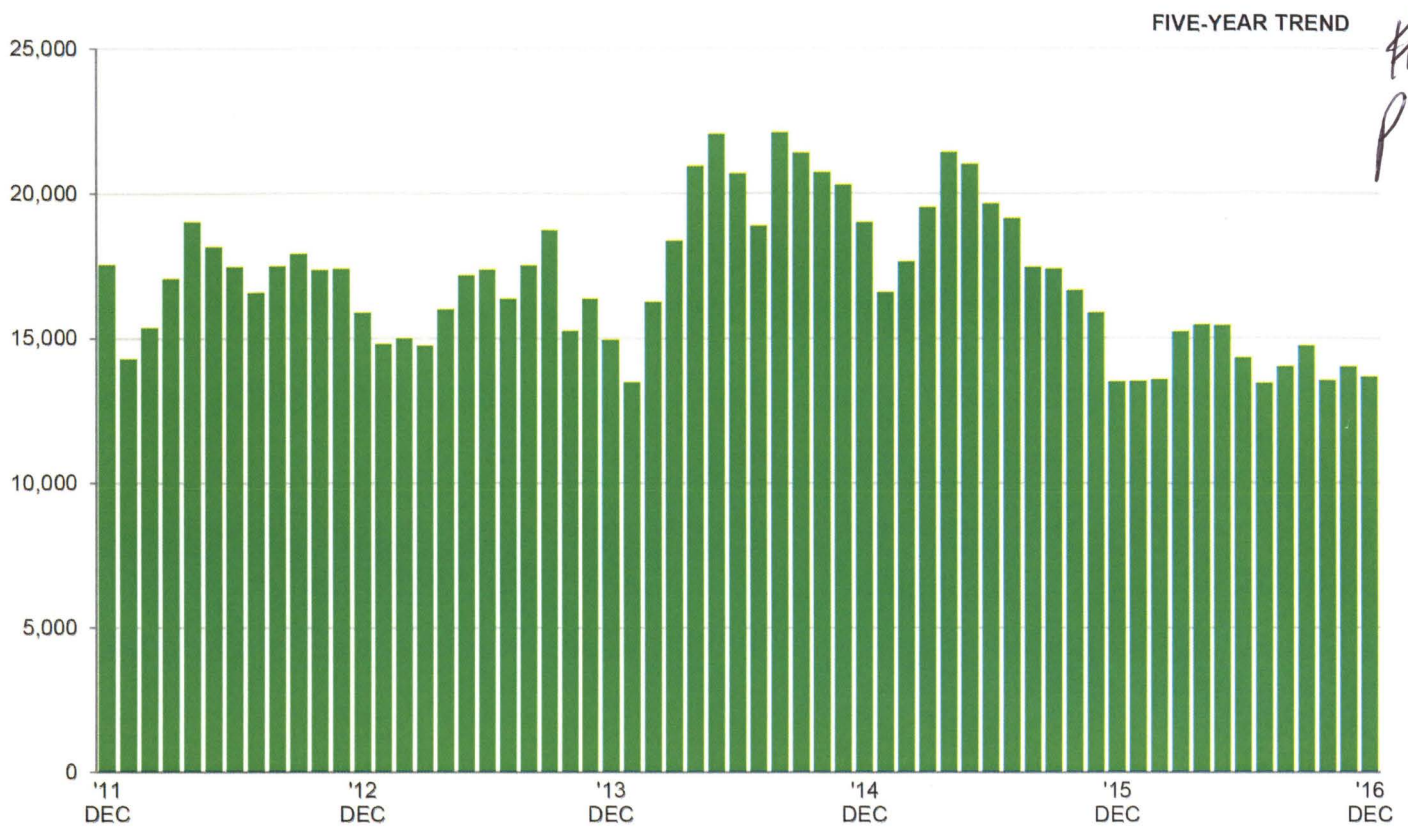
- Active resumés totaled 7,629 in December 2016. Active resumés were lower by 4.0 percent (-319) from the prior month and 20 percent lower (-1,911) than the same month one year ago. There were a total of 6,771 in-state active resumés and 858 out-of-state active resumés.
- Of the 22 non-military major occupational groups, Office and Administrative Support reported the largest number of active resumés with 1,689, followed by Construction and Extraction with 851 and Transportation and Material Moving with 756.
- Twenty-one of 22 non-military major occupational groups reported over-the-year declines in active resumés led by Construction and Extraction (-481).

SUPPLY/DEMAND RATES

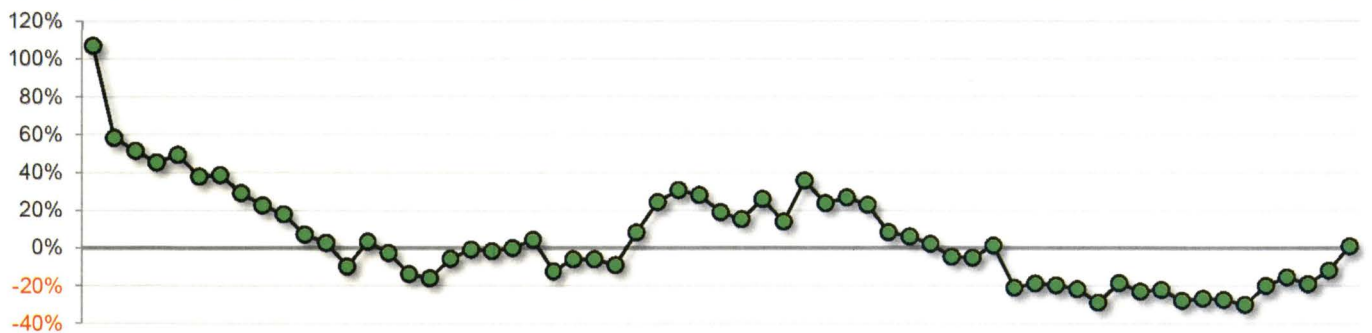
- North Dakota's rate of active resumés per job opening was 0.5 in December 2016. One year prior, North Dakota's rate was 0.6. Nineteen of 22 non-military major occupational groups reported rates of less than 1.0, while one year ago seventeen major occupational groups reported rates of less than 1.0. A rate less than 1.0 indicates more job openings than in-state active resumés. Eleven of 22 non-military major occupational groups reported rate increases from the prior year.
- North Dakota's job openings rate was 3.1 percent in November 2016, the latest month for which data are available. One year prior, North Dakota's rate was 3.4 percent. The U.S. rate for November was not available at the time of publication, but an October 2016 comparison showed North Dakota at 2.9 percent versus the U.S. rate of 3.8 percent. The job openings rate is the percentage of all jobs in the economy open and available.
- North Dakota's rate of unemployed persons per job opening was 0.8 in November 2016, the latest month for which data are available. One year prior, North Dakota's rate was 0.6. Again, the U.S. rate was not available at the time of publication, but an October 2016 comparison showed North Dakota at 0.7 unemployed persons per job opening versus the U.S. rate of 1.3. Twelve of 53 North Dakota counties reported unemployed-per-opening rates of less than 1.0, which indicates more job openings than resident labor supply. One year prior, sixteen counties reported rates of less than 1.0.

JOB OPENINGS DATA

JOB OPENINGS--TOTAL



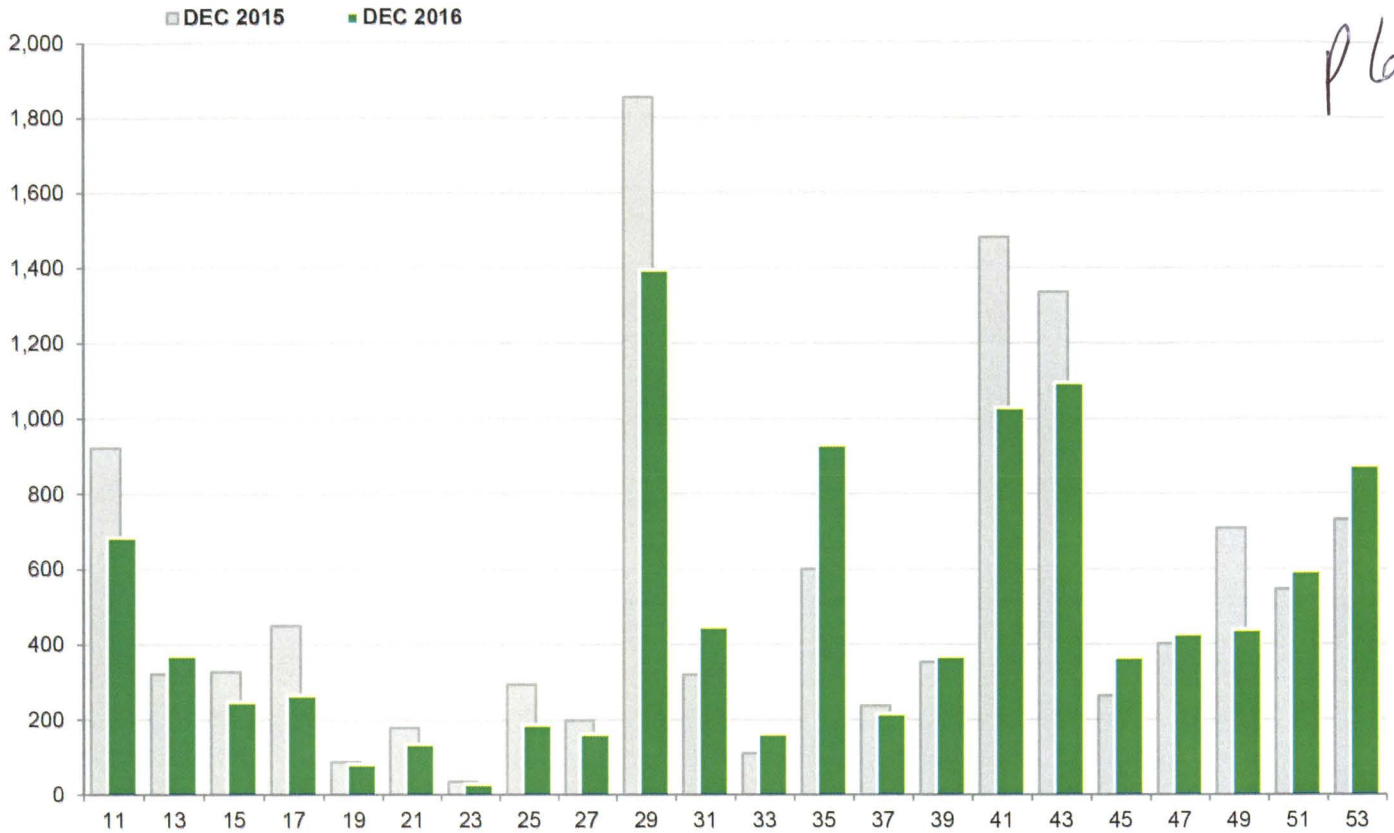
JOB OPENINGS--OVER-THE-YEAR PERCENT CHANGE



	MOST RECENT 13 MONTHS	TOTAL	OVER-THE-MONTH		OVER-THE-YEAR		12-MONTH MOVING AVERAGE	OVER-THE-YEAR	
			NUMERIC CHANGE	PERCENT CHANGE	NUMERIC CHANGE	PERCENT CHANGE		NUMERIC CHANGE	PERCENT CHANGE
DEC 2015	13,524	13,524	↓ -2,377	-14.9	↓ -5,509	-28.9	18,017	↓ -1,525	-7.8
JAN 2016	13,537	13,537	↑ 13	0.1	↓ -3,079	-18.5	17,761	↓ -2,044	-10.3
FEB 2016	13,599	13,599	↑ 62	0.5	↓ -4,076	-23.1	17,422	↓ -2,494	-12.5
MAR 2016	15,243	15,243	↑ 1,644	12.1	↓ -4,301	-22.0	17,061	↓ -2,950	-14.7
APR 2016	15,479	15,479	↑ 236	1.5	↓ -5,969	-27.8	16,565	↓ -3,489	-17.4
MAY 2016	15,444	15,444	↓ -35	-0.2	↓ -5,600	-26.6	16,097	↓ -3,872	-19.4
JUN 2016	14,335	14,335	↓ -1,109	-7.2	↓ -5,345	-27.2	15,651	↓ -4,232	-21.3
JUL 2016	13,462	13,462	↓ -873	-6.1	↓ -5,711	-29.8	15,179	↓ -4,726	-23.7
AUG 2016	14,023	14,023	↑ 561	4.2	↓ -3,460	-19.8	14,888	↓ -4,628	-23.7
SEP 2016	14,750	14,750	↑ 727	5.2	↓ -2,670	-15.3	14,666	↓ -4,518	-23.6
OCT 2016	13,551	13,551	↓ -1,199	-8.1	↓ -3,133	-18.8	14,406	↓ -4,439	-23.6
NOV 2016	14,040	14,040	↑ 489	3.6	↓ -1,861	-11.7	14,252	↓ -4,223	-22.9
DEC 2016	13,685	13,685	↓ -355	-2.5	↑ 161	1.2	14,263	↓ -3,754	-20.8

#1

JOB OPENINGS DATA
SOC CODE/OCCUPATIONAL GROUP

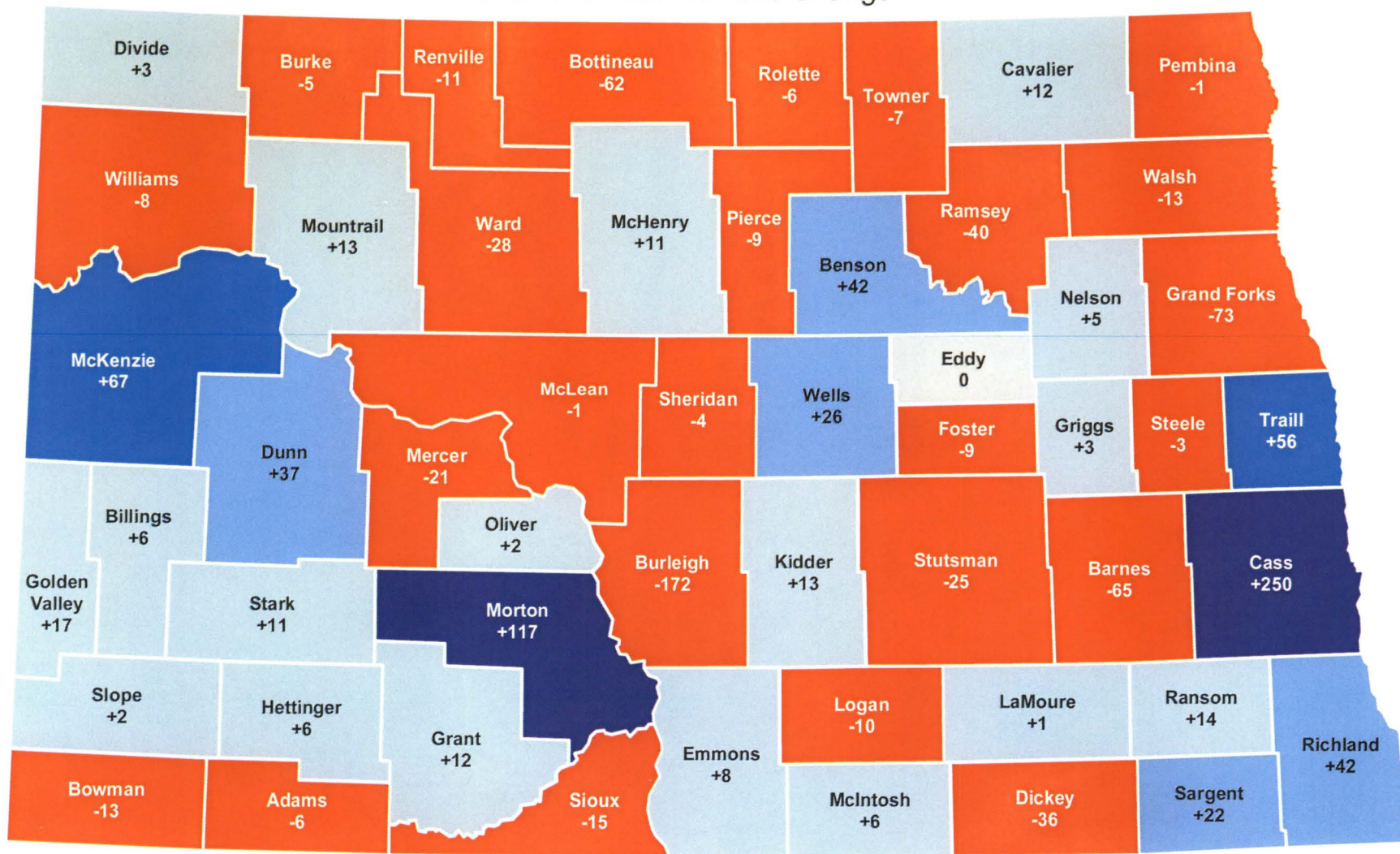


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SOC CODE/OCCUPATIONAL GROUP	DEC 2015	NOV 2016	DEC 2016	OVER-THE-MONTH		OVER-THE-YEAR	
				NUM CHG	PCT CHG	NUM CHG	PCT CHG
11 Management	922	810	686	↓ -124	-15.3	↓ -236	-25.6
13 Business and Financial Operations	322	359	372	↑ 13	3.6	↑ 50	15.5
15 Computer and Mathematical	327	234	248	↑ 14	6.0	↓ -79	-24.2
17 Architecture and Engineering	450	339	266	↓ -73	-21.5	↓ -184	-40.9
19 Life, Physical, and Social Science	87	45	82	↑ 37	82.2	↓ -5	-5.7
21 Community and Social Service	178	109	136	↑ 27	24.8	↓ -42	-23.6
23 Legal	35	17	29	↑ 12	70.6	↓ -6	-17.1
25 Education, Training, and Library	294	195	187	↓ -8	-4.1	↓ -107	-36.4
27 Arts, Design, Entertainment, Sports, and Media	198	143	163	↑ 20	14.0	↓ -35	-17.7
29 Healthcare Practitioners and Technical	1,854	1,430	1,396	↓ -34	-2.4	↓ -458	-24.7
31 Healthcare Support	320	380	449	↑ 69	18.2	↑ 129	40.3
33 Protective Service	111	238	164	↓ -74	-31.1	↑ 53	47.7
35 Food Preparation and Serving Related	601	833	932	↑ 99	11.9	↑ 331	55.1
37 Building and Grounds Cleaning and Maintenance	237	277	217	↓ -60	-21.7	↓ -20	-8.4
39 Personal Care and Service	353	306	370	↑ 64	20.9	↑ 17	4.8
41 Sales and Related	1,482	1,149	1,030	↓ -119	-10.4	↓ -452	-30.5
43 Office and Administrative Support	1,336	1,101	1,096	↓ -5	-0.5	↓ -240	-18.0
45 Farming, Fishing, and Forestry	264	175	366	↑ 191	109.1	↑ 102	38.6
47 Construction and Extraction	402	488	428	↓ -60	-12.3	↑ 26	6.5
49 Installation, Maintenance, and Repair	708	547	440	↓ -107	-19.6	↓ -268	-37.9
51 Production	546	658	595	↓ -63	-9.6	↑ 49	9.0
53 Transportation and Material Moving	731	1,077	874	↓ -203	-18.8	↑ 143	19.6
55 Military Specific	18	9	5	↓ -4	-44.4	↓ -13	-72.2
Not Classified	1,748	3,121	3,154	↑ 33	1.1	↑ 1,406	80.4
TOTAL, ALL JOB OPENINGS	13,524	14,040	13,685	↓ -355	-2.5	↑ 161	1.2

NORTH DAKOTA COUNTY JOB OPENINGS

Over-The-Year Numeric Change



North Dakota Over-The-Year Numeric Change: +161

COUNTY OVER-THE-YEAR NUMERIC CHANGE (DECEMBER 2016)

■ Y/Y Decrease
 ■ No Y/Y Change
 ■ +1 to +19
 ■ +20 to +49
 ■ +50 to +99
 ■ Y/Y Increase > 99

Source: Labor Market Information Center, Job Service North Dakota, Online Job Openings Report

[Map Creation Date: January 3, 2017 Author: Labor Market Information Center, Job Service North Dakota]

PLH
1

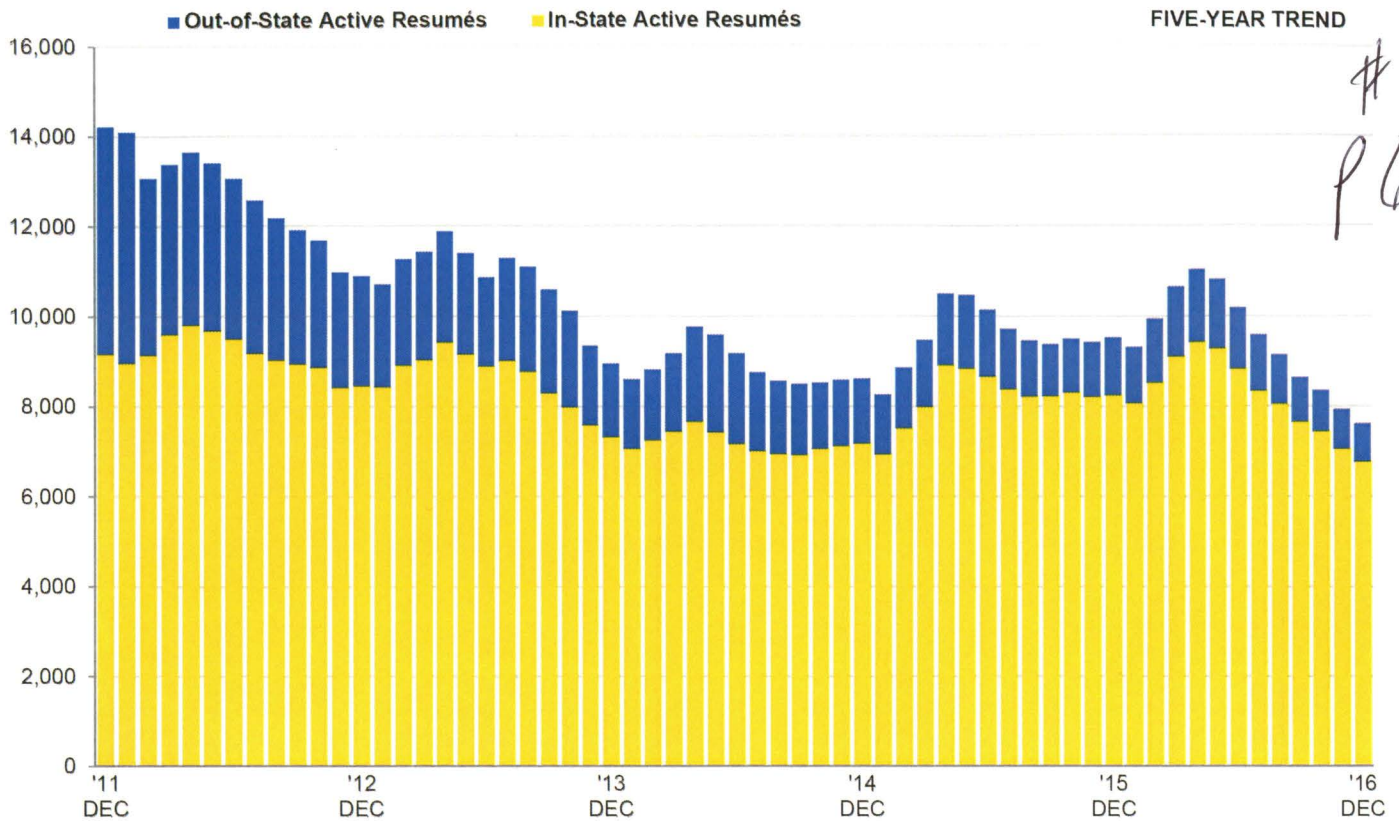
JOB OPENINGS DATA

COUNTY NAME	DEC	NOV	DEC	OVER-THE-MONTH		OVER-THE-YEAR			
	2015	2016	2016	NUM CHG	PCT CHG	NUM CHG	PCT CHG		
Adams	27	27	21	↓	-6	-22.2	↓	-6	-22.2
Barnes	209	111	144	↑	33	29.7	↓	-65	-31.1
Benson	41	67	83	↑	16	23.9	↑	42	102.4
Billings	1	1	7	↑	6	600.0	↑	6	600.0
Bottineau	101	27	39	↑	12	44.4	↓	-62	-61.4
Bowman	28	13	15	↑	2	15.4	↓	-13	-46.4
Burke	11	8	6	↓	-2	-25.0	↓	-5	-45.5
Burleigh	2,125	2,069	1,953	↓	-116	-5.6	↓	-172	-8.1
Cass	4,257	4,635	4,507	↓	-128	-2.8	↑	250	5.9
Cavalier	13	18	25	↑	7	38.9	↑	12	92.3
Dickey	89	67	53	↓	-14	-20.9	↓	-36	-40.4
Divide	6	9	9	→	0	0.0	↑	3	50.0
Dunn	31	73	68	↓	-5	-6.8	↑	37	119.4
Eddy	16	9	16	↑	7	77.8	→	0	0.0
Emmons	13	23	21	↓	-2	-8.7	↑	8	61.5
Foster	68	43	59	↑	16	37.2	↓	-9	-13.2
Golden Valley	6	25	23	↓	-2	-8.0	↑	17	283.3
Grand Forks	1,736	1,836	1,663	↓	-173	-9.4	↓	-73	-4.2
Grant	9	32	21	↓	-11	-34.4	↑	12	133.3
Griggs	12	17	15	↓	-2	-11.8	↑	3	25.0
Hettinger	32	23	38	↑	15	65.2	↑	6	18.8
Kidder	1	3	14	↑	11	366.7	↑	13	1,300.0
LaMoure	17	29	18	↓	-11	-37.9	↑	1	5.9
Logan	19	8	9	↑	1	12.5	↓	-10	-52.6
McHenry	35	33	46	↑	13	39.4	↑	11	31.4
McIntosh	19	14	25	↑	11	78.6	↑	6	31.6
McKenzie	162	218	229	↑	11	5.0	↑	67	41.4
McLean	63	36	62	↑	26	72.2	↓	-1	-1.6
Mercer	96	88	75	↓	-13	-14.8	↓	-21	-21.9
Morton	236	307	353	↑	46	15.0	↑	117	49.6
Mountrail	157	156	170	↑	14	9.0	↑	13	8.3
Nelson	19	12	24	↑	12	100.0	↑	5	26.3
Oliver	8	15	10	↓	-5	-33.3	↑	2	25.0
Pembina	49	41	48	↑	7	17.1	↓	-1	-2.0
Pierce	38	27	29	↑	2	7.4	↓	-9	-23.7
Ramsey	227	277	187	↓	-90	-32.5	↓	-40	-17.6
Ransom	28	53	42	↓	-11	-20.8	↑	14	50.0
Renville	25	18	14	↓	-4	-22.2	↓	-11	-44.0
Richland	192	272	234	↓	-38	-14.0	↑	42	21.9
Rolette	68	38	62	↑	24	63.2	↓	-6	-8.8
Sargent	20	42	42	→	0	0.0	↑	22	110.0
Sheridan	5	2	1	↓	-1	-50.0	↓	-4	-80.0
Sioux	81	66	66	→	0	0.0	↓	-15	-18.5
Slope	0	1	2	↑	1	100.0	↑	2	---
Stark	576	591	587	↓	-4	-0.7	↑	11	1.9
Steele	12	6	9	↑	3	50.0	↓	-3	-25.0
Stutsman	412	381	387	↑	6	1.6	↓	-25	-6.1
Towner	10	6	3	↓	-3	-50.0	↓	-7	-70.0
Traill	75	123	131	↑	8	6.5	↑	56	74.7
Walsh	147	108	134	↑	26	24.1	↓	-13	-8.8
Ward	1,117	1,012	1,089	↑	77	7.6	↓	-28	-2.5
Wells	23	60	49	↓	-11	-18.3	↑	26	113.0
Williams	756	864	748	↓	-116	-13.4	↓	-8	-1.1

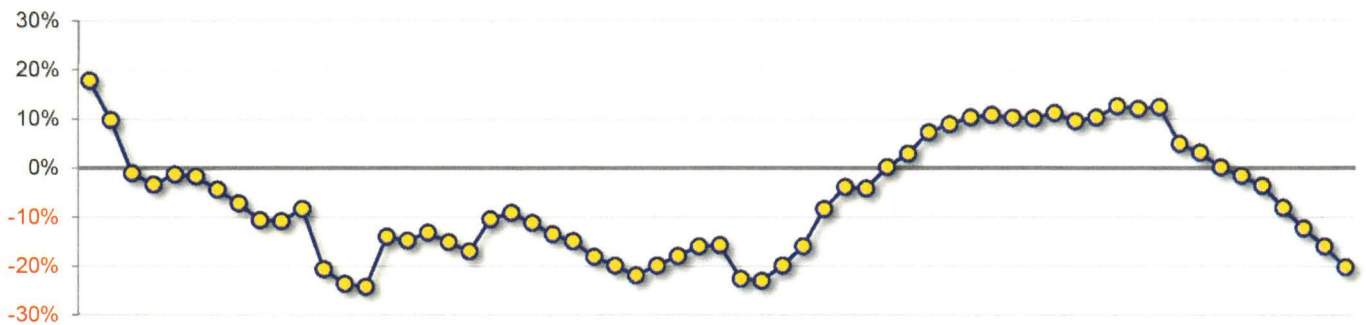
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ACTIVE RESUMÉS DATA

ACTIVE RESUMÉS--TOTAL



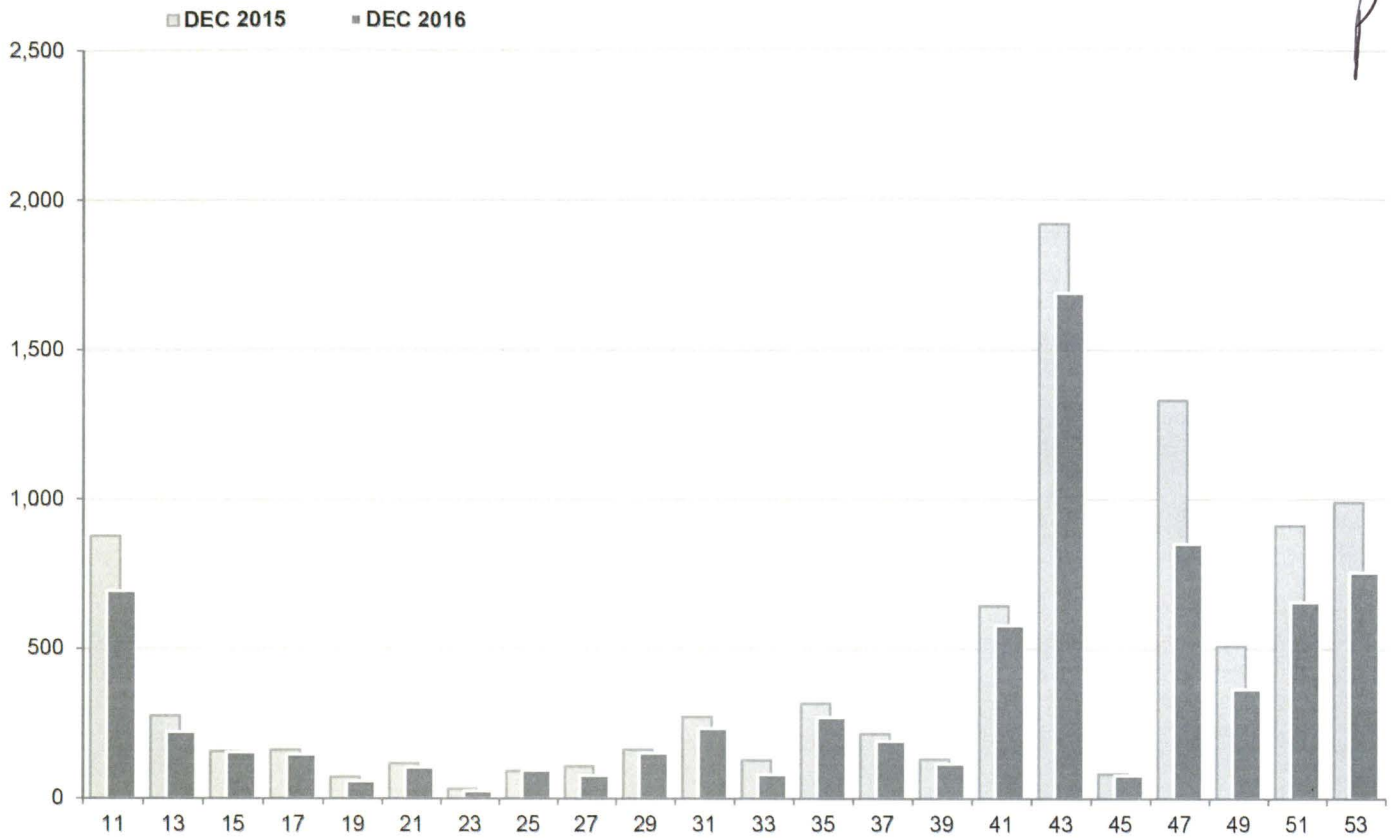
ACTIVE RESUMÉS--OVER-THE-YEAR PERCENT CHANGE



MOST RECENT 13 MONTHS		TOTAL	OVER-THE-MONTH		OVER-THE-YEAR		12-MONTH MOVING AVERAGE	OVER-THE-YEAR	
			NUMERIC CHANGE	PERCENT CHANGE	NUMERIC CHANGE	PERCENT CHANGE		NUMERIC CHANGE	PERCENT CHANGE
DEC	2015	9,540	↑ 100	1.1	↑ 905	10.5	9,577	↑ 665	7.5
JAN	2016	9,332	↓ -208	-2.2	↑ 1,060	12.8	9,663	↑ 782	8.8
FEB	2016	9,955	↑ 623	6.7	↑ 1,084	12.2	9,753	↑ 870	9.8
MAR	2016	10,672	↑ 717	7.2	↑ 1,190	12.6	9,857	↑ 950	10.7
APR	2016	11,052	↑ 380	3.6	↑ 537	5.1	9,897	↑ 929	10.4
MAY	2016	10,829	↓ -223	-2.0	↑ 342	3.3	9,928	↑ 887	9.8
JUN	2016	10,193	↓ -636	-5.9	↑ 34	0.3	9,929	↑ 810	8.9
JUL	2016	9,595	↓ -598	-5.9	↓ -141	-1.4	9,919	↑ 717	7.8
AUG	2016	9,154	↓ -441	-4.6	↓ -322	-3.4	9,890	↑ 612	6.6
SEP	2016	8,656	↓ -498	-5.4	↓ -738	-7.9	9,829	↑ 480	5.1
OCT	2016	8,369	↓ -287	-3.3	↓ -1,148	-12.1	9,735	↑ 305	3.2
NOV	2016	7,948	↓ -421	-5.0	↓ -1,492	-15.8	9,611	↑ 112	1.2
DEC	2016	7,629	↓ -319	-4.0	↓ -1,911	-20.0	9,449	↓ -128	-1.3

ACTIVE RESUMÉS DATA
SOC CODE/OCCUPATIONAL GROUP

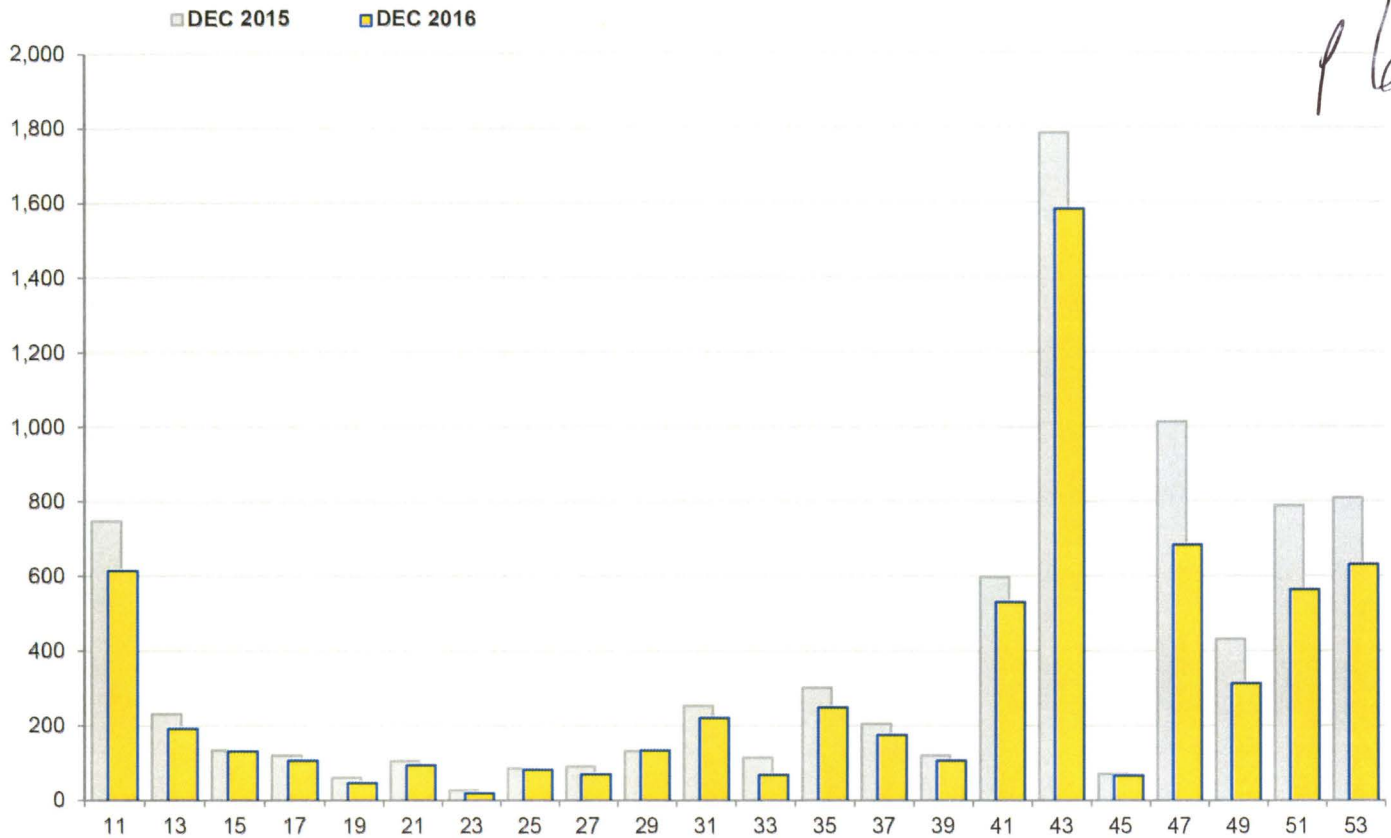
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SOC CODE/OCCUPATIONAL GROUP	DEC 2015	NOV 2016	DEC 2016	OVER-THE-MONTH		OVER-THE-YEAR			
				NUM CHG	PCT CHG	NUM CHG	PCT CHG		
11 Management	877	731	694	↓	-37	-5.1	↓	-183	-20.9
13 Business and Financial Operations	276	228	222	↓	-6	-2.6	↓	-54	-19.6
15 Computer and Mathematical	157	154	154	↔	0	0.0	↓	-3	-1.9
17 Architecture and Engineering	162	151	147	↓	-4	-2.6	↓	-15	-9.3
19 Life, Physical, and Social Science	72	60	58	↓	-2	-3.3	↓	-14	-19.4
21 Community and Social Service	117	111	104	↓	-7	-6.3	↓	-13	-11.1
23 Legal	32	27	25	↓	-2	-7.4	↓	-7	-21.9
25 Education, Training, and Library	92	98	94	↓	-4	-4.1	↑	2	2.2
27 Arts, Design, Entertainment, Sports, and Media	108	82	77	↓	-5	-6.1	↓	-31	-28.7
29 Healthcare Practitioners and Technical	164	132	152	↑	20	15.2	↓	-12	-7.3
31 Healthcare Support	273	240	234	↓	-6	-2.5	↓	-39	-14.3
33 Protective Service	129	100	81	↓	-19	-19.0	↓	-48	-37.2
35 Food Preparation and Serving Related	318	281	271	↓	-10	-3.6	↓	-47	-14.8
37 Building and Grounds Cleaning and Maintenance	217	207	192	↓	-15	-7.2	↓	-25	-11.5
39 Personal Care and Service	132	123	116	↓	-7	-5.7	↓	-16	-12.1
41 Sales and Related	644	627	579	↓	-48	-7.7	↓	-65	-10.1
43 Office and Administrative Support	1,919	1,804	1,689	↓	-115	-6.4	↓	-230	-12.0
45 Farming, Fishing, and Forestry	83	70	77	↑	7	10.0	↓	-6	-7.2
47 Construction and Extraction	1,332	840	851	↑	11	1.3	↓	-481	-36.1
49 Installation, Maintenance, and Repair	508	389	365	↓	-24	-6.2	↓	-143	-28.1
51 Production	911	685	657	↓	-28	-4.1	↓	-254	-27.9
53 Transportation and Material Moving	989	778	756	↓	-22	-2.8	↓	-233	-23.6
55 Military Specific	11	14	13	↓	-1	-7.1	↑	2	18.2
Not Classified	17	16	21	↑	5	31.3	↑	4	23.5
TOTAL, ALL ACTIVE RESUMÉS	9,540	7,948	7,629	↓	-319	-4.0	↓	-1,911	-20.0

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ACTIVE RESUMÉS DATA
SOC CODE/OCCUPATIONAL GROUP

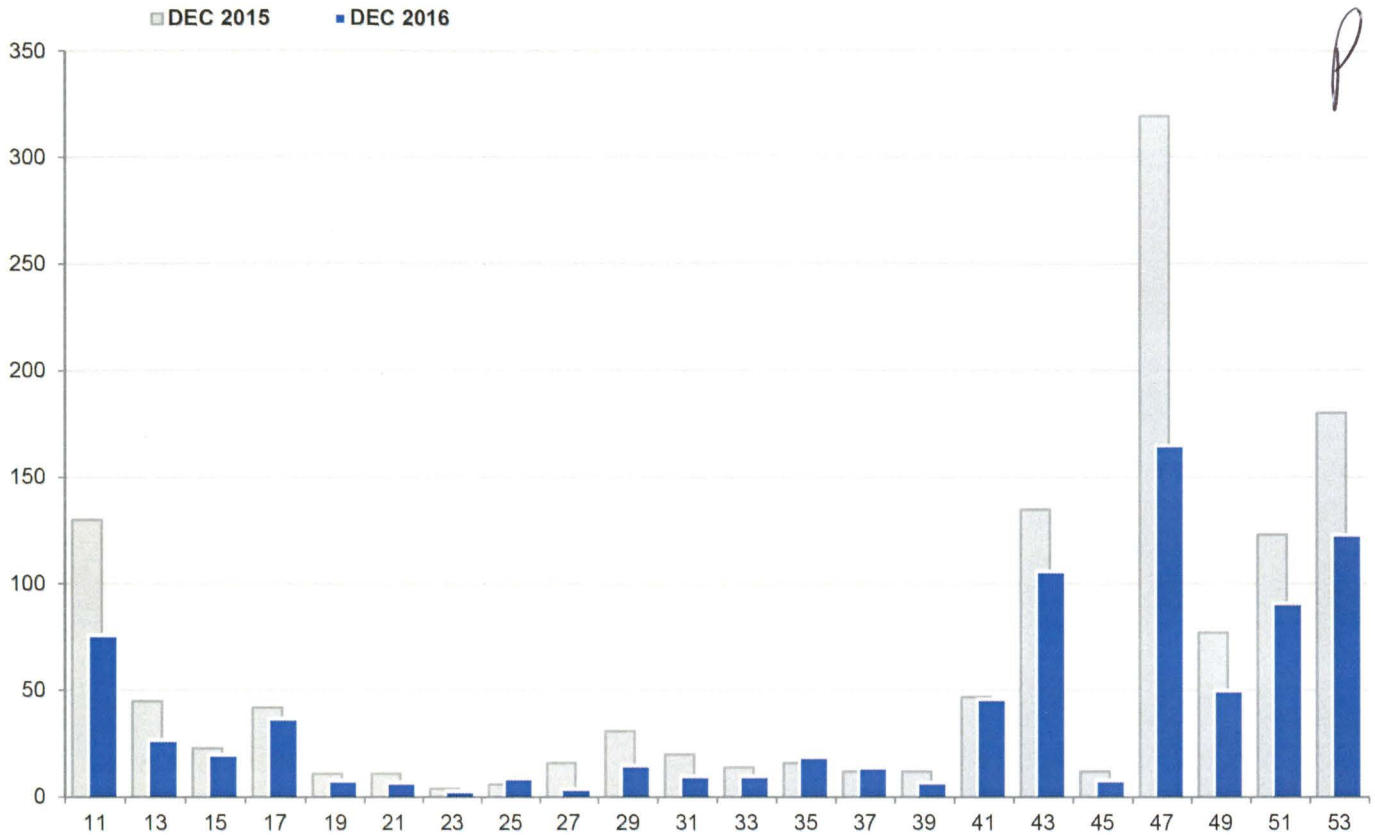


SOC CODE/OCCUPATIONAL GROUP	DEC 2015	NOV 2016	DEC 2016	OVER-THE-MONTH		OVER-THE-YEAR			
				NUM CHG	PCT CHG	NUM CHG	PCT CHG		
11 Management	747	645	618	↓	-27	-4.2	↓	-129	-17.3
13 Business and Financial Operations	231	202	195	↓	-7	-3.5	↓	-36	-15.6
15 Computer and Mathematical	134	135	134	↓	-1	-0.7	↔	0	0.0
17 Architecture and Engineering	120	117	110	↓	-7	-6.0	↓	-10	-8.3
19 Life, Physical, and Social Science	61	52	50	↓	-2	-3.8	↓	-11	-18.0
21 Community and Social Service	106	105	97	↓	-8	-7.6	↓	-9	-8.5
23 Legal	28	25	22	↓	-3	-12.0	↓	-6	-21.4
25 Education, Training, and Library	86	92	85	↓	-7	-7.6	↓	-1	-1.2
27 Arts, Design, Entertainment, Sports, and Media	92	72	73	↑	1	1.4	↓	-19	-20.7
29 Healthcare Practitioners and Technical	133	116	137	↑	21	18.1	↑	4	3.0
31 Healthcare Support	253	224	224	↔	0	0.0	↓	-29	-11.5
33 Protective Service	115	90	71	↓	-19	-21.1	↓	-44	-38.3
35 Food Preparation and Serving Related	302	261	252	↓	-9	-3.4	↓	-50	-16.6
37 Building and Grounds Cleaning and Maintenance	205	194	178	↓	-16	-8.2	↓	-27	-13.2
39 Personal Care and Service	120	117	109	↓	-8	-6.8	↓	-11	-9.2
41 Sales and Related	597	580	533	↓	-47	-8.1	↓	-64	-10.7
43 Office and Administrative Support	1,784	1,674	1,583	↓	-91	-5.4	↓	-201	-11.3
45 Farming, Fishing, and Forestry	71	62	69	↑	7	11.3	↓	-2	-2.8
47 Construction and Extraction	1,013	672	686	↑	14	2.1	↓	-327	-32.3
49 Installation, Maintenance, and Repair	431	342	315	↓	-27	-7.9	↓	-116	-26.9
51 Production	788	589	566	↓	-23	-3.9	↓	-222	-28.2
53 Transportation and Material Moving	809	660	633	↓	-27	-4.1	↓	-176	-21.8
55 Military Specific	10	13	12	↓	-1	-7.7	↑	2	20.0
Not Classified	16	14	19	↑	5	35.7	↑	3	18.8
TOTAL, IN-STATE ACTIVE RESUMÉS	8,252	7,053	6,771	↓	-282	-4.0	↓	-1,481	-17.9

ACTIVE RESUMÉS DATA

SOC CODE/OCCUPATIONAL GROUP

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SOC CODE/OCCUPATIONAL GROUP	DEC 2015	NOV 2016	DEC 2016	OVER-THE-MONTH		OVER-THE-YEAR			
				NUM CHG	PCT CHG	NUM CHG	PCT CHG		
11 Management	130	86	76	↓	-10	-11.6	↓	-54	-41.5
13 Business and Financial Operations	45	26	27	↑	1	3.8	↓	-18	-40.0
15 Computer and Mathematical	23	19	20	↑	1	5.3	↓	-3	-13.0
17 Architecture and Engineering	42	34	37	↑	3	8.8	↓	-5	-11.9
19 Life, Physical, and Social Science	11	8	8	→	0	0.0	↓	-3	-27.3
21 Community and Social Service	11	6	7	↑	1	16.7	↓	-4	-36.4
23 Legal	4	2	3	↑	1	50.0	↓	-1	-25.0
25 Education, Training, and Library	6	6	9	↑	3	50.0	↑	3	50.0
27 Arts, Design, Entertainment, Sports, and Media	16	10	4	↓	-6	-60.0	↓	-12	-75.0
29 Healthcare Practitioners and Technical	31	16	15	↓	-1	-6.3	↓	-16	-51.6
31 Healthcare Support	20	16	10	↓	-6	-37.5	↓	-10	-50.0
33 Protective Service	14	10	10	→	0	0.0	↓	-4	-28.6
35 Food Preparation and Serving Related	16	20	19	↓	-1	-5.0	↑	3	18.8
37 Building and Grounds Cleaning and Maintenance	12	13	14	↑	1	7.7	↑	2	16.7
39 Personal Care and Service	12	6	7	↑	1	16.7	↓	-5	-41.7
41 Sales and Related	47	47	46	↓	-1	-2.1	↓	-1	-2.1
43 Office and Administrative Support	135	130	106	↓	-24	-18.5	↓	-29	-21.5
45 Farming, Fishing, and Forestry	12	8	8	→	0	0.0	↓	-4	-33.3
47 Construction and Extraction	319	168	165	↓	-3	-1.8	↓	-154	-48.3
49 Installation, Maintenance, and Repair	77	47	50	↑	3	6.4	↓	-27	-35.1
51 Production	123	96	91	↓	-5	-5.2	↓	-32	-26.0
53 Transportation and Material Moving	180	118	123	↑	5	4.2	↓	-57	-31.7
55 Military Specific	1	1	1	→	0	0.0	→	0	0.0
Not Classified	1	2	2	→	0	0.0	↑	1	100.0
TOTAL, OUT-OF-STATE ACTIVE RESUMÉS	1,288	895	858	↓	-37	-4.1	↓	-430	-33.4

ACTIVE RESUMÉS DATA

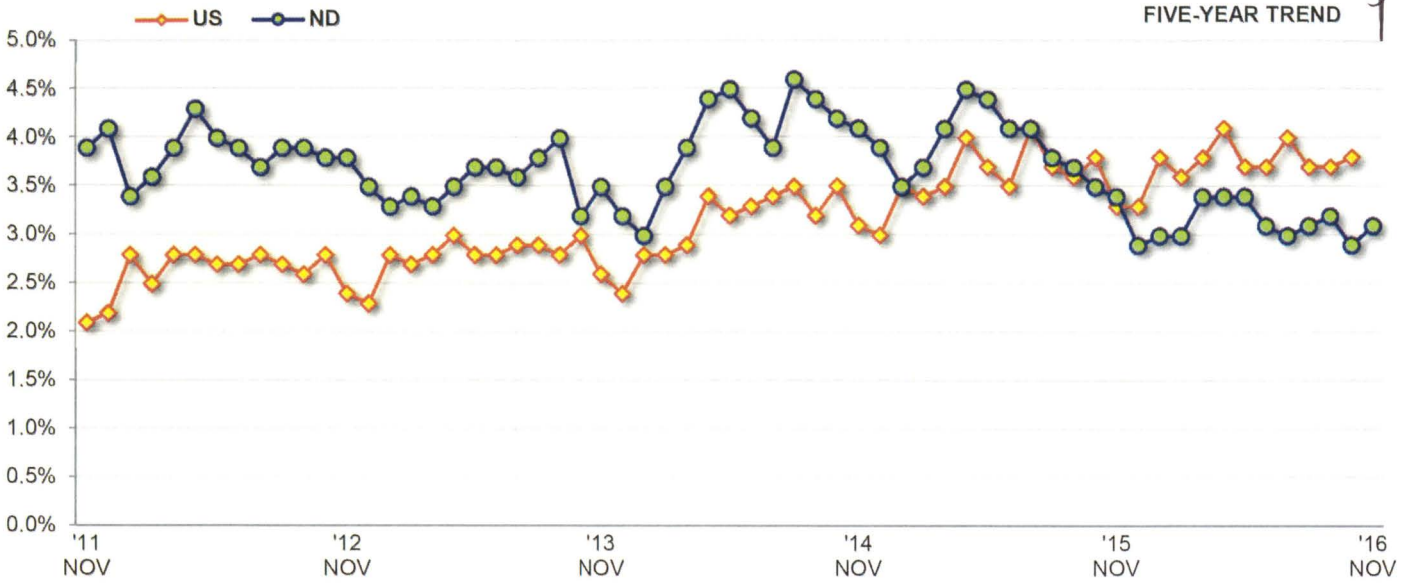
COUNTY NAME	DEC	NOV	DEC	OVER-THE-MONTH		OVER-THE-YEAR			
	2015	2016	2016	NUM CHG	PCT CHG	NUM CHG	PCT CHG		
Adams	5	9	12	↑	3	33.3	↑	7	140.0
Barnes	126	96	82	↓	-14	-14.6	↓	-44	-34.9
Benson	52	28	26	↓	-2	-7.1	↓	-26	-50.0
Billings	2	0	1	↑	1	---	↓	-1	-50.0
Bottineau	46	36	30	↓	-6	-16.7	↓	-16	-34.8
Bowman	17	9	9	↔	0	0.0	↓	-8	-47.1
Burke	15	15	17	↑	2	13.3	↑	2	13.3
Burleigh	1,016	1,017	983	↓	-34	-3.3	↓	-33	-3.2
Cass	1,518	1,344	1,315	↓	-29	-2.2	↓	-203	-13.4
Cavalier	11	5	3	↓	-2	-40.0	↓	-8	-72.7
Dickey	23	14	28	↑	14	100.0	↑	5	21.7
Divide	15	10	9	↓	-1	-10.0	↓	-6	-40.0
Dunn	52	44	57	↑	13	29.5	↑	5	9.6
Eddy	8	4	12	↑	8	200.0	↑	4	50.0
Emmons	10	6	17	↑	11	183.3	↑	7	70.0
Foster	9	9	8	↓	-1	-11.1	↓	-1	-11.1
Golden Valley	12	7	6	↓	-1	-14.3	↓	-6	-50.0
Grand Forks	487	443	417	↓	-26	-5.9	↓	-70	-14.4
Grant	8	5	4	↓	-1	-20.0	↓	-4	-50.0
Griggs	4	7	6	↓	-1	-14.3	↑	2	50.0
Hettinger	27	16	14	↓	-2	-12.5	↓	-13	-48.1
Kidder	9	9	7	↓	-2	-22.2	↓	-2	-22.2
LaMoure	13	13	8	↓	-5	-38.5	↓	-5	-38.5
Logan	2	3	3	↔	0	0.0	↑	1	50.0
McHenry	81	60	60	↔	0	0.0	↓	-21	-25.9
McIntosh	5	6	6	↔	0	0.0	↑	1	20.0
McKenzie	126	114	120	↑	6	5.3	↓	-6	-4.8
McLean	50	48	42	↓	-6	-12.5	↓	-8	-16.0
Mercer	138	104	98	↓	-6	-5.8	↓	-40	-29.0
Morton	337	330	327	↓	-3	-0.9	↓	-10	-3.0
Mountrail	80	91	61	↓	-30	-33.0	↓	-19	-23.8
Nelson	8	19	17	↓	-2	-10.5	↑	9	112.5
Oliver	16	16	8	↓	-8	-50.0	↓	-8	-50.0
Pembina	35	23	30	↑	7	30.4	↓	-5	-14.3
Pierce	18	16	15	↓	-1	-6.3	↓	-3	-16.7
Ramsey	118	111	118	↑	7	6.3	↔	0	0.0
Ransom	19	9	19	↑	10	111.1	↔	0	0.0
Renville	22	21	24	↑	3	14.3	↑	2	9.1
Richland	130	149	152	↑	3	2.0	↑	22	16.9
Rolette	277	145	146	↑	1	0.7	↓	-131	-47.3
Sargent	9	8	10	↑	2	25.0	↑	1	11.1
Sheridan	6	3	2	↓	-1	-33.3	↓	-4	-66.7
Sioux	19	10	15	↑	5	50.0	↓	-4	-21.1
Slope	1	2	1	↓	-1	-50.0	↔	0	0.0
Stark	797	494	437	↓	-57	-11.5	↓	-360	-45.2
Steele	5	5	7	↑	2	40.0	↑	2	40.0
Stutsman	181	179	167	↓	-12	-6.7	↓	-14	-7.7
Towner	17	10	12	↑	2	20.0	↓	-5	-29.4
Traill	31	40	36	↓	-4	-10.0	↑	5	16.1
Walsh	74	53	67	↑	14	26.4	↓	-7	-9.5
Ward	1,333	1,128	1,038	↓	-90	-8.0	↓	-295	-22.1
Wells	18	23	22	↓	-1	-4.3	↑	4	22.2
Williams	814	687	640	↓	-47	-6.8	↓	-174	-21.4

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SUPPLY/DEMAND RATES

JOB OPENINGS RATE (%)

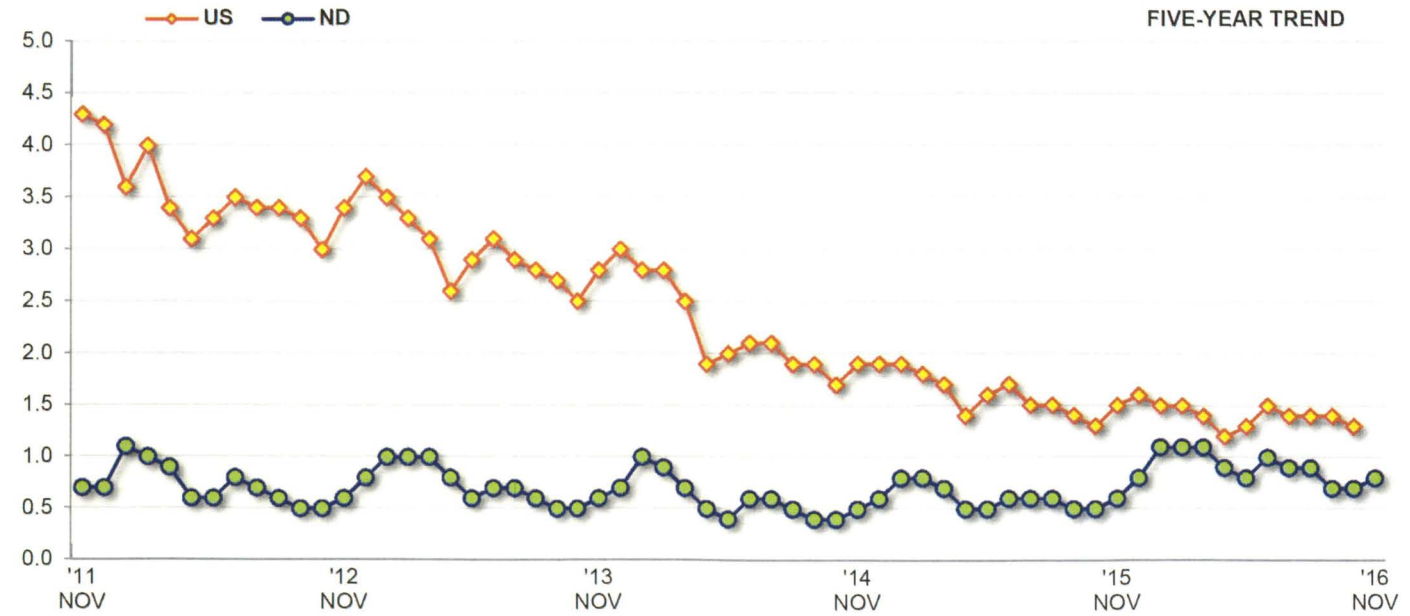
The job openings rate is simply the percentage of all jobs in the economy open and available and is calculated by taking the number of job openings divided by total nonfarm employment (filled jobs) from the Current Employment Statistics (CES) program plus job openings (unfilled jobs). A higher rate is an indicator of increased job opportunities for seekers. This supply/demand rate includes those working more than one job and commuting from out of state. The latest month for which North Dakota employment data are available is November 2016. The latest month for which U.S. job openings data are available is October 2016. U.S. data taken from the U.S. Bureau of Labor Statistics.



	NOV 2015	JUN 2016	JUL 2016	AUG 2016	SEP 2016	OCT 2016	NOV 2016
NORTH DAKOTA	3.4	3.1	3.0	3.1	3.2	2.9	3.1
UNITED STATES	3.3	3.7	4.0	3.7	3.7	3.8	---

UNEMPLOYED PER JOB OPENING

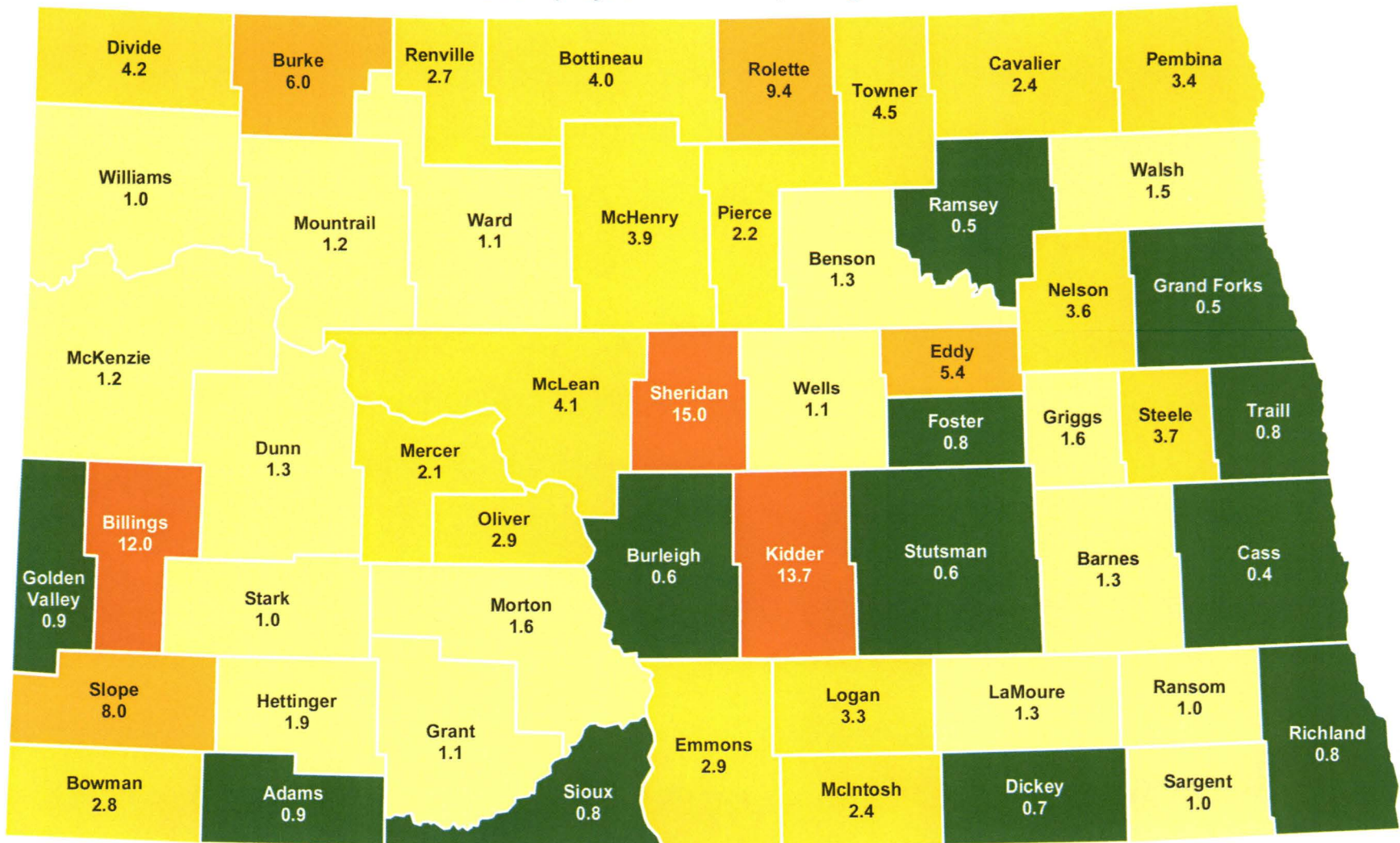
Unemployed per job opening is a supply/demand rate calculated by taking the number of unemployed persons from the Local Area Unemployment Statistics (LAUS) program and dividing by job openings. A result less than 1 indicates more job openings than potential resident labor supply while a result greater than 1 indicates more potential resident labor supply than job openings. The latest month for which North Dakota unemployment data are available is November 2016. The latest month for which U.S. job openings data are available is October 2016. U.S. data taken from the U.S. Bureau of Labor Statistics.



	NOV 2015	JUN 2016	JUL 2016	AUG 2016	SEP 2016	OCT 2016	NOV 2016
NORTH DAKOTA	0.6	1.0	0.9	0.9	0.7	0.7	0.8
UNITED STATES	1.5	1.5	1.4	1.4	1.4	1.3	---

NORTH DAKOTA COUNTY SUPPLY/DEMAND RATES

Unemployed Per Job Opening



North Dakota Supply/Demand Rate (Not Seasonally Adjusted): 0.8

COUNTY SUPPLY/DEMAND RATES (NOVEMBER 2016)

< 1.0
 1.0 to 1.9
 2.0 to 4.9
 5.0 to 9.9
 > 9.9

A supply/demand rate could not be calculated for counties shaded in gray because zero job openings were reported in the reference period

Source: Labor Market Information Center, Job Service North Dakota, Online Job Openings Report

[Map Creation Date: January 3, 2017 Author: Labor Market Information Center, Job Service North Dakota]

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SUPPLY/DEMAND RATES

UNEMPLOYED PER JOB OPENING

Less than 1 indicates more job openings than potential resident labor supply while greater than 1 indicates more potential resident labor supply than job openings. The latest month for which North Dakota unemployment data are available is November 2016. P 73

COUNTY NAME	NOV 2015	JUN 2016	JUL 2016	AUG 2016	SEP 2016	OCT 2016	NOV 2016
Adams	1.0	1.4	1.2	1.0	1.6	1.0	0.9
Barnes	0.6	1.2	1.3	1.7	0.9	0.8	1.3
Benson	1.4	1.7	1.1	2.3	0.7	1.2	1.3
Billings	11.0	1.0	1.9	3.0	0.9	1.0	12.0
Bottineau	1.0	3.9	3.0	2.8	2.5	3.6	4.0
Bowman	1.1	1.8	1.2	0.8	0.9	1.3	2.8
Burke	2.4	7.6	3.3	6.1	7.2	8.2	6.0
Burleigh	0.4	0.7	0.7	0.6	0.5	0.5	0.6
Cass	0.3	0.5	0.5	0.5	0.4	0.4	0.4
Cavalier	2.2	1.2	0.9	0.5	2.0	1.8	2.4
Dickey	0.5	1.5	1.0	1.0	0.9	0.8	0.7
Divide	8.3	7.3	3.9	3.4	2.7	1.7	4.2
Dunn	2.2	3.7	1.3	1.7	1.4	1.6	1.3
Eddy	3.0	7.7	8.0	3.5	2.9	5.7	5.4
Emmons	2.9	2.3	2.0	2.0	0.9	1.9	2.9
Foster	0.4	1.5	0.8	1.0	0.9	0.5	0.8
Golden Valley	1.1	1.3	1.2	0.7	0.8	1.1	0.9
Grand Forks	0.3	0.6	0.5	0.5	0.5	0.4	0.5
Grant	3.9	3.2	4.3	3.0	1.0	4.3	1.1
Griggs	2.2	3.8	2.5	3.2	7.3	5.2	1.6
Hettinger	0.8	1.8	1.9	3.4	1.6	1.9	1.9
Kidder	4.9	22.5	42.0	20.0	5.4	---	13.7
LaMoure	1.8	1.0	1.9	1.7	1.2	1.1	1.3
Logan	0.8	6.2	10.3	7.8	4.3	2.9	3.3
McHenry	3.6	17.3	14.1	6.1	5.3	7.5	3.9
McIntosh	1.3	3.5	11.7	3.7	3.4	1.8	2.4
McKenzie	1.1	1.5	1.1	1.2	0.9	1.2	1.2
McLean	2.7	2.6	3.8	4.3	2.1	4.2	4.1
Mercer	1.3	2.9	2.4	2.3	1.4	1.7	2.1
Morton	1.7	2.4	1.7	2.1	1.8	1.9	1.6
Mountrail	1.0	2.0	1.0	1.2	1.0	1.2	1.2
Nelson	2.5	1.3	2.2	2.7	2.0	2.1	3.6
Oliver	3.8	3.6	3.4	1.7	0.9	1.3	2.9
Pembina	2.1	6.1	2.6	2.8	2.2	3.1	3.4
Pierce	1.2	3.0	2.3	1.4	1.2	1.1	2.2
Ramsey	0.4	0.7	0.6	0.5	0.5	0.6	0.5
Ransom	1.2	3.4	1.2	1.5	1.4	1.0	1.0
Renville	1.4	2.3	6.4	5.6	4.0	2.1	2.7
Richland	0.8	0.9	1.0	0.9	0.7	0.7	0.8
Rolette	5.3	18.3	13.3	15.2	6.5	7.4	9.4
Sargent	1.3	1.4	1.0	1.4	1.0	1.4	1.0
Sheridan	10.0	8.2	6.2	7.0	1.5	7.7	15.0
Sioux	0.5	1.8	1.2	3.3	0.7	0.7	0.8
Slope	12.0	10.0	9.0	---	---	---	8.0
Stark	0.8	1.6	1.2	1.0	0.9	1.2	1.0
Steele	1.1	3.5	3.6	2.0	2.2	2.5	3.7
Stutsman	0.4	0.6	0.5	0.5	0.5	0.5	0.6
Towner	1.5	2.9	1.6	2.0	1.5	1.4	4.5
Traill	1.2	1.4	1.0	0.9	0.8	0.7	0.8
Walsh	0.9	2.7	2.6	2.1	1.2	1.1	1.5
Ward	0.8	1.2	1.0	1.1	1.0	1.0	1.1
Wells	1.8	4.8	3.0	2.8	2.3	1.7	1.1
Williams	0.8	1.5	1.1	1.1	0.9	1.0	1.0

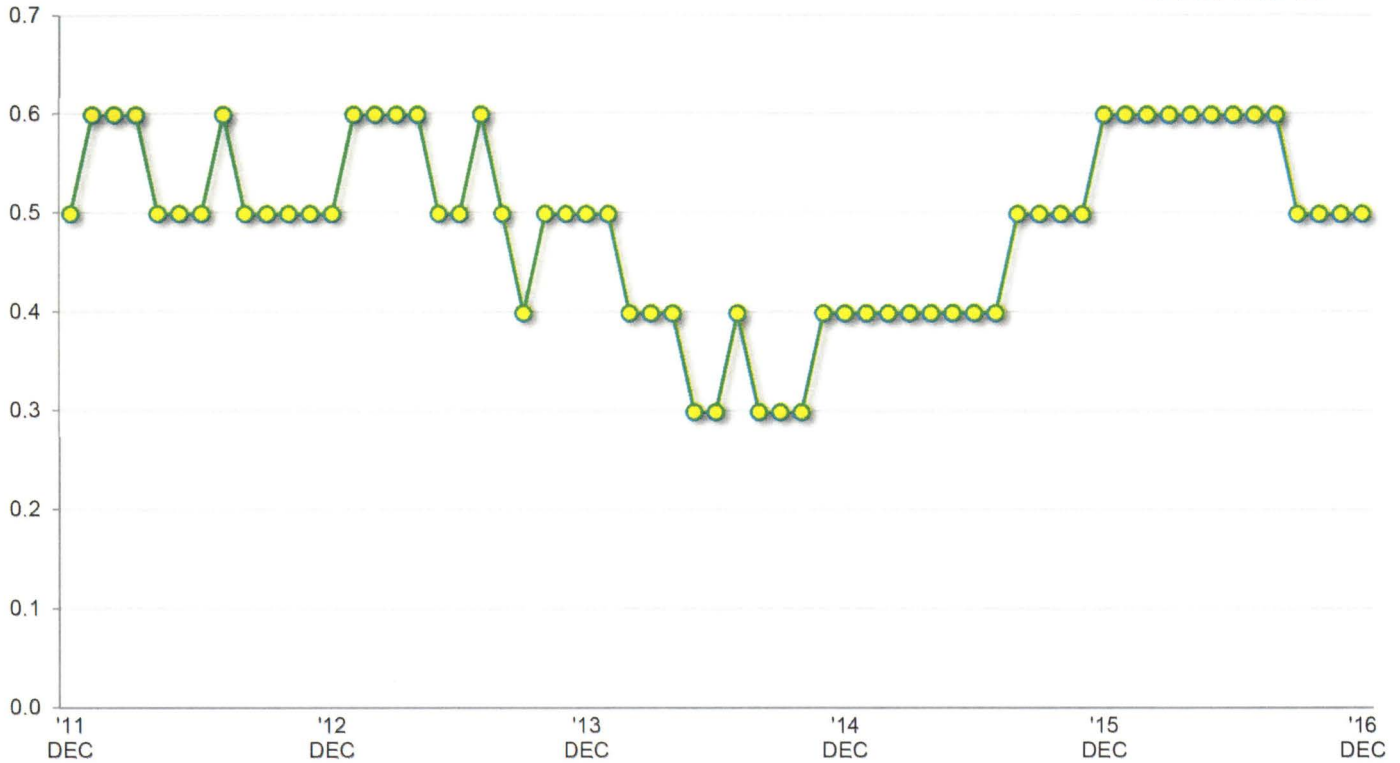
SUPPLY/DEMAND RATES

ACTIVE RESUMÉS PER JOB OPENING

Active resumés per job opening is a supply/demand rate that uses active online resumés as the supply input and is the most timely of the supply/demand rates. For this measure, only local active online resumés (i.e. resumés tied to an in-state North Dakota address) were used in the calculation in order to get a more accurate measure of the local supply situation. Out-of-state resumés were excluded from this calculation. A result less than 1 indicates more job openings than local active resumés, while a result greater than 1 indicates more local active resumés than job openings. Also, this is the only supply/demand rate that can generate results at the occupational group level.

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FIVE-YEAR TREND



SOC CODE/OCCUPATIONAL GROUP	DEC 2015	JUL 2016	AUG 2016	SEP 2016	OCT 2016	NOV 2016	DEC 2016
11 Management	0.8	1.1	1.1	0.8	1.0	0.8	0.9
13 Business and Financial Operations	0.7	0.9	0.8	0.6	0.6	0.6	0.5
15 Computer and Mathematical	0.4	0.5	0.5	0.6	0.5	0.6	0.5
17 Architecture and Engineering	0.3	0.6	0.5	0.5	0.4	0.3	0.4
19 Life, Physical, and Social Science	0.7	0.9	0.7	0.9	1.0	1.2	0.6
21 Community and Social Service	0.6	0.9	0.9	0.9	0.6	1.0	0.7
23 Legal	0.8	0.5	0.7	0.6	0.8	1.5	0.8
25 Education, Training, and Library	0.3	0.4	0.4	0.5	0.5	0.5	0.5
27 Arts, Design, Entertainment, Sports, and Media	0.5	0.5	0.5	0.5	0.6	0.5	0.4
29 Healthcare Practitioners and Technical	0.1	0.1	0.1	0.1	0.1	0.1	0.1
31 Healthcare Support	0.8	0.7	0.8	0.6	0.7	0.6	0.5
33 Protective Service	1.0	0.6	0.8	0.5	0.6	0.4	0.4
35 Food Preparation and Serving Related	0.5	0.4	0.3	0.3	0.5	0.3	0.3
37 Building and Grounds Cleaning and Maintenance	0.9	0.7	0.9	0.7	0.9	0.7	0.8
39 Personal Care and Service	0.3	0.7	0.5	0.3	0.4	0.4	0.3
41 Sales and Related	0.4	0.5	0.5	0.4	0.5	0.5	0.5
43 Office and Administrative Support	1.3	1.9	1.9	1.7	1.6	1.5	1.4
45 Farming, Fishing, and Forestry	0.3	0.4	0.5	0.3	0.3	0.4	0.2
47 Construction and Extraction	2.5	1.5	1.4	1.3	1.3	1.4	1.6
49 Installation, Maintenance, and Repair	0.6	0.8	0.6	0.7	0.7	0.6	0.7
51 Production	1.4	1.4	1.4	1.2	0.8	0.9	1.0
53 Transportation and Material Moving	1.1	0.8	0.7	0.6	0.7	0.6	0.7
NORTH DAKOTA	0.6	0.6	0.6	0.5	0.5	0.5	0.5

SUPPLY/DEMAND RATES

ACTIVE RESUMÉS PER JOB OPENING

Less than 1 indicates more job openings than local active resumés, while a result greater than 1 indicates more local active resumés than job openings.

COUNTY NAME	DEC 2015	JUL 2016	AUG 2016	SEP 2016	OCT 2016	NOV 2016	DEC 2016
Adams	0.2	0.2	0.2	0.2	0.4	0.3	0.6
Barnes	0.6	0.5	0.8	0.6	0.8	0.9	0.6
Benson	1.3	0.4	0.9	0.2	0.4	0.4	0.3
Billings	2.0	0.7	1.4	0.4	0.1	0.0	0.1
Bottineau	0.5	1.2	1.3	1.0	1.6	1.3	0.8
Bowman	0.6	0.6	0.2	0.4	0.4	0.7	0.6
Burke	1.4	1.6	2.7	2.0	3.2	1.9	2.8
Burleigh	0.5	0.6	0.5	0.5	0.5	0.5	0.5
Cass	0.4	0.4	0.3	0.3	0.3	0.3	0.3
Cavalier	0.8	0.2	0.1	0.3	0.2	0.3	0.1
Dickey	0.3	0.3	0.3	0.2	0.3	0.2	0.5
Divide	2.5	1.2	0.9	0.8	0.5	1.1	1.0
Dunn	1.7	0.7	0.8	0.8	0.8	0.6	0.8
Eddy	0.5	1.2	0.8	0.5	1.0	0.4	0.8
Emmons	0.8	0.2	0.2	0.1	0.3	0.3	0.8
Foster	0.1	0.3	0.3	0.2	0.1	0.2	0.1
Golden Valley	2.0	0.8	0.6	0.3	0.4	0.3	0.3
Grand Forks	0.3	0.3	0.3	0.2	0.3	0.2	0.3
Grant	0.9	0.1	0.4	0.2	0.9	0.2	0.2
Griggs	0.3	1.0	0.7	1.5	1.6	0.4	0.4
Hettinger	0.8	1.4	2.4	1.1	0.9	0.7	0.4
Kidder	9.0	16.0	7.5	2.6	---	3.0	0.5
LaMoure	0.8	0.6	0.5	0.4	0.4	0.4	0.4
Logan	0.1	4.3	2.8	1.0	0.6	0.4	0.3
McHenry	2.3	7.4	2.9	3.0	4.4	1.8	1.3
McIntosh	0.3	0.7	0.1	0.3	0.3	0.4	0.2
McKenzie	0.8	0.7	0.6	0.4	0.5	0.5	0.5
McLean	0.8	1.5	1.5	1.0	2.2	1.3	0.7
Mercer	1.4	1.5	1.5	1.3	1.4	1.2	1.3
Morton	1.4	1.3	1.5	1.4	1.6	1.1	0.9
Mountrail	0.5	0.6	0.6	0.5	0.6	0.6	0.4
Nelson	0.4	0.8	0.8	0.7	1.0	1.6	0.7
Oliver	2.0	1.1	0.6	0.6	0.7	1.1	0.8
Pembina	0.7	0.5	0.6	0.5	0.7	0.6	0.6
Pierce	0.5	0.7	0.4	0.3	0.3	0.6	0.5
Ramsey	0.5	0.5	0.4	0.4	0.5	0.4	0.6
Ransom	0.7	0.3	0.6	0.4	0.3	0.2	0.5
Renville	0.9	3.1	3.3	1.5	1.0	1.2	1.7
Richland	0.7	0.5	0.6	0.6	0.7	0.5	0.6
Rolette	4.1	3.7	3.6	3.3	3.5	3.8	2.4
Sargent	0.5	0.2	0.3	0.2	0.4	0.2	0.2
Sheridan	1.2	0.8	1.5	0.3	2.0	1.5	2.0
Sioux	0.2	0.3	0.9	0.2	0.2	0.2	0.2
Slope	---	4.0	---	---	---	2.0	0.5
Stark	1.4	1.4	1.1	1.0	1.2	0.8	0.7
Steele	0.4	1.0	0.6	0.4	0.8	0.8	0.8
Stutsman	0.4	0.4	0.4	0.4	0.5	0.5	0.4
Towner	1.7	0.7	0.9	0.5	1.0	1.7	4.0
Traill	0.4	0.3	0.3	0.3	0.3	0.3	0.3
Walsh	0.5	0.6	0.5	0.3	0.5	0.5	0.5
Ward	1.2	1.1	1.1	1.1	1.1	1.1	1.0
Wells	0.8	1.1	1.2	0.7	0.5	0.4	0.4
Williams	1.1	1.1	0.9	0.9	0.9	0.8	0.9

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SOC CODE AND OCCUPATIONAL GROUP STRUCTURE

2015 ND AVG HRLY WAGE (\$)	SOC CODE/OCCUPATIONAL GROUP [Sample Occupations]
47.79	11 MANAGEMENT [Managers, Education Administrators, Farmers and Ranchers, Human Resource Managers]
28.38	13 BUSINESS AND FINANCIAL OPERATIONS [Accountants, Auditors, Loan Officers, Tax Preparers]
31.07	15 COMPUTER AND MATHEMATICAL [Computer Programmers, Computer and Network Administrators, Web Developers, Statisticians]
32.45	17 ARCHITECTURE AND ENGINEERING [Engineers, Drafters, Architects, Surveyors]
28.53	19 LIFE, PHYSICAL, AND SOCIAL SCIENCE [Biologists, Chemists, Economists]
21.99	21 COMMUNITY AND SOCIAL SERVICE [Social Workers, Clergy, Counselors, Social and Human Service Assistants]
38.12	23 LEGAL [Lawyers, Court Reporters, Judges, Magistrate Judges, Magistrates, Paralegal and Legal Assistants]
23.47	25 EDUCATION, TRAINING, AND LIBRARY [Elementary School Teachers, Secondary School Teachers, Special Education Teachers, Librarians]
18.44	27 ARTS, DESIGN, ENTERTAINMENT, SPORTS, AND MEDIA [Musicians and Singers, Photographers, Reporters and Correspondents, Umpires, Referees]
32.84	29 HEALTHCARE PRACTITIONERS AND TECHNICAL [Physicians and Surgeons, Dentists, Pharmacists, Registered Nurses, EMTs and Paramedics, Chiropractors]
14.85	31 HEALTHCARE SUPPORT [Home Health Aides, Medical Assistants, Medical Transcriptionists, Nursing Aides and Orderlies]
20.38	33 PROTECTIVE SERVICE [Correctional Officers, Firefighters, Police and Sheriff's Patrol Officers, Lifeguards]
11.26	35 FOOD PREPARATION AND SERVING RELATED [Cooks, Bartenders, Waiters and Waitresses, Counter Attendants, Dishwashers]
13.62	37 BUILDING AND GROUNDS CLEANING AND MAINTENANCE [Janitors and Cleaners, Landscaping and Groundskeeping Workers, Maids and Housekeeping Cleaners]
12.92	39 PERSONAL CARE AND SERVICE [Childcare Workers, Hairdressers, Hairstylists, Fitness Trainers, Personal and Home Care Aides]
18.38	41 SALES AND RELATED [Cashiers, Retail Salespersons, Insurance Sales Agents, Telemarketers]
16.91	43 OFFICE AND ADMINISTRATIVE SUPPORT [Secretaries and Administrative Assistants, Office Clerks, Receptionists, Tellers]
16.28	45 FARMING, FISHING, AND FORESTRY [Farmworkers and Laborers, Graders and Sorters of Agricultural Products, Hunters and Trappers]
25.04	47 CONSTRUCTION AND EXTRACTION [Carpenters, Electricians, Plumbers, Roofers, Oil and Gas Roustabouts]
25.00	49 INSTALLATION, MAINTENANCE, AND REPAIR [Automotive Body Repairers, Mechanics, Electrical Power-Line Installers, Wind Turbine Service Technicians]
20.62	51 PRODUCTION [Assemblers and Fabricators, Machinists, Tool and Die Makers, Welders, Cutters, Solderers, Brazers]
21.31	53 TRANSPORTATION AND MATERIAL MOVING [Airline Pilots, Bus Drivers, Truck Drivers, Industrial Truck and Tractor Operators, Packers and Packagers]
---	55 MILITARY SPECIFIC OCCUPATIONS [Aircrew Officers, Infantry, Radar and Sonar Technicians, Special Forces]

ONLINE JOB OPENINGS REPORT NOTES

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BACKGROUND

The Online Job Openings Report (OJOR) is the earliest monthly indicator of North Dakota's labor market activity and provides a timely overview of the current supply/demand dynamic. The OJOR is generally published the first working Wednesday of the month following the reference month (i.e. January data published the first working Wednesday in February), though exceptions may occur. The report involves the monthly collection, processing, and dissemination of online job openings posted by employers and online resumé activities of job seekers. Both job openings and active resúmes are published for major occupational groups at statewide and regional levels. Data for counties are only available at a total aggregate level.

Various supply/demand rates are calculated for major occupational groups and select geographies. Job openings and active resúmes data are used to calculate the rate of active resúmes per job opening. Unemployment data from the Local Area Unemployment Statistics (LAUS) program is used to calculate the rate of unemployed persons per job opening and employment data from the Current Employment Statistics (CES) program is used to calculate the job openings rate. All these supply/demand rates provide users with alternate views of the local labor supply/demand situation. For comparability, national level job openings data from the U.S. Bureau of Labor Statistics (BLS) are extracted from the Job Openings and Labor Turnover Survey (JOLTS) and featured in the report. For a detailed description of the various supply/demand rates, see the 'Terms and Concepts' section.

METHODOLOGY AND COVERAGE

The OJOR is essentially a universe count of all North Dakota worksites with online advertised jobs posted either directly with Job Service North Dakota or indirectly through other online job sites. It should be stressed that coverage is limited to jobs posted online. Job vacancies advertised strictly through word-of-mouth, local print-only newspapers, outdoor signage, or any other non-online means are not counted.

The database from the Job Service North Dakota online labor exchange system is the underlying source for the OJOR and its corresponding time series. The data are a combination of local openings brought into the system either internally or externally. An internal job opening is submitted directly to the labor exchange system by either local office staff or authorized local employers. An external job opening is "spidered" into the system from outside online job sites including corporate, educational institution, newspaper, government, private job board, and recruiter sites. Keep in mind, almost all of the online job openings and active resúmes data are self-reported by the employer and job seeker, respectively, so accuracy cannot necessarily be guaranteed though system checks are in place to flag potential errors. Every effort is made to ensure the report is constructed using deduplicated data. The deduplication process involves the systematic analysis of key fields of each opening, such as company name, job title/description, and location, against all openings, flagging potential duplicate matches. Active resúmes are deduplicated against the user name and occupational code fields. An analyst reviews and eliminates legitimate duplicates.

The OJOR is not subject to the typical sampling error and non-response error components associated with most statistical surveys. Non-sampling error sources would include population under-coverage due to missing a portion of the targeted population (e.g. a large Internet job board), and over-coverage due to the inability to fully eliminate duplicate job openings. Additional potential sources of non-sampling error would include occupational and/or geographic coding errors which could affect the proper classification of individual job openings.

Occupational coding is done at the 6-digit 2010 Standard Occupational Classification (SOC) level. The SOC coding used in the OJOR is the same definitional coding used for federal employment and unemployment statistics. It should be noted that there are no changes at the major occupational group level between the 2000 and 2010 SOC structures, though the detailed composition of the groups may have changed but not enough to be significant at the group level.

The geographic coding for an internal opening is determined by information submitted directly to the labor exchange system by either local office staff or authorized local employers. An external opening is coded against location information from the original posting.

Data are not seasonally adjusted and subject to revision. Dashes (---) indicate data not available.

TERMS AND CONCEPTS

DATA REFERENCE PERIOD. The OJOR collects data using a mid-month reference period (the week that includes the 12th of the month), which is standard for most BLS programs and provides a more accurate comparison for measures using data from those sources.

JOB OPENINGS. Job openings include all open and available online openings during the reference period. This figure may include openings posted no more than 90 days prior but still active during the reference period, as well as new openings.

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ONLINE JOB OPENINGS REPORT NOTES

ACTIVE RESUMÉS. Active resumés are all online resumés that have been created or otherwise modified during the reference period. This figure may include resumés posted no more than 90 days prior but still active during the reference period, as well as new resumés. Active resumés may include those created by out-of-state candidates. Candidates may post multiple online resumés so active resumés should not be interpreted as an individual candidate count. Active resumés are not necessarily an indicator of unemployment since candidates posting resumés may or may not be unemployed.

SUPPLY/DEMAND RATES. Supply/demand rates, as outlined below, only provide a measure of relative slack of the labor market and whether a potential imbalance exists, but does not suggest that the qualifications of the job seekers directly align with the requirements of the advertised vacancies. Over time, these rates tend to trend closely with the general economic cycle, specifically labor market contractions/expansions.

JOB OPENINGS RATE. The job openings rate is simply the percentage of all jobs in the economy open and available and is calculated by taking the number of job openings divided by total nonfarm employment (filled jobs) from the CES program plus job openings (unfilled jobs). The number of unfilled jobs is an important measure of the unmet demand for labor. With that statistic, it is possible to paint a more complete picture of the state's labor market than by looking solely at the unemployment rate, a measure of the excess supply of labor. A higher rate is an indicator of increased job opportunities for seekers. This supply/demand rate includes those working more than one job and commuting from out of state. Calculations for the U.S. job openings rate use data from the JOLTS. Due to timing issues, supplemental data used to calculate this rate typically lag one month, therefore the most recent published rate will lag one month in the latest published report. The U.S. data typically lag two months.

ACTIVE RESUMÉS PER JOB OPENING. Active resumés per job opening is a supply/demand rate that uses active online resumés as the supply input and is the most timely of the supply/demand rates. For this measure, only local active online resumés (i.e. resumés tied to an in-state North Dakota address) were used in the calculation in order to get a more accurate measure of the local supply situation. Out-of-state resumés are excluded from this calculation. A result less than 1 indicates more job openings than local active resumés, while a result greater than 1 indicates more local active resumés than job openings. Also, this is the only supply/demand rate that generates results at the occupational group level.

UNEMPLOYED PER JOB OPENING. Unemployed per job opening is a supply/demand rate calculated by taking the number of unemployed persons from the LAUS program and dividing by job openings. A result less than 1 indicates more job openings than potential resident labor supply, while a result greater than 1 indicates more potential resident labor supply than job openings. Calculations for the U.S. rate of unemployed persons per job opening are based on data from the JOLTS and the Current Population Survey (CPS) from the BLS. Due to timing issues, supplemental data used to calculate this rate typically lag one month, therefore the most recent published rate will lag one month in the latest published report. The U.S. data typically lag two months.

OCCUPATIONAL DATA. Occupational groups are based on the 2010 SOC coding system. Openings and resumés are coded to the 6-digit SOC level whenever possible. Data are aggregated to the major occupational group level.

UNEMPLOYMENT DATA. The unemployment data used in this report come from the CPS and the LAUS programs. Both programs provide timely and accurate data on the unemployed and are used to calculate supply/demand rates of unemployed per job opening. The unemployed are defined as those 16 years of age and older who were unemployed but actively seeking and available for work within the last month.

REGIONAL DATA. The eight North Dakota regions were established in 1968 are made up of groupings of counties around a regional city center providing a majority of the services and exhibiting the greatest economic influence. Openings data are coded based on worksite location. Resumés data are coded based on the current residential address of the job seeker. While the regional reports are not as comprehensive as the statewide report, they do provide some local detail and comparisons not otherwise available.

WAGE DATA. The average hourly wage data are the latest available from the Occupational Employment Statistics (OES) program. OES wage data provide an accurate, comprehensive, point-in-time snapshot of wage levels of currently employed workers across all 800 SOC occupations. These wage data should not be interpreted as an advertised wage for openings in that occupational group. Occupational wage data specific to the OJOR regions are not available, instead, state-level North Dakota occupational wages are provided as a general guide.

DATA INTERPRETATION

The OJOR contains a lot of data and information. For many, the issue becomes how to interpret it. While the top-line numbers get the most attention, the emphasis in interpreting the data should focus on the trend over time. Since the time series is not seasonally adjusted, the most appropriate comparison for any month should be the same month one year earlier.

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ONLINE JOB OPENINGS REPORT NOTES

Job openings data reflect a relative demand for labor. Job openings include all open and available online openings. It should not be assumed that the published job openings number is the entirety of the job openings market. There is a segment of the job openings market that relies solely on means other than online to recruit workers. Those openings aren't captured in the OJOR.

Active resumés data reflect a relative supply of labor. Active resumés include all online resumés that have been created or otherwise modified by job seekers with a desire to work in North Dakota. Therefore, a segment of active resumés belong to out-of-state candidates. Candidates may post multiple online resumés so active resumés should not be interpreted as an individual candidate count. Active resumés are not necessarily an indicator of unemployment since candidates posting resumés may or may not be unemployed. It should not be assumed that the published active resumés number is the entirety of the potential labor supply market. For example, those unemployed who haven't created an online resumé are not counted in the active resumé total. Similarly, "casual" job seekers who may peruse job openings but not create an online resumé are not included in the count.

Supply/demand rates are a calculation used to reconcile the relationship between labor market demand (e.g. job openings) and labor market supply (e.g. active resumés, unemployed). The resulting ratios highlight the relative slack of the labor market for occupational groups and select geographies. Generally, supply/demand rates (e.g. active resumés per job opening, unemployed persons per job opening) below 1 indicate a greater need for workers in an occupational group or area. In other words, there's not enough supply (workers) to keep up with demand (job openings). Generally, the opposite is true when supply/demand rates exceed 1. Of course, such an analysis only provides a general idea of where excess demand exists; it does not necessarily indicate a match if a candidate doesn't have the individual education, skills, or experience to get hired. Caution should be exercised when interpreting supply/demand rates. Occupational groups and geographies with a small number of openings exhibit much more volatility and may skew a user's interpretation of an area's labor market situation. It's important to reference the number of openings for an occupational group or geography in order to add context to any supply/demand analysis (high/low rates may mask a relatively small labor market demand and/or supply). This is especially true for geographies with small populations and labor forces.

Career planning and exploration is an integral component to a successful work life. Students are increasingly being introduced to career planning and exploration activities early on in their academic life. In conjunction with other pieces of labor market information (e.g. projections, wages, skill requirements, etc.), the supply/demand data can alert students, educators, and counselors to excess supply or higher demand in certain occupational groups or geographies. For job seekers, the OJOR data can help focus job searches and highlight occupational groups and/or geographic areas with the greatest opportunities or toughest competition. The business community, economic developers, and policy makers use supply/demand data to track trends in the labor market. OJOR data can potentially highlight labor imbalances. This can be especially helpful if a business is looking to expand or relocate, therefore needing a supply of available workers. Economic developers and policy makers use the data to gauge the general health of the economy and look for opportunities to maximize labor supply and demand.

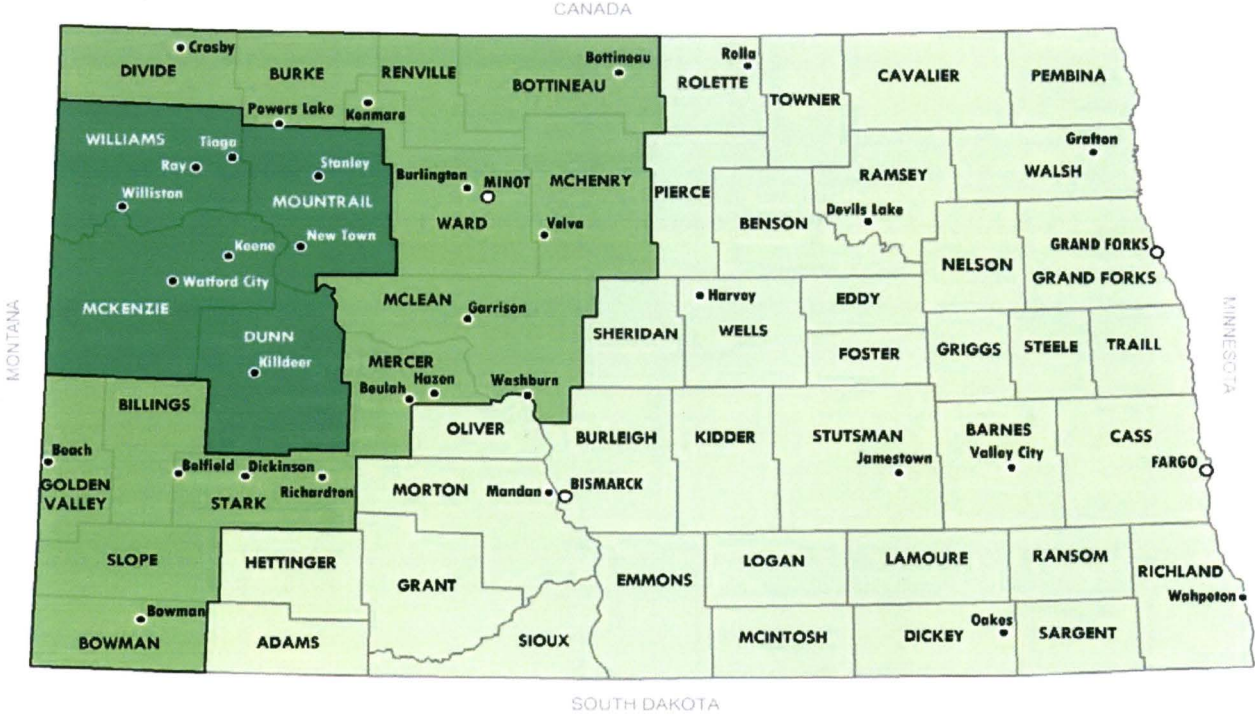
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NORTH DAKOTA'S OIL AND GAS ECONOMY

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North Dakota has 17 active oil and gas producing counties. An oil and gas producing county is a county that has had oil and gas production in the last five calendar years. This designation is reviewed for each county at the beginning of each calendar year and adjusted as necessary. Four counties are considered core oil and gas producing counties. Core counties must be top oil and gas producers and, when combined, account for at least 75 percent of North Dakota's oil and gas production. The remaining 13 non-core counties generate 25 percent or less of North Dakota's oil and gas production.

■ CORE OIL AND GAS PRODUCING COUNTIES ■ BALANCE OF OIL AND GAS PRODUCING COUNTIES □ NON OIL AND GAS PRODUCING COUNTIES



ALL DATA CURRENT AS OF DECEMBER 7, 2016

	NORTH DAKOTA	CORE COUNTIES	BALANCE COUNTIES	NON OIL COUNTIES
OIL AND GAS STATISTICS				
Oil Production (in barrels [BBLs]) [SEP 2016]	29,149,737	26,253,306	2,896,431	***
Gas Production (in thousand cubic feet [MCF]) [SEP 2016]	48,355,065	44,648,017	3,707,048	***
Oil and Gas Production Wells [SEP 2016]	13,367	10,106	3,261	***
Drilling Rigs [SEP 2016]	34	31	3	***
Oil and Gas Permits [SEP 2016]	63	***	***	***
N.D. Crude Oil First Purchase Price (\$ per Barrel) [SEP 2016]	38.70	***	***	***

Sources: ND Dept of Mineral Resources; U.S. Dept of Energy

LABOR MARKET STATISTICS (TOTAL, ALL INDUSTRIES)				
Average Employment [Q2 2016]	420,049	41,996	69,787	305,717
Average Weekly Wage (\$) [Q2 2016]	908	1,276	941	847
Labor Force [OCT 2016]	428,444	43,233	79,010	306,200
Unemployment Rate (%) [OCT 2016]	2.2	2.9	2.8	1.9
Job Openings [NOV 2016]	14,040	1,311	1,862	10,867
Active Resumés [NOV 2016]	7,053	936	1,934	4,183
Active Resumés per Job Opening [NOV 2016]	0.5	0.7	1.0	0.4

Source: Labor Market Information Center, Job Service North Dakota

Quarterly time period definitions: Q1=Jan-Mar; Q2=Apr-Jun; Q3=Jul-Sep; Q4=Oct-Dec. Data are not seasonally adjusted. Asterisks (***) indicate data cannot be released due to reliability, availability or confidentiality restrictions.

NORTH DAKOTA'S OIL AND GAS ECONOMY

REPORT HIGHLIGHTS

[CURRENT AS OF DECEMBER 7, 2016]

OIL AND GAS STATISTICS

North Dakota produced 29.1 million barrels of oil in September 2016, which is a decrease of 4.2 percent from the prior month and a 16.4 percent decrease from one year ago. Gas production was at 48.3 million MCF (thousand cubic feet) in September 2016, which is a decrease of 4.8 percent from the prior month but is a 0.2 percent increase from one year ago. Unsold natural gas accounted for 16.3 percent of all gas produced in September 2016. Natural gas that is flared into the atmosphere, leased for use at production site, or otherwise not marketed is considered unsold. The four core oil and gas producing counties accounted for 92 percent of all oil and gas production in North Dakota.

The number of oil and gas wells in production in North Dakota was 13,367 in September 2016, which is an increase of 0.5 percent from the prior month and an increase of 2.5 percent from one year ago. Approximately 7 in 10 oil and gas wells are located in the four core oil and gas producing counties. There were 63 oil and gas permits issued in North Dakota for September 2016, a decrease of 36.4 percent from the prior month and a decrease of 59.1 percent from one year ago. The drilling rig count was 34 in September 2016, which is up from the prior month's 32 count but is a decrease from last year's 69 count. A vast majority (91.2 percent) of the drilling rigs were located in the four core oil and gas producing counties.

The North Dakota crude oil first purchase price was \$38.70 per barrel in September 2016, which is a 0.4 percent increase from the prior month and a 2.4 percent increase from one year ago. The North Dakota natural gas city gate price was \$4.52 per MCF in September 2016, which is a 7.9 percent increase from the prior month but is a 9.6 percent decrease from one year ago.

LABOR MARKET STATISTICS

North Dakota's October 2016 unemployment rate was 2.2 percent. The unemployment rate for the four core oil and gas producing counties was 2.9 percent while the unemployment rate for the thirteen balance oil and gas producing counties was 2.8 percent.

There were 14,040 online job openings in North Dakota in November 2016. Non oil and gas producing counties accounted for 77 percent of all online job openings while the remaining 23 percent were located in the seventeen oil and gas producing counties.

There were 7,053 active resumés for North Dakota in November 2016. Non oil and gas producing counties accounted for 59 percent of all active resumés while the remaining 41 percent were located in the seventeen oil and gas producing counties. The rate of active resumés per job opening ranged from 0.4 in non oil and gas producing counties to 1.0 in the balance of oil and gas producing counties. A rate less than 1 indicates more job openings than local active resumés.

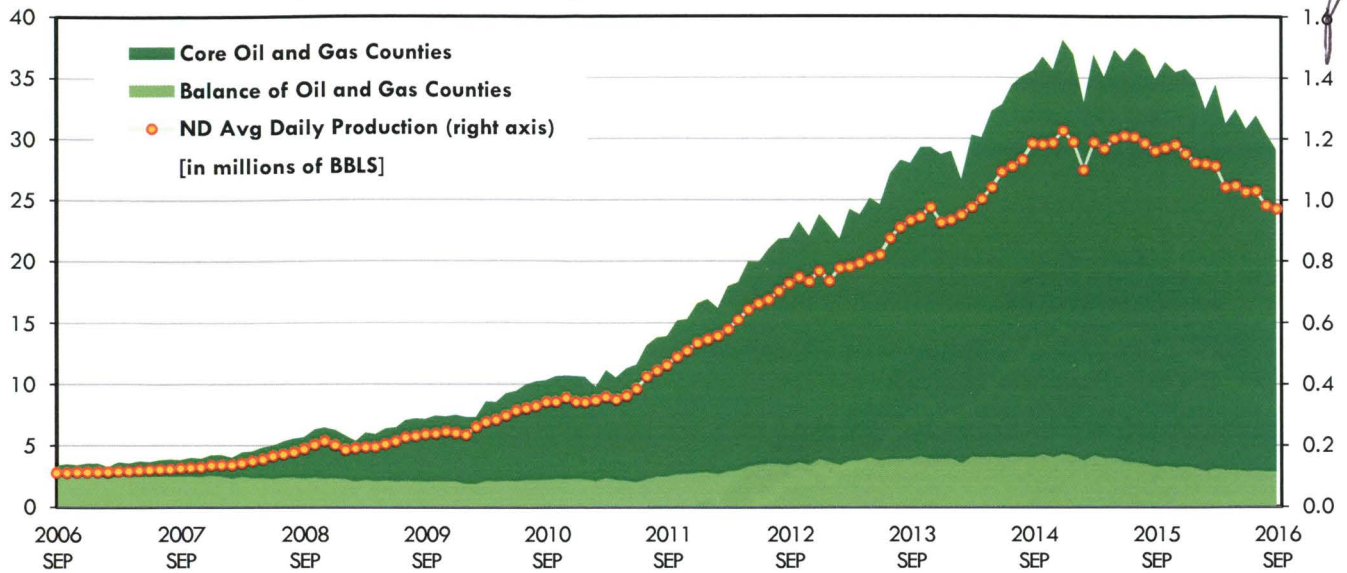
OTHER STATISTICS

Average quarterly employment for Q2 (Apr-Jun) 2016 decreased year-over-year 27.5 percent for the core oil and gas producing counties while employment in the balance of oil and gas producing counties decreased 9.6 percent. Employment in non oil and gas producing counties increased 0.2 percent.

Average weekly wages for Q2 (Apr-Jun) 2016 decreased year-over-year 10.6 percent for the core oil and gas producing counties to \$1,276 while weekly wages in the balance of oil and gas producing counties decreased 5.9 percent to \$941. Weekly wages in non oil and gas producing counties increased 2.2 percent to \$847.

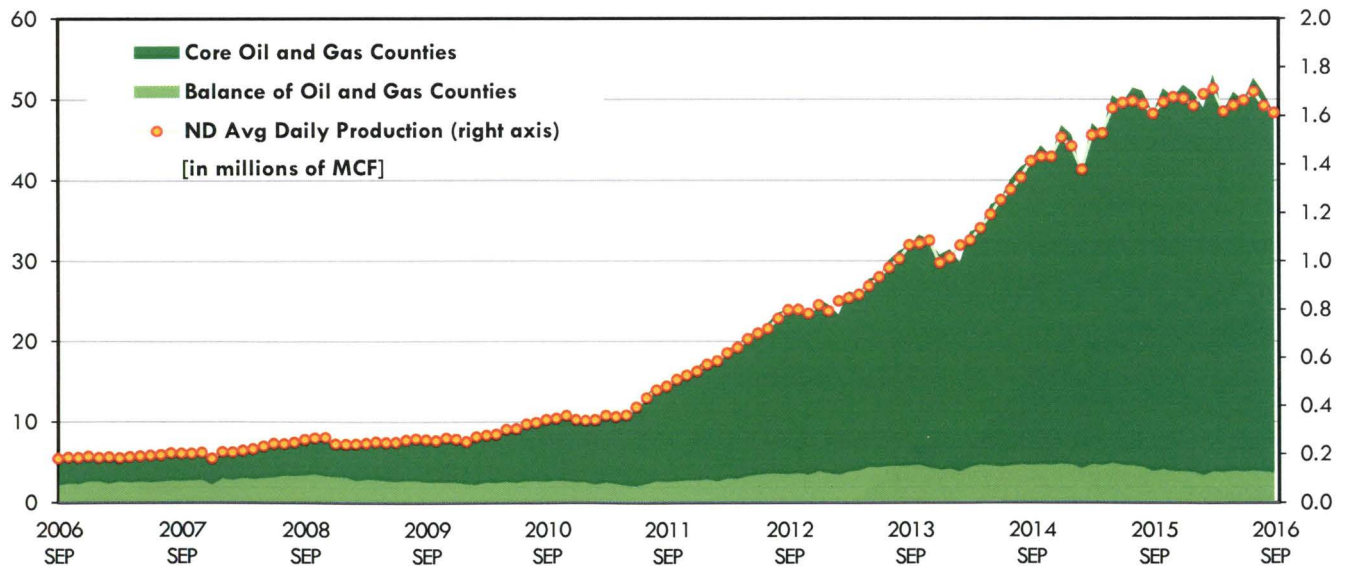
NORTH DAKOTA'S OIL AND GAS ECONOMY

OIL PRODUCTION [MONTHLY DATA]



	SEP 2016	MONTHLY CHG		ANNUAL CHG	
		NUM	PCT	NUM	PCT
NORTH DAKOTA	29,149,737	-1,292,610	-4.2	5,715,025	-16.4
CORE COUNTIES	26,253,306	-1,311,850	-4.8	5,398,520	-17.1
BALANCE COUNTIES	2,896,431	19,240	0.7	316,505	-9.9

GAS PRODUCTION [MONTHLY DATA]



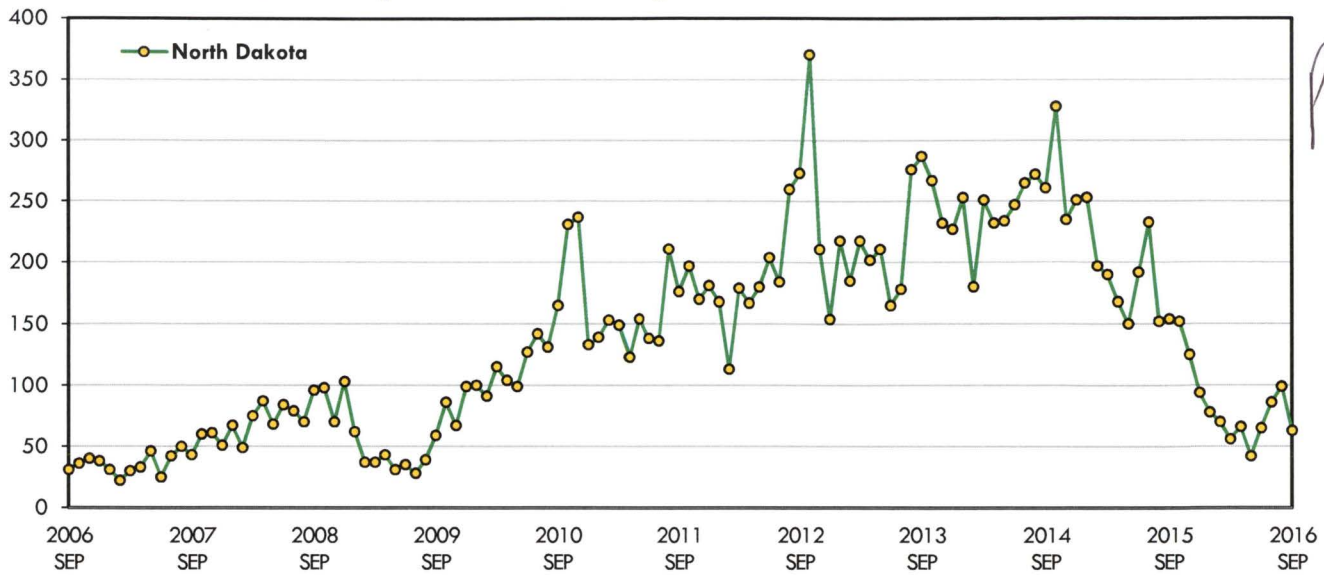
	SEP 2016	MONTHLY CHG		ANNUAL CHG	
		NUM	PCT	NUM	PCT
NORTH DAKOTA	48,355,065	-2,496,923	-4.9	118,588	0.2
CORE COUNTIES	44,648,017	-2,372,185	-5.0	272,348	0.6
BALANCE COUNTIES	3,707,048	-124,738	-3.3	-153,760	-4.0

Data are not seasonally adjusted. Asterisks (***) indicate data cannot be released due to reliability, availability or confidentiality restrictions.

Source: North Dakota Department of Mineral Resources, Oil and Gas Division

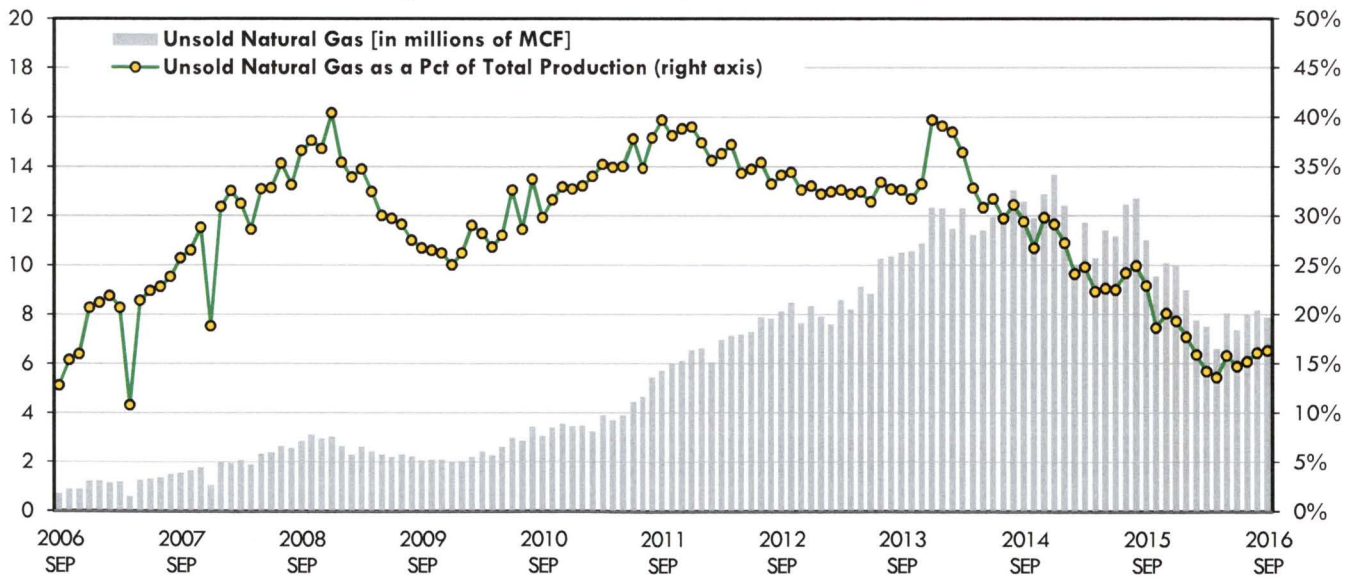
NORTH DAKOTA'S OIL AND GAS ECONOMY *#1*

OIL AND GAS PERMITS [MONTHLY DATA]



	SEP 2016	MONTHLY CHG		ANNUAL CHG	
		NUM	PCT	NUM	PCT
NORTH DAKOTA	63	-36	-36.4	-91	-59.1

UNSOLD NATURAL GAS [MONTHLY DATA]



	SEP 2016	PCT OF NAT GAS UNSOLD	MONTHLY CHG		ANNUAL CHG	
			NUM	PCT	NUM	PCT
NORTH DAKOTA	7,890,195	16.3	-302,452	-3.7	-3,125,927	-28.4

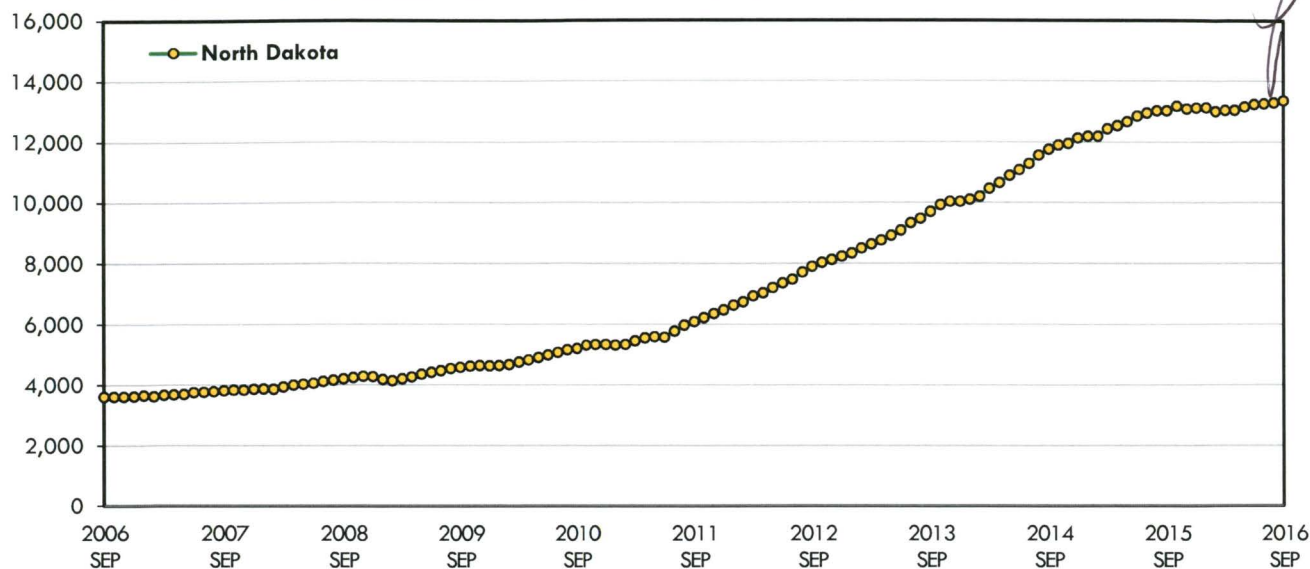
[natural gas that is flared into the atmosphere, leased for use at production site, or otherwise not marketed is considered unsold]

Data are not seasonally adjusted. Asterisks (***) indicate data cannot be released due to reliability, availability or confidentiality restrictions.

Source: North Dakota Department of Mineral Resources, Oil and Gas Division

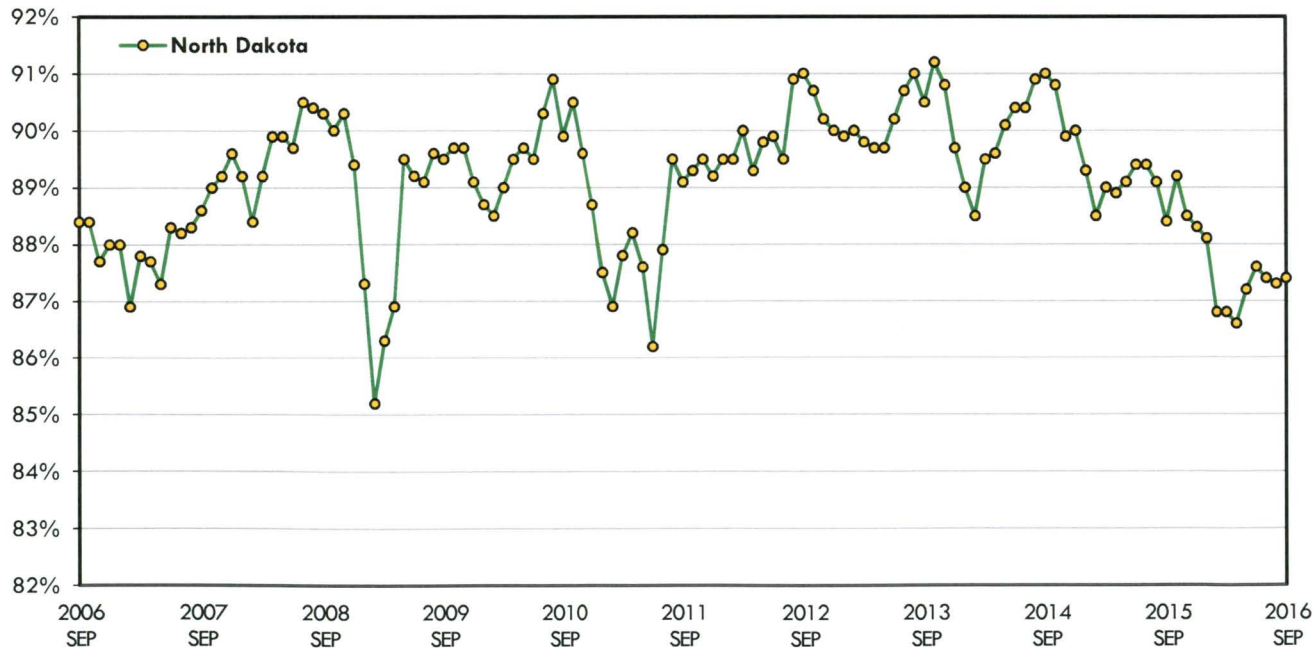
NORTH DAKOTA'S OIL AND GAS ECONOMY #1

OIL AND GAS PRODUCTION WELLS [MONTHLY DATA]



	SEP 2016	MONTHLY CHG		ANNUAL CHG	
		NUM	PCT	NUM	PCT
NORTH DAKOTA	13,367	72	0.5	331	2.5
CORE COUNTIES	10,106	70	0.7	510	5.3
BALANCE COUNTIES	3,261	2	0.1	-179	-5.2

PERCENT OF OIL AND GAS WELLS IN PRODUCTION [MONTHLY DATA]



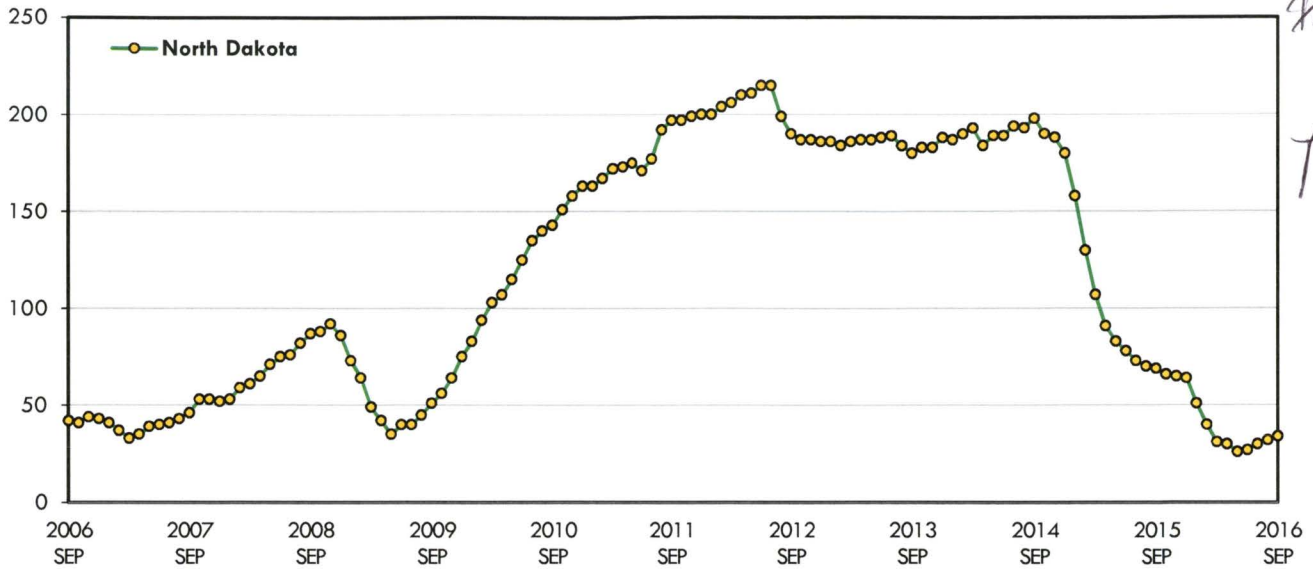
[the percent of oil and gas wells in production is calculated by dividing total wells in production by total wells capable of production]

Data are not seasonally adjusted. Asterisks (***) indicate data cannot be released due to reliability, availability or confidentiality restrictions.

Source: North Dakota Department of Mineral Resources, Oil and Gas Division

NORTH DAKOTA'S OIL AND GAS ECONOMY

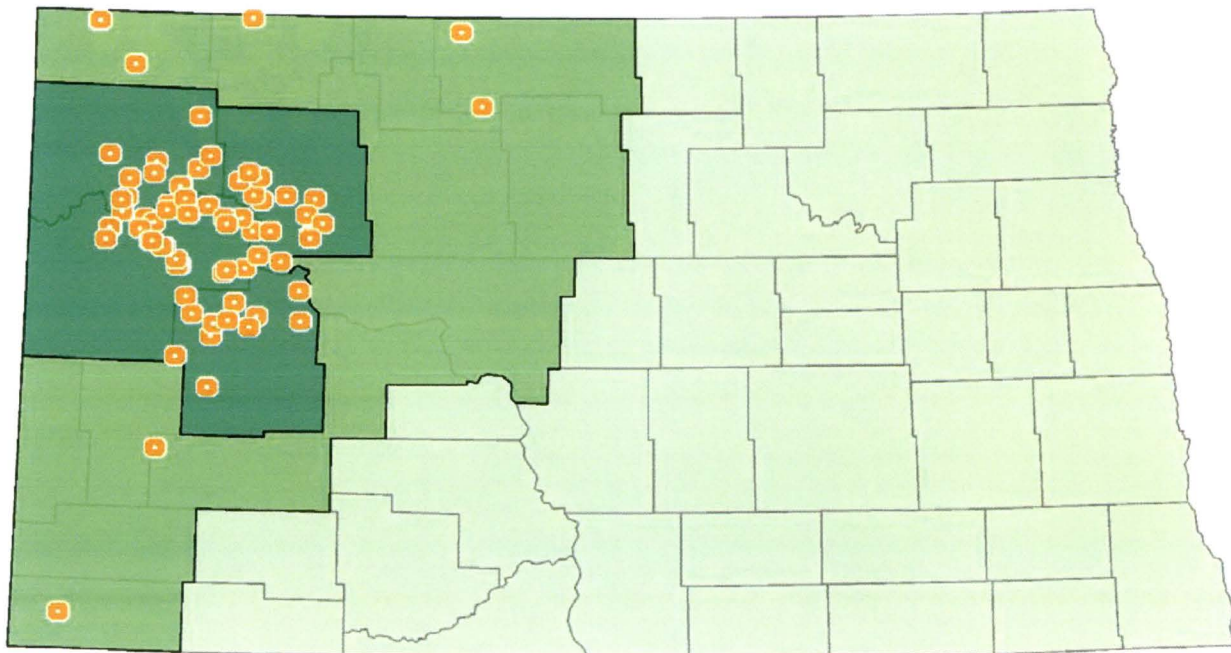
DRILLING RIGS [MONTHLY DATA]



	SEP 2016	MONTHLY CHG		ANNUAL CHG	
		NUM	PCT	NUM	PCT
NORTH DAKOTA	34	2	6.3	-35	-50.7
CORE COUNTIES	31	2	6.9	-30	-49.2
BALANCE COUNTIES	3	0	0.0	-5	-62.5

DRILLING RIG LOCATIONS

[SEP 2016]

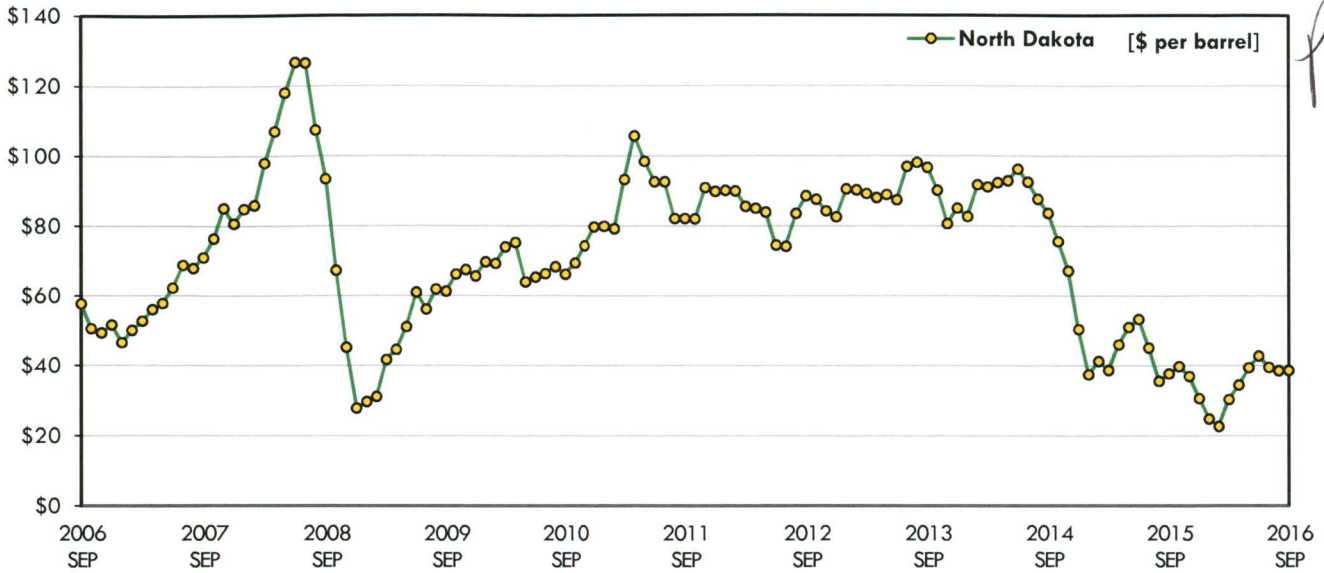


Data are not seasonally adjusted. Asterisks (***) indicate data cannot be released due to reliability, availability or confidentiality restrictions.

Source: North Dakota Department of Mineral Resources, Oil and Gas Division

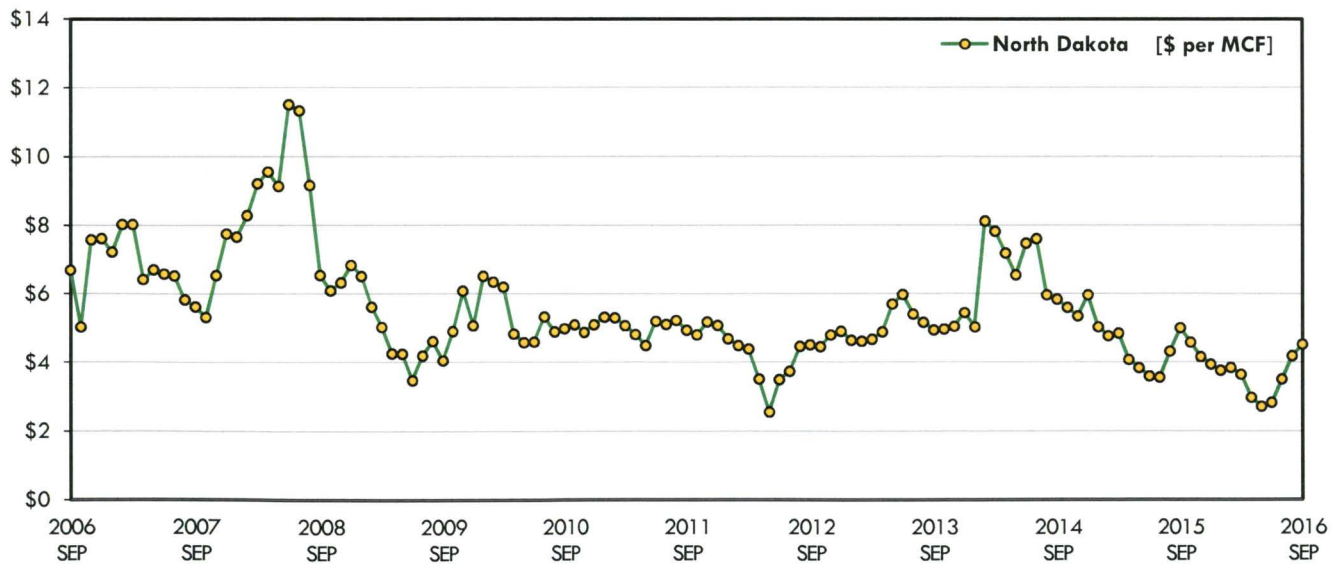
NORTH DAKOTA'S OIL AND GAS ECONOMY

N.D. CRUDE OIL FIRST PURCHASE PRICE (\$) [MONTHLY DATA]



	SEP 2016	MONTHLY CHG		ANNUAL CHG	
		NUM	PCT	NUM	PCT
NORTH DAKOTA	38.70	0.17	0.4	0.92	2.4

N.D. NATURAL GAS CITY GATE PRICE (\$) [MONTHLY DATA]



	SEP 2016	MONTHLY CHG		ANNUAL CHG	
		NUM	PCT	NUM	PCT
NORTH DAKOTA	4.52	0.33	7.9	-0.48	-9.6

Data are not seasonally adjusted. Asterisks (***) indicate data cannot be released due to reliability, availability or confidentiality restrictions.

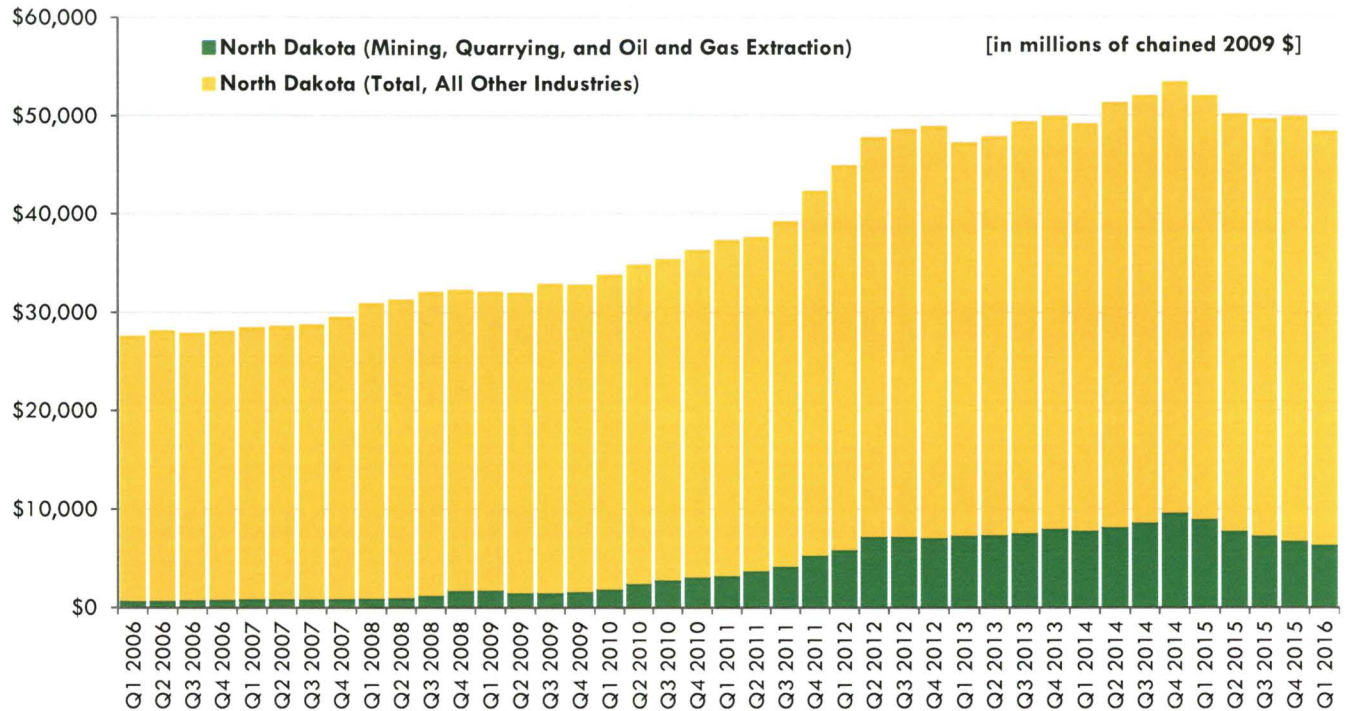
Source: U.S. Department of Energy, U.S. Energy Information Administration

NORTH DAKOTA'S OIL AND GAS ECONOMY

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REAL GROSS DOMESTIC PRODUCT (GDP) [QUARTERLY DATA]

A MEASUREMENT OF NORTH DAKOTA'S ECONOMIC OUTPUT



NAICS CODE	INDUSTRY	Q1 2016 GDP (\$)	1-QUARTER PCT CHG	1-YEAR PCT CHG	10-YEAR PCT CHG
11	Agriculture, Forestry, Fishing and Hunting	2,868	-14.5	62.1	83.4
21	Mining, Quarrying, and Oil and Gas Extraction	6,427	-6.0	-29.3	697.4
22	Utilities	1,329	-1.8	4.5	34.2
23	Construction	3,421	-4.0	-21.3	152.5
31	Manufacturing	3,185	-2.6	-3.7	12.3
42	Wholesale Trade	3,877	-3.6	-12.1	66.8
44	Retail Trade	2,934	-0.1	0.3	49.5
48	Transportation and Warehousing	2,202	-7.6	-19.0	72.6
51	Information	1,206	1.8	0.3	31.1
52	Finance and Insurance	1,952	0.0	0.3	49.5
53	Real Estate and Rental and Leasing	5,057	-2.8	-10.2	90.6
54	Professional and Technical Services	1,635	0.7	-2.7	87.9
55	Management of Companies and Enterprises	639	1.8	7.9	83.6
56	Administrative and Waste Services	749	0.8	0.0	66.8
61	Educational Services	118	0.9	-0.8	10.3
62	Health Care and Social Assistance	3,404	0.8	3.5	43.9
71	Arts, Entertainment, and Recreation	157	0.0	1.3	40.2
72	Accommodation and Food Services	1,089	-0.9	-5.5	43.7
81	Other Services (except Government)	826	1.2	-1.7	17.8
90	Government	4,886	0.4	0.4	13.3
00	Total, All Industries	48,337	-3.0	-7.0	75.7

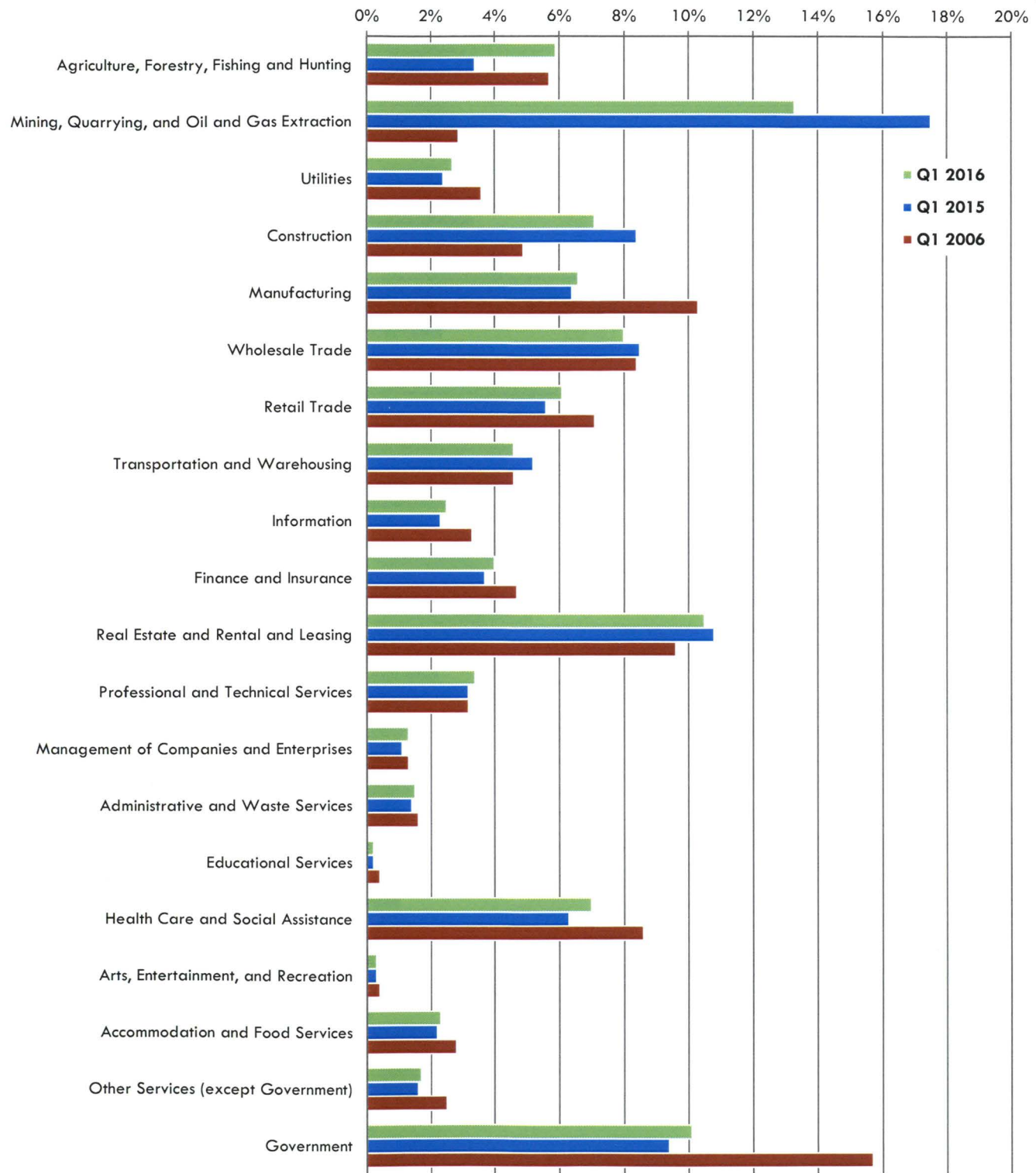
Data are not seasonally adjusted. Asterisks (***) indicate data cannot be released due to reliability, availability or confidentiality restrictions.

Source: U.S. Bureau of Economic Analysis

NORTH DAKOTA'S OIL AND GAS ECONOMY

REAL GROSS DOMESTIC PRODUCT (GDP) [QUARTERLY DATA]

NORTH DAKOTA INDUSTRY BREAKOUTS AS A SHARE (%) OF THE STATE TOTAL FOR SELECT QUARTERS



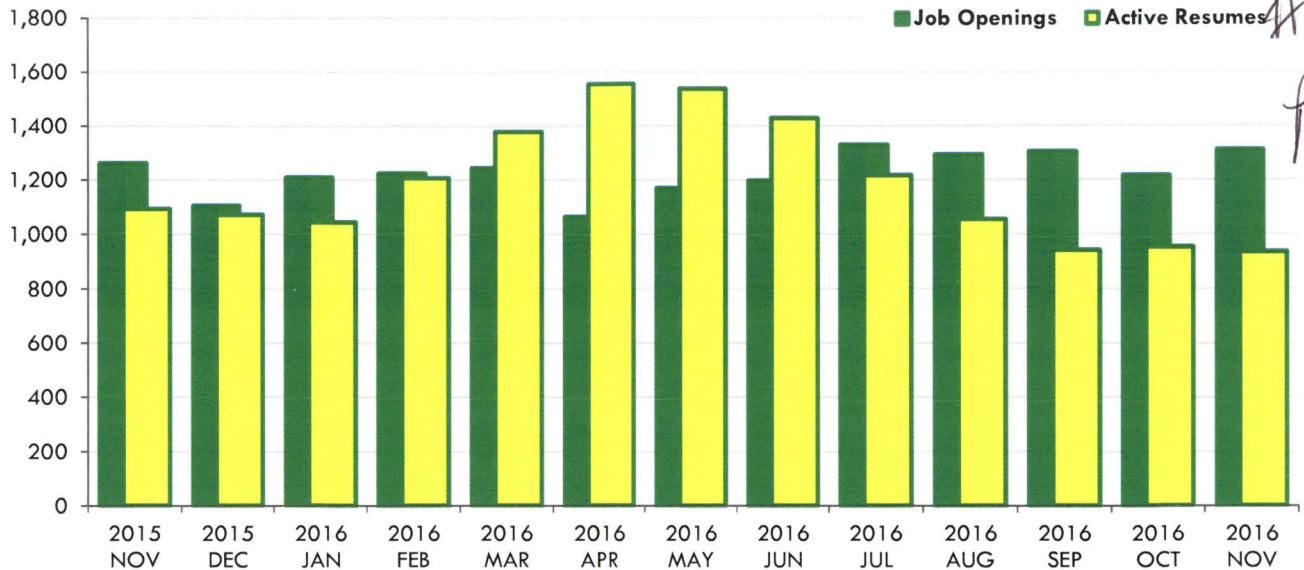
Data are not seasonally adjusted. Asterisks (***) indicate data cannot be released due to reliability, availability or confidentiality restrictions.

Source: U.S. Bureau of Economic Analysis

NORTH DAKOTA'S OIL AND GAS ECONOMY

ONLINE JOB OPENINGS AND ACTIVE RESUMÉS [MONTHLY DATA]

CORE OIL AND GAS COUNTIES



SOC CODE	OCCUPATION GROUPS	NOV 2016	ANNUAL		NOV 2016	ANNUAL		RESUMÉS PER OPENING
		JOB OPENINGS	NUM CHG	PCT CHG	ACTIVE RESUMÉS	NUM CHG	PCT CHG	
11	Management	62	-36	-36.7	86	-24	-21.8	1.4
13	Business and Financial Operations	15	-2	-11.8	12	-4	-25.0	0.8
15	Computer and Mathematical	4	-5	-55.6	7	-2	-22.2	1.8
17	Architecture and Engineering	36	2	5.9	19	-4	-17.4	0.5
19	Life, Physical, and Social Science	3	-12	-80.0	9	-1	-10.0	3.0
21	Community and Social Service	13	0	0.0	5	1	25.0	0.4
23	Legal	2	1	100.0	2	-2	-50.0	1.0
25	Education, Training, and Library	12	3	33.3	4	2	100.0	0.3
27	Arts, Design, Entertainment, Sports, and Media	7	-2	-22.2	4	-1	-20.0	0.6
29	Healthcare Practitioners and Technical	60	-86	-58.9	16	5	45.5	0.3
31	Healthcare Support	5	-18	-78.3	12	2	20.0	2.4
33	Protective Service	44	35	388.9	11	2	22.2	0.3
35	Food Preparation and Serving Related	54	25	86.2	21	-8	-27.6	0.4
37	Building and Grounds Cleaning and Maintenance	25	20	400.0	12	0	0.0	0.5
39	Personal Care and Service	9	5	125.0	6	2	50.0	0.7
41	Sales and Related	91	-54	-37.2	89	26	41.3	1.0
43	Office and Administrative Support	72	-12	-14.3	202	-9	-4.3	2.8
45	Farming, Fishing, and Forestry	19	3	18.8	7	3	75.0	0.4
47	Construction and Extraction	139	30	27.5	140	-83	-37.2	1.0
49	Installation, Maintenance, and Repair	96	-22	-18.6	64	-8	-11.1	0.7
51	Production	55	-10	-15.4	75	-17	-18.5	1.4
53	Transportation and Material Moving	254	89	53.9	129	-39	-23.2	0.5
	Not Classified	234	93	66.0	4	1	33.3	0.0
00	Total, All Occupations	1,311	47	3.7	936	-158	-14.4	0.7

[go to the 'SOC Code and Occupational Group Structure' section at the end of this report for a sample of occupations by group]

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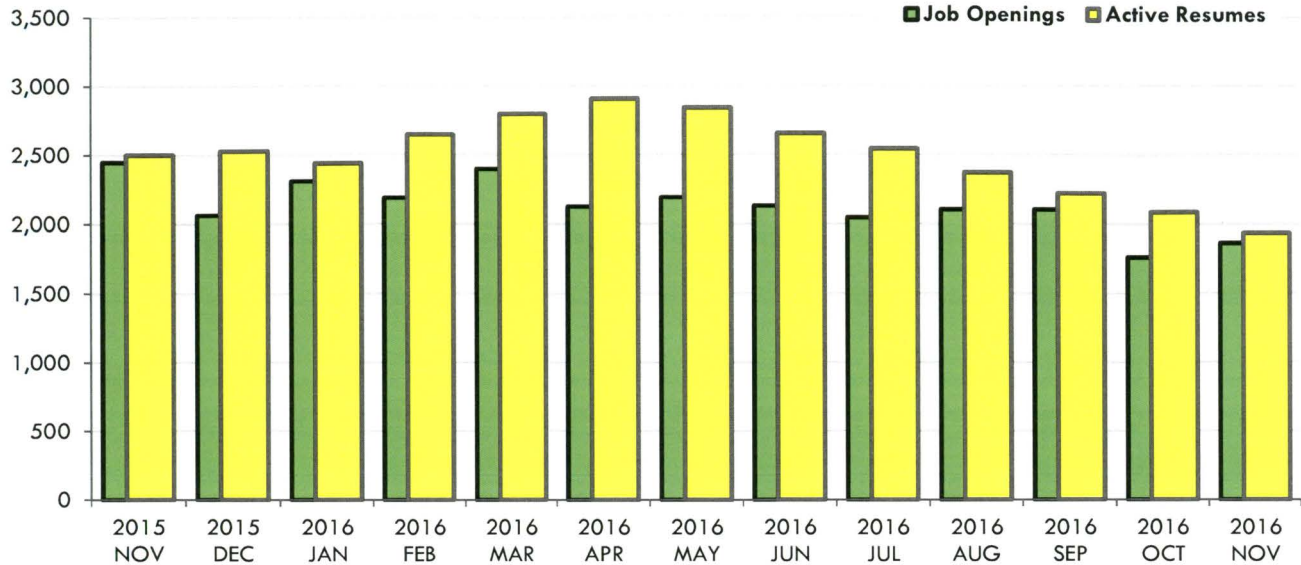
Source: Labor Market Information Center, Job Service North Dakota, Online Job Openings Report (OJOR)

NORTH DAKOTA'S OIL AND GAS ECONOMY

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ONLINE JOB OPENINGS AND ACTIVE RESUMÉS [MONTHLY DATA]

BALANCE OF OIL AND GAS COUNTIES



SOC CODE	OCCUPATION GROUPS	NOV 2016	ANNUAL		NOV 2016	ANNUAL		RESUMÉS PER OPENING
		JOB OPENINGS	NUM CHG	PCT CHG	ACTIVE RESUMÉS	NUM CHG	PCT CHG	
11	Management	118	-48	-28.9	182	-55	-23.2	1.5
13	Business and Financial Operations	35	-12	-25.5	42	-15	-26.3	1.2
15	Computer and Mathematical	20	4	25.0	26	4	18.2	1.3
17	Architecture and Engineering	34	-60	-63.8	28	-2	-6.7	0.8
19	Life, Physical, and Social Science	4	-17	-81.0	13	-8	-38.1	3.3
21	Community and Social Service	14	-2	-12.5	27	2	8.0	1.9
23	Legal	3	-5	-62.5	5	0	0.0	1.7
25	Education, Training, and Library	28	2	7.7	31	6	24.0	1.1
27	Arts, Design, Entertainment, Sports, and Media	25	-6	-19.4	17	-11	-39.3	0.7
29	Healthcare Practitioners and Technical	241	-231	-48.9	28	-9	-24.3	0.1
31	Healthcare Support	61	2	3.4	56	0	0.0	0.9
33	Protective Service	23	-5	-17.9	31	-10	-24.4	1.3
35	Food Preparation and Serving Related	139	-78	-35.9	55	-17	-23.6	0.4
37	Building and Grounds Cleaning and Maintenance	30	-14	-31.8	56	15	36.6	1.9
39	Personal Care and Service	37	-25	-40.3	23	-10	-30.3	0.6
41	Sales and Related	180	-80	-30.8	143	-40	-21.9	0.8
43	Office and Administrative Support	100	-92	-47.9	448	-112	-20.0	4.5
45	Farming, Fishing, and Forestry	45	-19	-29.7	11	-9	-45.0	0.2
47	Construction and Extraction	90	18	25.0	240	-173	-41.9	2.7
49	Installation, Maintenance, and Repair	79	-39	-33.1	108	-35	-24.5	1.4
51	Production	82	24	41.4	121	-32	-20.9	1.5
53	Transportation and Material Moving	158	22	16.2	234	-60	-20.4	1.5
	Not Classified	316	73	30.0	9	1	12.5	0.0
00	Total, All Occupations	1,862	-588	-24.0	1,934	-570	-22.8	1.0

[go to the 'SOC Code and Occupational Group Structure' section at the end of this report for a sample of occupations by group]

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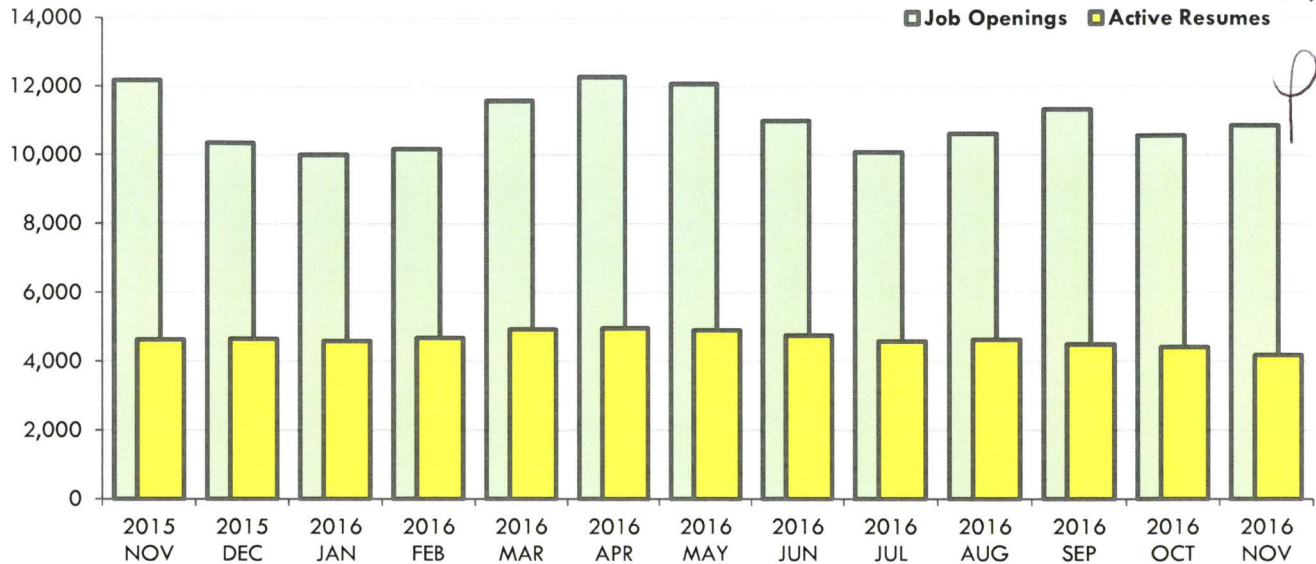
Source: Labor Market Information Center, Job Service North Dakota, Online Job Openings Report (OJOR)

NORTH DAKOTA'S OIL AND GAS ECONOMY

ONLINE JOB OPENINGS AND ACTIVE RESUMÉS [MONTHLY DATA]

NON OIL AND GAS COUNTIES

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SOC CODE	OCCUPATION GROUPS	NOV 2016	ANNUAL		NOV 2016	ANNUAL		RESUMÉS PER OPENING
		JOB OPENINGS	NUM CHG	PCT CHG	ACTIVE RESUMÉS	NUM CHG	PCT CHG	
11	Management	630	-127	-16.8	377	-52	-12.1	0.6
13	Business and Financial Operations	309	44	16.6	148	-1	-0.7	0.5
15	Computer and Mathematical	210	-63	-23.1	102	4	4.1	0.5
17	Architecture and Engineering	269	-73	-21.3	70	0	0.0	0.3
19	Life, Physical, and Social Science	38	-27	-41.5	30	-2	-6.3	0.8
21	Community and Social Service	82	-103	-55.7	73	-9	-11.0	0.9
23	Legal	12	-9	-42.9	18	3	20.0	1.5
25	Education, Training, and Library	155	-101	-39.5	57	-6	-9.5	0.4
27	Arts, Design, Entertainment, Sports, and Media	111	-77	-41.0	51	-4	-7.3	0.5
29	Healthcare Practitioners and Technical	1,129	-295	-20.7	72	-32	-30.8	0.1
31	Healthcare Support	314	7	2.3	156	-36	-18.8	0.5
33	Protective Service	171	61	55.5	48	-5	-9.4	0.3
35	Food Preparation and Serving Related	640	-492	-43.5	185	8	4.5	0.3
37	Building and Grounds Cleaning and Maintenance	222	15	7.2	126	-38	-23.2	0.6
39	Personal Care and Service	260	-52	-16.7	88	4	4.8	0.3
41	Sales and Related	878	-514	-36.9	348	-12	-3.3	0.4
43	Office and Administrative Support	929	-389	-29.5	1,024	-86	-7.7	1.1
45	Farming, Fishing, and Forestry	111	-18	-14.0	44	11	33.3	0.4
47	Construction and Extraction	259	-32	-11.0	292	-49	-14.4	1.1
49	Installation, Maintenance, and Repair	372	-92	-19.8	170	-11	-6.1	0.5
51	Production	521	-12	-2.3	393	-103	-20.8	0.8
53	Transportation and Material Moving	665	99	17.5	297	-19	-6.0	0.4
	Not Classified	2,580	930	56.4	14	0	0.0	0.0
00	Total, All Occupations	10,867	-1,320	-10.8	4,183	-435	-9.4	0.4

[go to the 'SOC Code and Occupational Group Structure' section at the end of this report for a sample of occupations by group]

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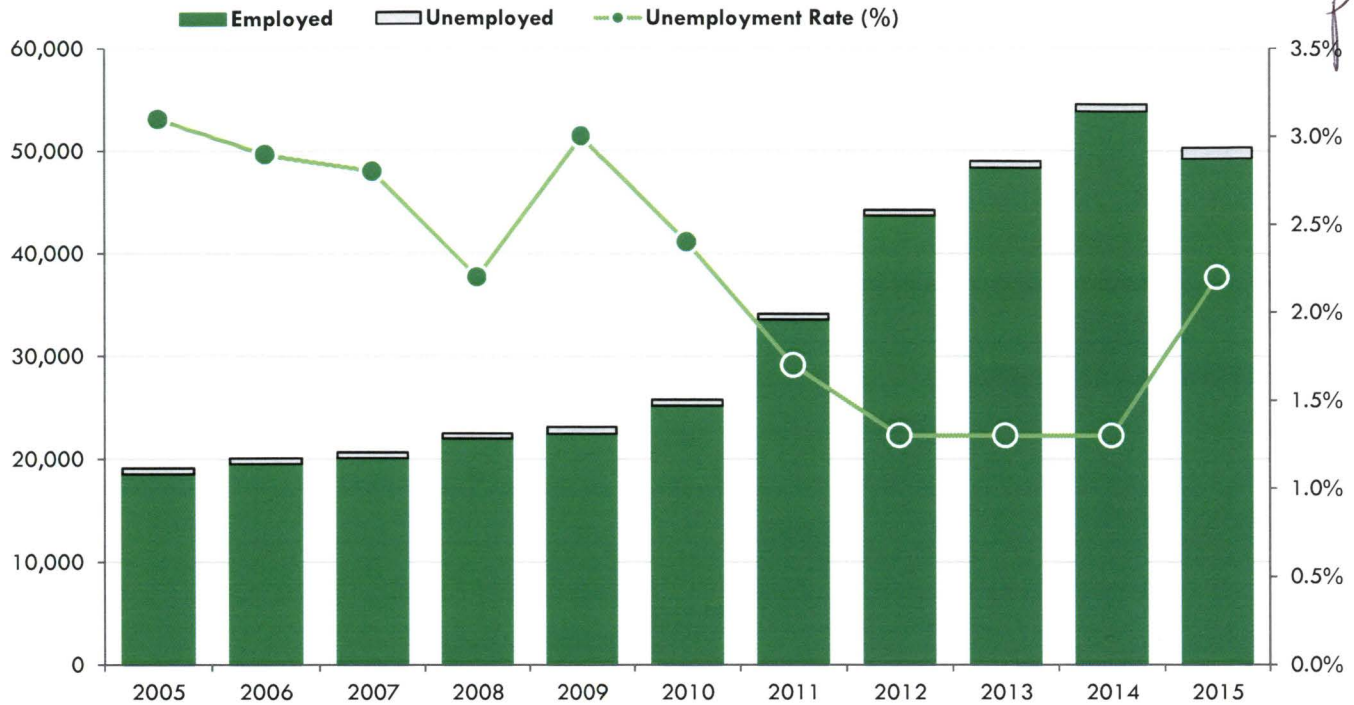
Source: Labor Market Information Center, Job Service North Dakota, Online Job Openings Report (OJOR)

NORTH DAKOTA'S OIL AND GAS ECONOMY

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LABOR FORCE AND UNEMPLOYMENT STATISTICS

CORE OIL AND GAS COUNTIES



YEAR	CORE COUNTIES										ND
	LABOR FORCE	NUM CHG	PCT CHG	EMP	NUM CHG	PCT CHG	UNEMP	NUM CHG	PCT CHG	UNEMP RATE	UNEMP RATE
2005	19,119	452	2.4	18,518	466	2.6	601	-14	-2.3	3.1	3.4
2006	20,105	986	5.2	19,522	1,004	5.4	583	-18	-3.0	2.9	3.2
2007	20,672	567	2.8	20,098	576	3.0	574	-9	-1.5	2.8	3.1
2008	22,526	1,854	9.0	22,021	1,923	9.6	505	-69	-12.0	2.2	3.2
2009	23,155	629	2.8	22,469	448	2.0	686	181	35.8	3.0	4.1
2010	25,804	2,649	11.4	25,192	2,723	12.1	612	-74	-10.8	2.4	3.8
2011	34,140	8,336	32.3	33,572	8,380	33.3	568	-44	-7.2	1.7	3.5
2012	44,281	10,141	29.7	43,706	10,134	30.2	575	7	1.2	1.3	3.1
2013	49,021	4,740	10.7	48,368	4,662	10.7	653	78	13.6	1.3	2.9
2014	54,554	5,533	11.3	53,861	5,493	11.4	693	40	6.1	1.3	2.7
2015	50,363	-4,191	-7.7	49,274	-4,587	-8.5	1,089	396	57.1	2.2	2.7

MONTHLY DATA

OCT 2016	43,233			41,973			1,260			2.9	2.2
SEP 2016	42,475			41,238			1,237			2.9	2.5
MONTHLY CHG		758	1.8		735	1.8		23	1.9		
OCT 2015	48,376			47,324			1,052			2.2	1.9
ANNUAL CHG		-5,143	-10.6		-5,351	-11.3		208	19.8		

[labor force is the noninstitutionalized resident civilian population ages 16 and older either employed (part-time or full-time) or unemployed but actively seeking employment; the unemployment rate represents the number unemployed as a percent of the labor force]

Data are not seasonally adjusted. Asterisks (***) indicate data cannot be released due to reliability, availability or confidentiality restrictions.

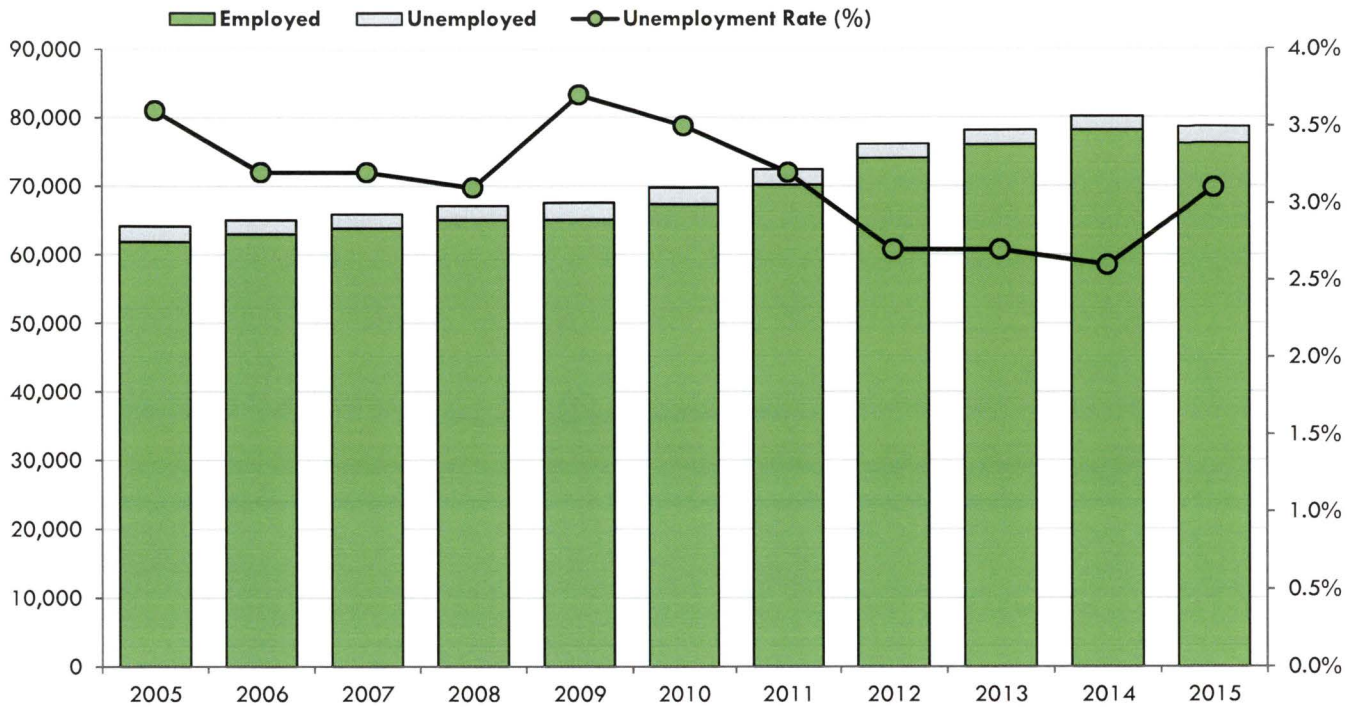
Source: Labor Market Information Center, Job Service North Dakota, Local Area Unemployment Statistics (LAUS)

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NORTH DAKOTA'S OIL AND GAS ECONOMY

LABOR FORCE AND UNEMPLOYMENT STATISTICS

BALANCE OF OIL AND GAS COUNTIES



YEAR	BALANCE COUNTIES										ND
	LABOR FORCE	NUM CHG	PCT CHG	EMP	NUM CHG	PCT CHG	UNEMP	NUM CHG	PCT CHG	UNEMP RATE	UNEMP RATE
2005	64,159	272	0.4	61,859	352	0.6	2,300	-80	-3.4	3.6	3.4
2006	65,072	913	1.4	62,966	1,107	1.8	2,106	-194	-8.4	3.2	3.2
2007	65,898	826	1.3	63,821	855	1.4	2,077	-29	-1.4	3.2	3.1
2008	67,140	1,242	1.9	65,063	1,242	1.9	2,077	0	0.0	3.1	3.2
2009	67,578	438	0.7	65,065	2	0.0	2,513	436	21.0	3.7	4.1
2010	69,800	2,222	3.3	67,331	2,266	3.5	2,469	-44	-1.8	3.5	3.8
2011	72,498	2,698	3.9	70,176	2,845	4.2	2,322	-147	-6.0	3.2	3.5
2012	76,204	3,706	5.1	74,115	3,939	5.6	2,089	-233	-10.0	2.7	3.1
2013	78,147	1,943	2.5	76,053	1,938	2.6	2,094	5	0.2	2.7	2.9
2014	80,149	2,002	2.6	78,101	2,048	2.7	2,048	-46	-2.2	2.6	2.7
2015	78,643	-1,506	-1.9	76,221	-1,880	-2.4	2,422	374	18.3	3.1	2.7

MONTHLY DATA

OCT 2016	79,010			76,776			2,234			2.8	2.2
SEP 2016	78,801			76,389			2,412			3.1	2.5
MONTHLY CHG		209	0.3		387	0.5		-178	-7.4		
OCT 2015	77,796			75,894			1,902			2.4	1.9
ANNUAL CHG		1,214	1.6		882	1.2		332	17.5		

[labor force is the noninstitutionalized resident civilian population ages 16 and older either employed (part-time or full-time) or unemployed but actively seeking employment; the unemployment rate represents the number unemployed as a percent of the labor force]

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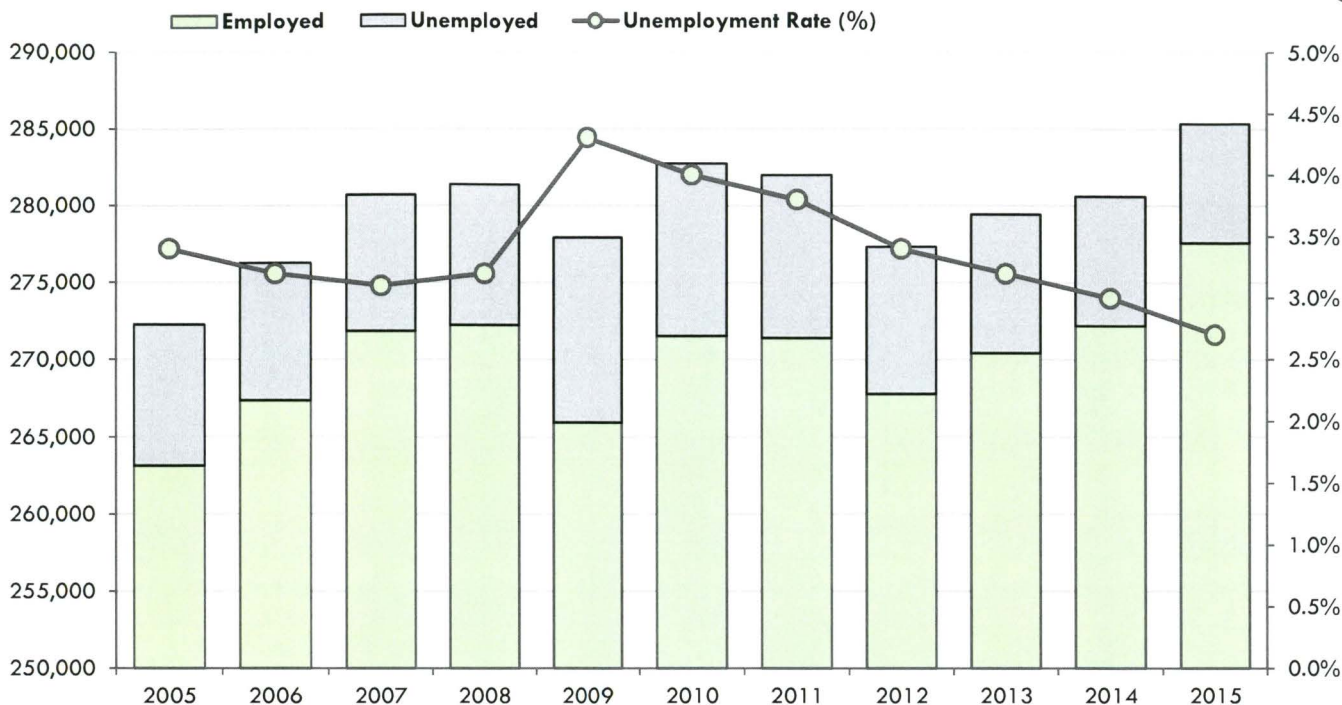
Source: Labor Market Information Center, Job Service North Dakota, Local Area Unemployment Statistics (LAUS)

NORTH DAKOTA'S OIL AND GAS ECONOMY

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LABOR FORCE AND UNEMPLOYMENT STATISTICS

NON OIL AND GAS COUNTIES



NON OIL COUNTIES											ND
YEAR	LABOR FORCE	NUM CHG	PCT CHG	EMP	NUM CHG	PCT CHG	UNEMP	NUM CHG	PCT CHG	UNEMP RATE	UNEMP RATE
2005	272,270	2,357	0.9	263,135	2,291	0.9	9,135	66	0.7	3.4	3.4
2006	276,287	4,017	1.5	267,335	4,200	1.6	8,952	-183	-2.0	3.2	3.2
2007	280,666	4,379	1.6	271,849	4,514	1.7	8,817	-135	-1.5	3.1	3.1
2008	281,359	693	0.2	272,249	400	0.1	9,110	293	3.3	3.2	3.2
2009	277,937	-3,422	-1.2	265,922	-6,327	-2.3	12,015	2,905	31.9	4.3	4.1
2010	282,743	4,806	1.7	271,533	5,611	2.1	11,210	-805	-6.7	4.0	3.8
2011	281,999	-744	-0.3	271,405	-128	0.0	10,594	-616	-5.5	3.8	3.5
2012	277,330	-4,669	-1.7	267,776	-3,629	-1.3	9,554	-1,040	-9.8	3.4	3.1
2013	279,439	2,109	0.8	270,413	2,637	1.0	9,026	-528	-5.5	3.2	2.9
2014	280,589	1,150	0.4	272,186	1,773	0.7	8,403	-623	-6.9	3.0	2.7
2015	285,341	4,752	1.7	277,565	5,379	2.0	7,776	-627	-7.5	2.7	2.7

MONTHLY DATA

OCT 2016	306,200			300,459			5,741			1.9	2.2
SEP 2016	305,866			298,973			6,893			2.3	2.5
MONTHLY CHG		334	0.1		1,486	0.5		-1,152	-16.7		
OCT 2015	286,739			281,726			5,013			1.7	1.9
ANNUAL CHG		19,461	6.8		18,733	6.6		728	14.5		

[labor force is the noninstitutionalized resident civilian population ages 16 and older either employed (part-time or full-time) or unemployed but actively seeking employment; the unemployment rate represents the number unemployed as a percent of the labor force]

Data are not seasonally adjusted. Asterisks (***) indicate data cannot be released due to reliability, availability or confidentiality restrictions.

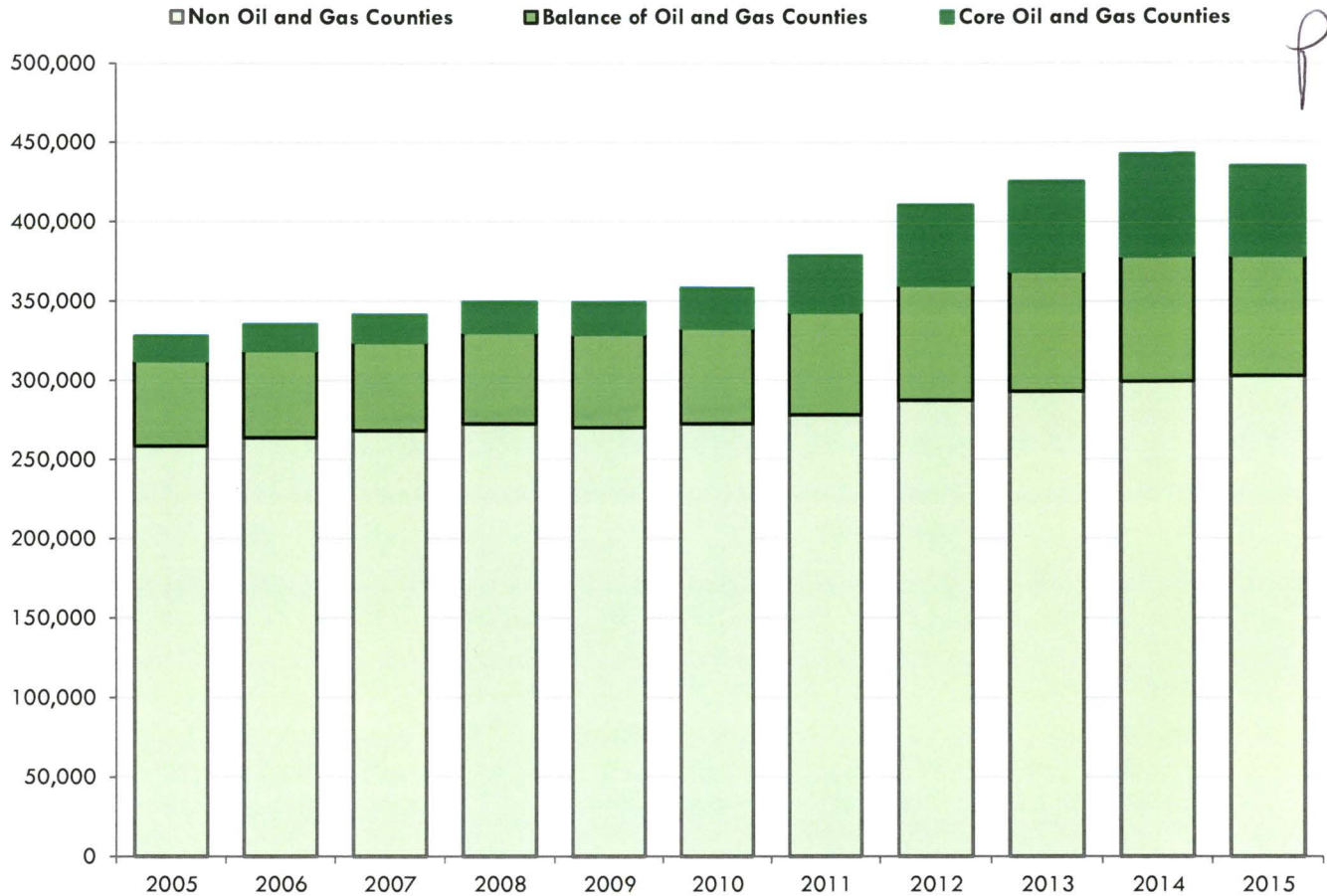
Source: Labor Market Information Center, Job Service North Dakota, Local Area Unemployment Statistics (LAUS)

NORTH DAKOTA'S OIL AND GAS ECONOMY #1

#1

AVERAGE EMPLOYMENT [ANNUAL DATA]

TOTAL, ALL INDUSTRIES



YEAR	NORTH DAKOTA			CORE COUNTIES			BALANCE COUNTIES			NON OIL COUNTIES		
	EMPLOY.	NUM CHG	PCT CHG	EMPLOY.	NUM CHG	PCT CHG	EMPLOY.	NUM CHG	PCT CHG	EMPLOY.	NUM CHG	PCT CHG
2005	328,121	7,013	2.2	15,530	570	3.8	53,876	927	1.8	258,438	5,499	2.2
2006	335,718	7,597	2.3	16,473	943	6.1	55,072	1,196	2.2	263,746	5,308	2.1
2007	341,705	5,987	1.8	17,115	642	3.9	56,002	930	1.7	268,042	4,296	1.6
2008	350,442	8,737	2.6	19,161	2,046	12.0	57,828	1,826	3.3	272,415	4,373	1.6
2009	349,561	-881	-0.3	19,949	788	4.1	58,946	1,118	1.9	270,009	-2,406	-0.9
2010	358,674	9,113	2.6	25,016	5,067	25.4	60,574	1,628	2.8	272,407	2,398	0.9
2011	379,433	20,759	5.8	35,834	10,818	43.2	64,873	4,299	7.1	278,053	5,646	2.1
2012	411,710	32,277	8.5	50,576	14,742	41.1	72,738	7,865	12.1	287,190	9,137	3.3
2013	427,109	15,399	3.7	56,775	6,199	12.3	75,758	3,020	4.2	292,929	5,739	2.0
2014	444,658	17,549	4.1	64,463	7,688	13.5	79,189	3,431	4.5	299,050	6,121	2.1
2015	437,078	-7,580	-1.7	56,788	-7,675	-11.9	75,498	-3,691	-4.7	302,524	3,474	1.2

Data are not seasonally adjusted. Asterisks (***) indicate data cannot be released due to reliability, availability or confidentiality restrictions.

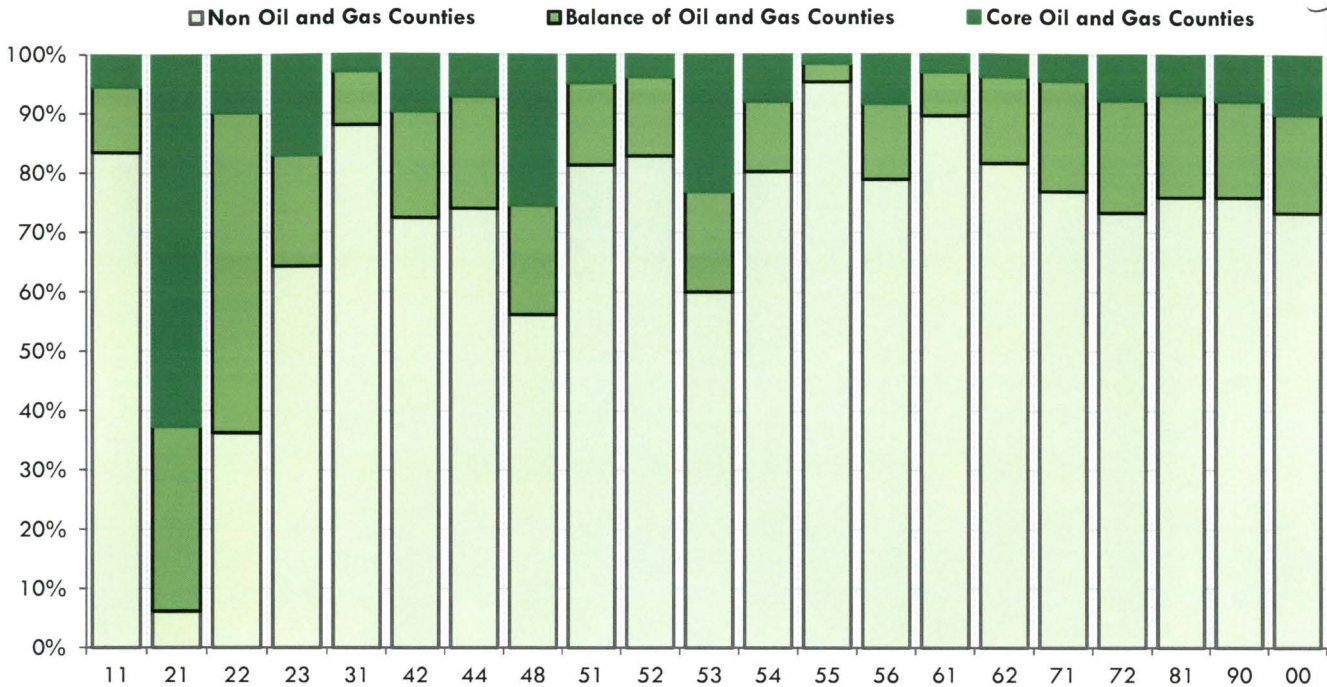
Source: Labor Market Information Center, Job Service North Dakota, Quarterly Census of Employment and Wages (QCEW)

NORTH DAKOTA'S OIL AND GAS ECONOMY

AVERAGE EMPLOYMENT BY INDUSTRY [QUARTERLY DATA]

[Q2 2016]

PROPORTION OF STATE-LEVEL INDUSTRY EMPLOYMENT BY AREA (%)



NAICS CODE	INDUSTRY	CORE COUNTIES	BALANCE COUNTIES	NON OIL COUNTIES
11	Agriculture, Forestry, Fishing and Hunting	5.4	11.1	83.5
21	Mining, Quarrying, and Oil and Gas Extraction	62.3	30.9	6.1
22	Utilities	9.8	54.0	36.3
23	Construction	16.5	18.2	62.7
31	Manufacturing	2.9	9.0	87.8
42	Wholesale Trade	9.6	17.7	71.6
44	Retail Trade	7.1	18.8	73.9
48	Transportation and Warehousing	25.0	18.1	55.4
51	Information	4.8	13.7	81.1
52	Finance and Insurance	3.8	13.2	82.5
53	Real Estate and Rental and Leasing	22.8	16.7	59.4
54	Professional and Technical Services	7.8	11.7	79.5
55	Management of Companies and Enterprises	1.5	3.1	94.5
56	Administrative and Waste Services	8.1	12.5	77.3
61	Educational Services	3.0	7.3	89.2
62	Health Care and Social Assistance	3.8	14.5	81.4
71	Arts, Entertainment, and Recreation	4.5	18.6	76.9
72	Accommodation and Food Services	7.7	18.9	73.2
81	Other Services (except Government)	6.7	17.4	75.9
90	Government	7.8	16.3	75.7
00	Total, All Industries	10.0	16.6	72.8

Data are not seasonally adjusted. Asterisks (***) indicate data cannot be released due to reliability, availability or confidentiality restrictions.

Source: Labor Market Information Center, Job Service North Dakota, Quarterly Census of Employment and Wages (QCEW)

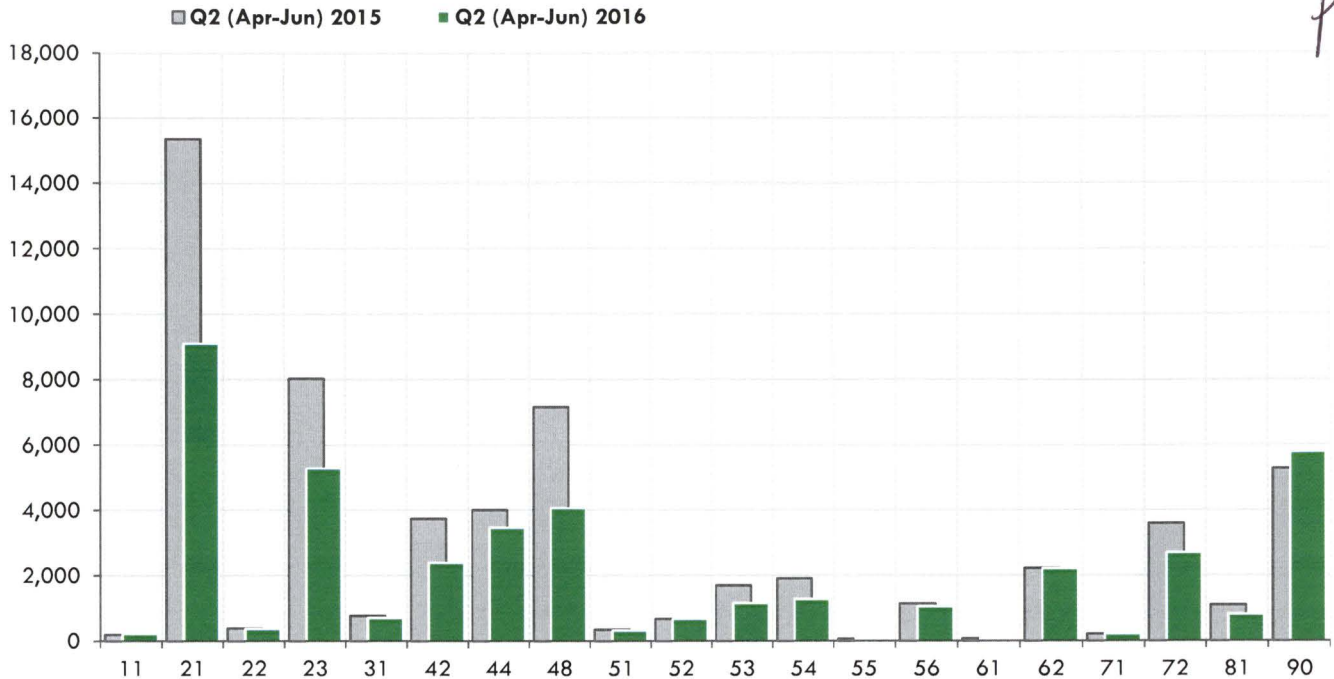
NORTH DAKOTA'S OIL AND GAS ECONOMY

#1

AVERAGE EMPLOYMENT BY INDUSTRY [QUARTERLY DATA]

CORE OIL AND GAS COUNTIES

P98



NAICS CODE	INDUSTRY	EMPLOYMENT Q2 2015	EMPLOYMENT Q2 2016	NUM CHG	PCT CHG
11	Agriculture, Forestry, Fishing and Hunting	191	235	44	23.0
21	Mining, Quarrying, and Oil and Gas Extraction	15,356	9,100	-6,256	-40.7
22	Utilities	393	378	-15	-3.8
23	Construction	8,029	5,276	-2,753	-34.3
31	Manufacturing	771	718	-53	-6.9
42	Wholesale Trade	3,733	2,395	-1,338	-35.8
44	Retail Trade	3,998	3,462	-536	-13.4
48	Transportation and Warehousing	7,144	4,061	-3,083	-43.2
51	Information	345	322	-23	-6.7
52	Finance and Insurance	681	675	-6	-0.9
53	Real Estate and Rental and Leasing	1,698	1,156	-542	-31.9
54	Professional and Technical Services	1,912	1,284	-628	-32.8
55	Management of Companies and Enterprises	62	80	18	29.0
56	Administrative and Waste Services	1,144	1,060	-84	-7.3
61	Educational Services	74	74	0	0.0
62	Health Care and Social Assistance	2,224	2,213	-11	-0.5
71	Arts, Entertainment, and Recreation	217	215	-2	-0.9
72	Accommodation and Food Services	3,598	2,698	-900	-25.0
81	Other Services (except Government)	1,090	811	-279	-25.6
90	Government	5,279	5,784	505	9.6
00	Total, All Industries	57,941	41,996	-15,945	-27.5

Data are not seasonally adjusted. Asterisks (***) indicate data cannot be released due to reliability, availability or confidentiality restrictions.

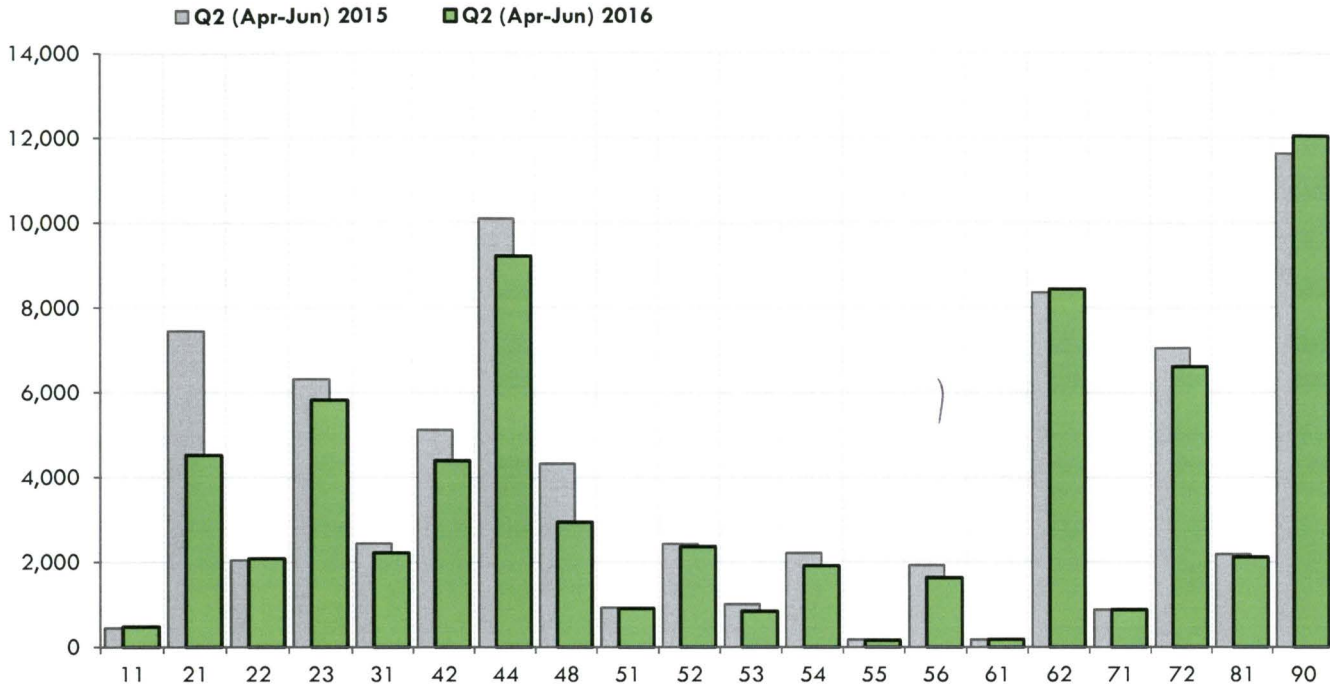
Source: Labor Market Information Center, Job Service North Dakota, Quarterly Census of Employment and Wages (QCEW)

NORTH DAKOTA'S OIL AND GAS ECONOMY

#1
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AVERAGE EMPLOYMENT BY INDUSTRY [QUARTERLY DATA]

BALANCE OF OIL AND GAS COUNTIES



NAICS CODE	INDUSTRY	EMPLOYMENT Q2 2015	EMPLOYMENT Q2 2016	NUM CHG	PCT CHG
11	Agriculture, Forestry, Fishing and Hunting	449	480	31	6.9
21	Mining, Quarrying, and Oil and Gas Extraction	7,442	4,518	-2,924	-39.3
22	Utilities	2,042	2,082	40	2.0
23	Construction	6,311	5,820	-491	-7.8
31	Manufacturing	2,437	2,220	-217	-8.9
42	Wholesale Trade	5,124	4,390	-734	-14.3
44	Retail Trade	10,097	9,227	-870	-8.6
48	Transportation and Warehousing	4,331	2,939	-1,392	-32.1
51	Information	931	912	-19	-2.0
52	Finance and Insurance	2,430	2,367	-63	-2.6
53	Real Estate and Rental and Leasing	1,013	845	-168	-16.6
54	Professional and Technical Services	2,210	1,916	-294	-13.3
55	Management of Companies and Enterprises	172	163	-9	-5.2
56	Administrative and Waste Services	1,930	1,627	-303	-15.7
61	Educational Services	176	178	2	1.1
62	Health Care and Social Assistance	8,368	8,444	76	0.9
71	Arts, Entertainment, and Recreation	877	881	4	0.5
72	Accommodation and Food Services	7,048	6,611	-437	-6.2
81	Other Services (except Government)	2,179	2,118	-61	-2.8
90	Government	11,632	12,048	416	3.6
00	Total, All Industries	77,201	69,787	-7,414	-9.6

Data are not seasonally adjusted. Asterisks (***) indicate data cannot be released due to reliability, availability or confidentiality restrictions.

Source: Labor Market Information Center, Job Service North Dakota, Quarterly Census of Employment and Wages (QCEW)

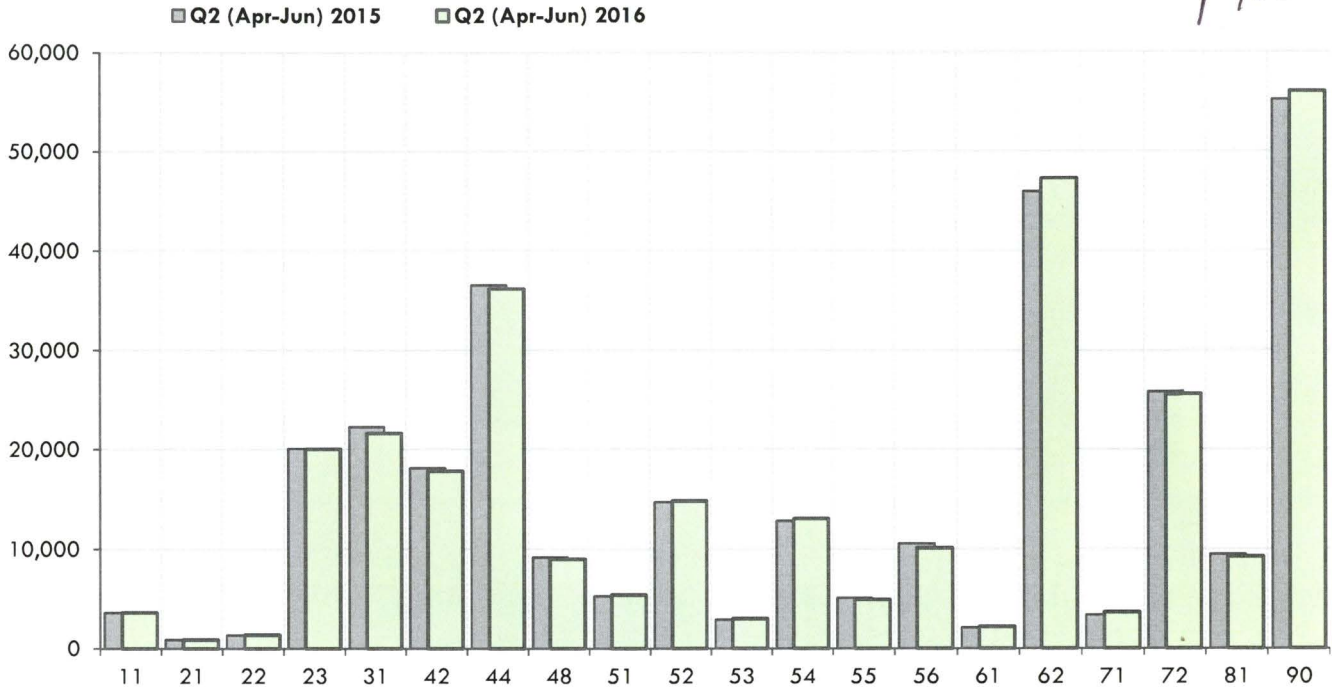
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NORTH DAKOTA'S OIL AND GAS ECONOMY

AVERAGE EMPLOYMENT BY INDUSTRY [QUARTERLY DATA]

NON OIL AND GAS COUNTIES

P100



NAICS CODE	INDUSTRY	EMPLOYMENT Q2 2015	EMPLOYMENT Q2 2016	NUM CHG	PCT CHG
11	Agriculture, Forestry, Fishing and Hunting	3,631	3,623	-8	-0.2
21	Mining, Quarrying, and Oil and Gas Extraction	889	884	-5	-0.6
22	Utilities	1,368	1,400	32	2.3
23	Construction	20,047	20,016	-31	-0.2
31	Manufacturing	22,251	21,600	-651	-2.9
42	Wholesale Trade	18,114	17,791	-323	-1.8
44	Retail Trade	36,507	36,185	-322	-0.9
48	Transportation and Warehousing	9,153	8,995	-158	-1.7
51	Information	5,284	5,393	109	2.1
52	Finance and Insurance	14,686	14,800	114	0.8
53	Real Estate and Rental and Leasing	2,901	3,008	107	3.7
54	Professional and Technical Services	12,779	13,030	251	2.0
55	Management of Companies and Enterprises	5,075	4,941	-134	-2.6
56	Administrative and Waste Services	10,527	10,102	-425	-4.0
61	Educational Services	2,117	2,186	69	3.3
62	Health Care and Social Assistance	45,949	47,287	1,338	2.9
71	Arts, Entertainment, and Recreation	3,386	3,648	262	7.7
72	Accommodation and Food Services	25,835	25,567	-268	-1.0
81	Other Services (except Government)	9,475	9,246	-229	-2.4
90	Government	55,210	56,024	814	1.5
00	Total, All Industries	305,184	305,717	533	0.2

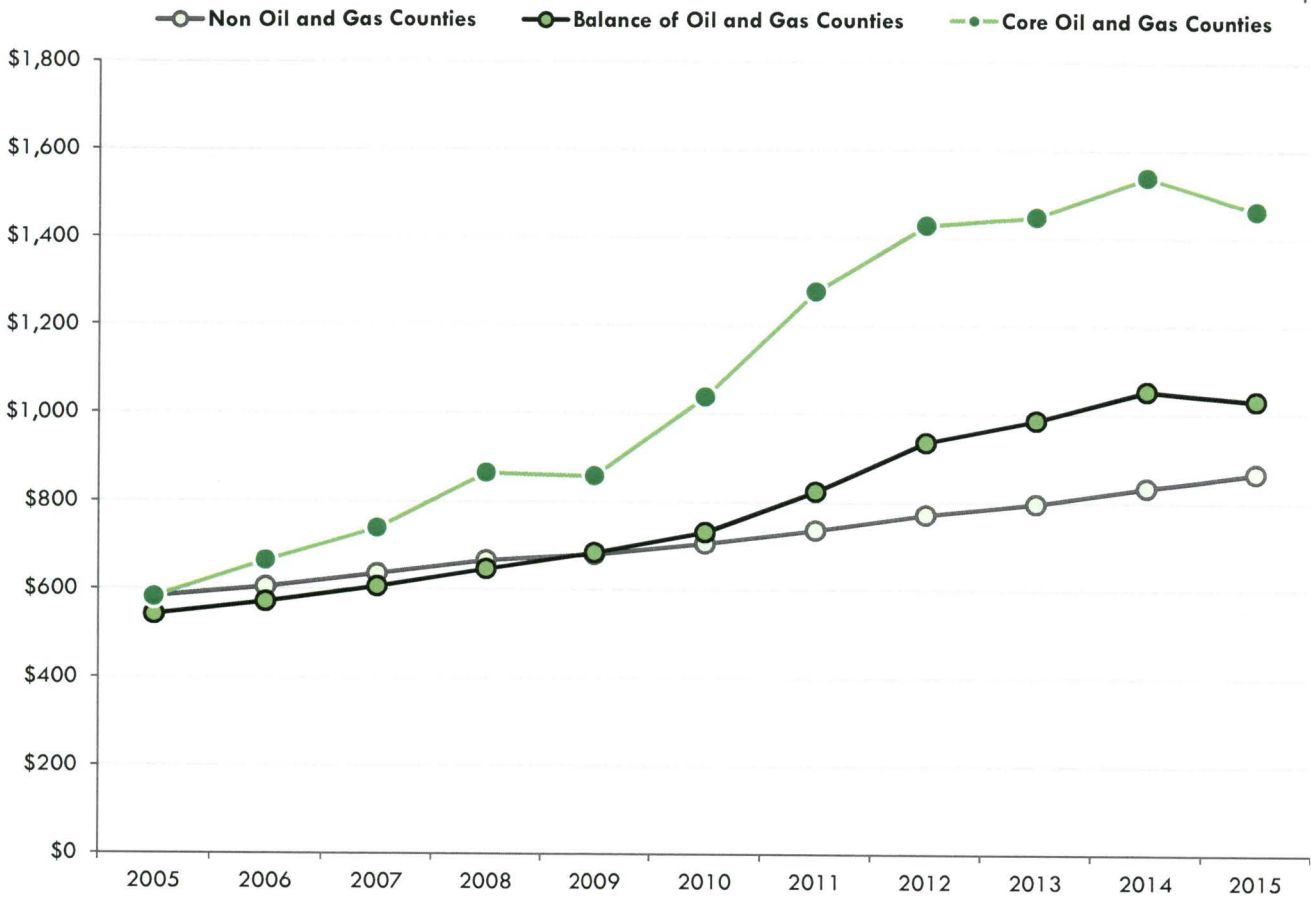
Data are not seasonally adjusted. Asterisks (***) indicate data cannot be released due to reliability, availability or confidentiality restrictions.

Source: Labor Market Information Center, Job Service North Dakota, Quarterly Census of Employment and Wages (QCEW)

NORTH DAKOTA'S OIL AND GAS ECONOMY

AVERAGE WEEKLY WAGE (\$) [ANNUAL DATA]

TOTAL, ALL INDUSTRIES



YEAR	NORTH DAKOTA			CORE COUNTIES			BALANCE COUNTIES			NON OIL COUNTIES		
	WKLY WAGE	NUM CHG	PCT CHG	WKLY WAGE	NUM CHG	PCT CHG	WKLY WAGE	NUM CHG	PCT CHG	WKLY WAGE	NUM CHG	PCT CHG
2005	576	19	3.4	581	45	8.4	542	21	4.0	582	16	2.8
2006	602	26	4.5	664	83	14.3	571	29	5.4	604	22	3.8
2007	636	34	5.6	738	74	11.1	606	35	6.1	635	31	5.1
2008	675	39	6.1	865	127	17.2	646	40	6.6	666	31	4.9
2009	692	17	2.5	858	-7	-0.8	684	38	5.9	680	14	2.1
2010	733	41	5.9	1,038	180	21.0	731	47	6.9	705	25	3.7
2011	803	70	9.5	1,278	240	23.1	824	93	12.7	736	31	4.4
2012	883	80	10.0	1,428	150	11.7	936	112	13.6	772	36	4.9
2013	919	36	4.1	1,448	20	1.4	986	50	5.3	797	25	3.2
2014	978	59	6.4	1,539	91	6.3	1,053	67	6.8	834	37	4.6
2015	975	-3	-0.3	1,463	-76	-4.9	1,030	-23	-2.2	866	32	3.8

Data are not seasonally adjusted. Asterisks (***) indicate data cannot be released due to reliability, availability or confidentiality restrictions.

Source: Labor Market Information Center, Job Service North Dakota, Quarterly Census of Employment and Wages (QCEW)

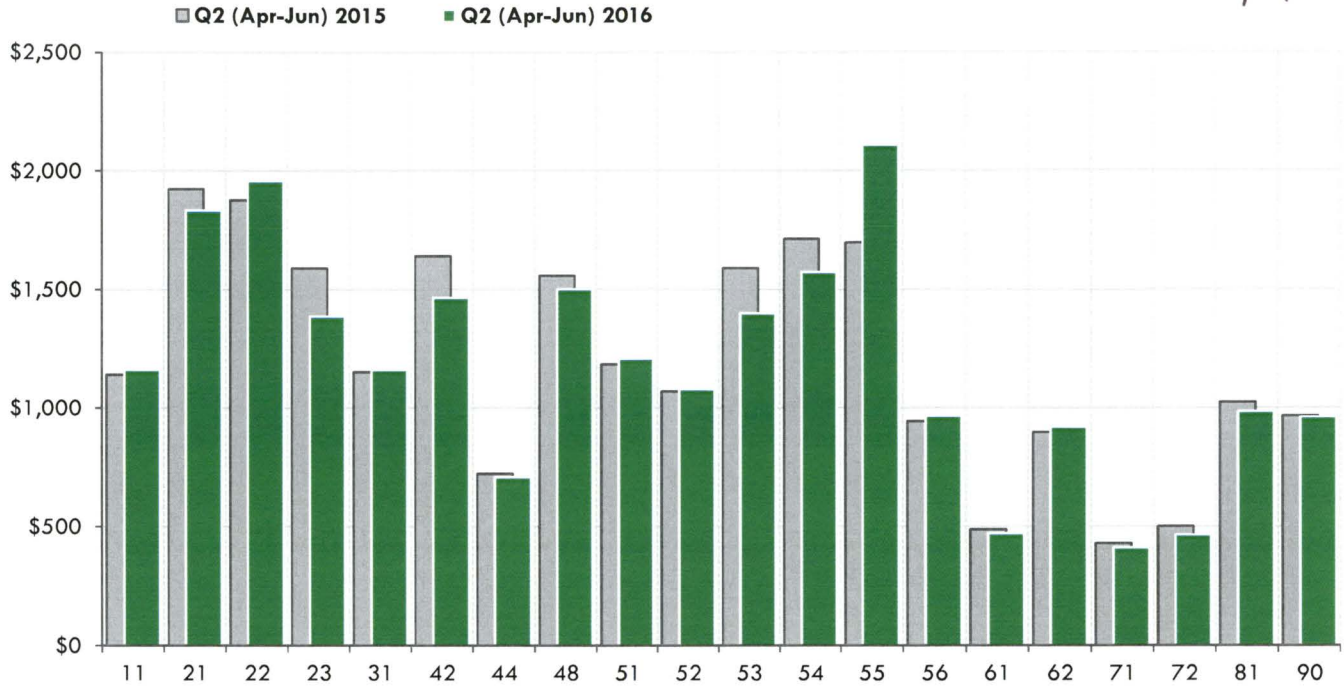
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NORTH DAKOTA'S OIL AND GAS ECONOMY #1

AVERAGE WEEKLY WAGE BY INDUSTRY (\$) [QUARTERLY DATA]

CORE OIL AND GAS COUNTIES

P102



NAICS CODE	INDUSTRY	WKLY WAGE Q2 2015	WKLY WAGE Q2 2016	NUM CHG	PCT CHG
11	Agriculture, Forestry, Fishing and Hunting	1,141	1,161	20	1.8
21	Mining, Quarrying, and Oil and Gas Extraction	1,923	1,833	-90	-4.7
22	Utilities	1,875	1,957	82	4.4
23	Construction	1,589	1,386	-203	-12.8
31	Manufacturing	1,151	1,160	9	0.8
42	Wholesale Trade	1,640	1,465	-175	-10.7
44	Retail Trade	722	709	-13	-1.8
48	Transportation and Warehousing	1,556	1,500	-56	-3.6
51	Information	1,184	1,207	23	1.9
52	Finance and Insurance	1,069	1,079	10	0.9
53	Real Estate and Rental and Leasing	1,589	1,400	-189	-11.9
54	Professional and Technical Services	1,713	1,573	-140	-8.2
55	Management of Companies and Enterprises	1,697	2,108	411	24.2
56	Administrative and Waste Services	943	965	22	2.3
61	Educational Services	487	472	-15	-3.1
62	Health Care and Social Assistance	897	919	22	2.5
71	Arts, Entertainment, and Recreation	428	410	-18	-4.2
72	Accommodation and Food Services	502	465	-37	-7.4
81	Other Services (except Government)	1,024	983	-41	-4.0
90	Government	965	960	-5	-0.5
00	Total, All Industries	1,427	1,276	-151	-10.6

Data are not seasonally adjusted. Asterisks (***) indicate data cannot be released due to reliability, availability or confidentiality restrictions.

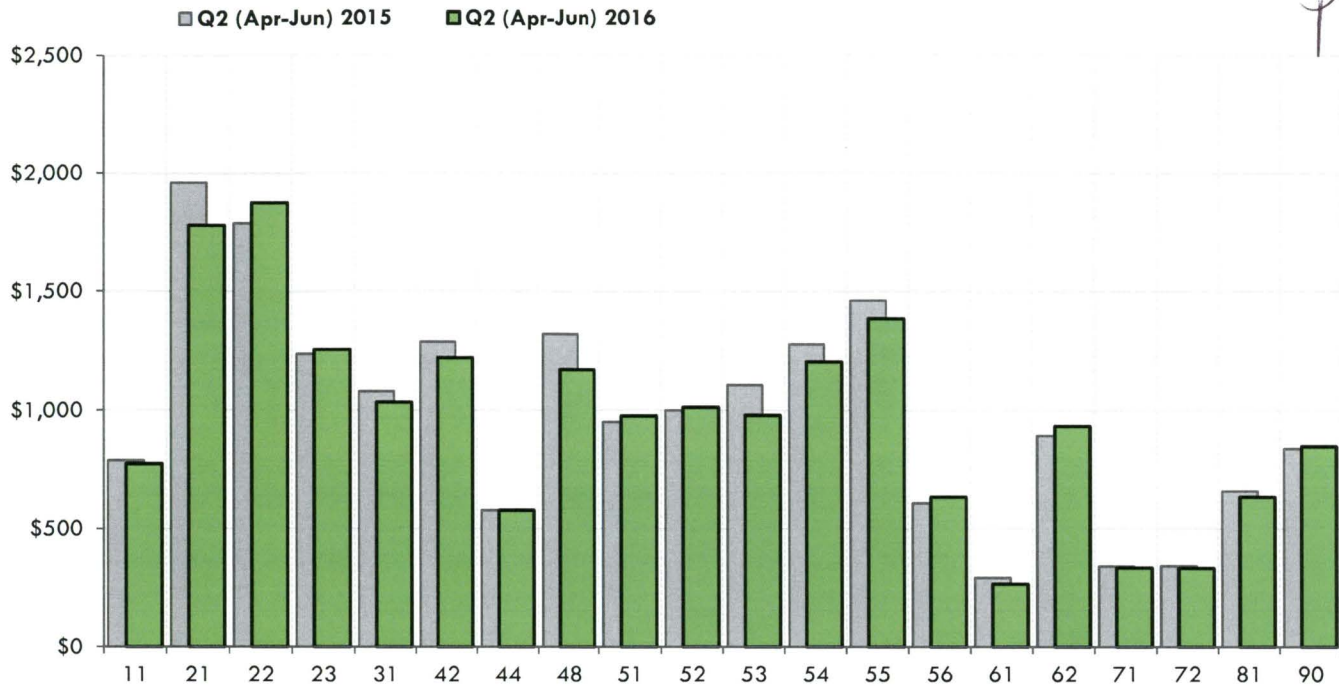
Source: Labor Market Information Center, Job Service North Dakota, Quarterly Census of Employment and Wages (QCEW)

NORTH DAKOTA'S OIL AND GAS ECONOMY

#1
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AVERAGE WEEKLY WAGE BY INDUSTRY (\$) [QUARTERLY DATA]

BALANCE OF OIL AND GAS COUNTIES



NAICS CODE	INDUSTRY	WKLY WAGE Q2 2015	WKLY WAGE Q2 2016	NUM CHG	PCT CHG
11	Agriculture, Forestry, Fishing and Hunting	787	773	-14	-1.8
21	Mining, Quarrying, and Oil and Gas Extraction	1,961	1,779	-182	-9.3
22	Utilities	1,787	1,876	89	5.0
23	Construction	1,237	1,256	19	1.5
31	Manufacturing	1,078	1,033	-45	-4.2
42	Wholesale Trade	1,287	1,220	-67	-5.2
44	Retail Trade	577	577	0	0.0
48	Transportation and Warehousing	1,319	1,171	-148	-11.2
51	Information	949	975	26	2.7
52	Finance and Insurance	999	1,011	12	1.2
53	Real Estate and Rental and Leasing	1,105	978	-127	-11.5
54	Professional and Technical Services	1,278	1,204	-74	-5.8
55	Management of Companies and Enterprises	1,461	1,386	-75	-5.1
56	Administrative and Waste Services	608	633	25	4.1
61	Educational Services	292	266	-26	-8.9
62	Health Care and Social Assistance	892	932	40	4.5
71	Arts, Entertainment, and Recreation	341	335	-6	-1.8
72	Accommodation and Food Services	343	334	-9	-2.6
81	Other Services (except Government)	659	634	-25	-3.8
90	Government	837	846	9	1.1
00	Total, All Industries	1,000	941	-59	-5.9

Data are not seasonally adjusted. Asterisks (***) indicate data cannot be released due to reliability, availability or confidentiality restrictions.

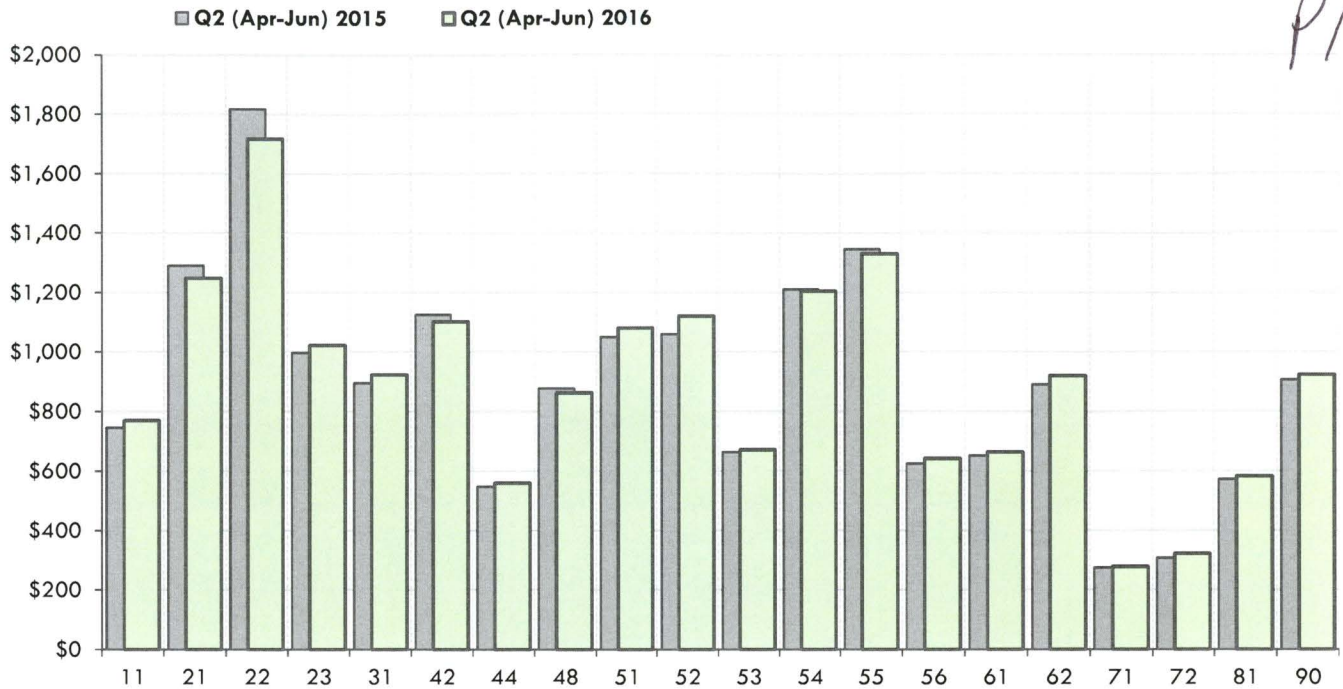
Source: Labor Market Information Center, Job Service North Dakota, Quarterly Census of Employment and Wages (QCEW)

NORTH DAKOTA'S OIL AND GAS ECONOMY #1

AVERAGE WEEKLY WAGE BY INDUSTRY (\$) [QUARTERLY DATA]

NON OIL AND GAS COUNTIES

P1004



NAICS CODE	INDUSTRY	WKLY WAGE Q2 2015	WKLY WAGE Q2 2016	NUM CHG	PCT CHG
11	Agriculture, Forestry, Fishing and Hunting	746	770	24	3.2
21	Mining, Quarrying, and Oil and Gas Extraction	1,289	1,247	-42	-3.3
22	Utilities	1,816	1,716	-100	-5.5
23	Construction	997	1,023	26	2.6
31	Manufacturing	895	924	29	3.2
42	Wholesale Trade	1,125	1,102	-23	-2.0
44	Retail Trade	546	559	13	2.4
48	Transportation and Warehousing	877	863	-14	-1.6
51	Information	1,050	1,081	31	3.0
52	Finance and Insurance	1,059	1,121	62	5.9
53	Real Estate and Rental and Leasing	663	671	8	1.2
54	Professional and Technical Services	1,210	1,205	-5	-0.4
55	Management of Companies and Enterprises	1,345	1,331	-14	-1.0
56	Administrative and Waste Services	625	642	17	2.7
61	Educational Services	652	664	12	1.8
62	Health Care and Social Assistance	891	921	30	3.4
71	Arts, Entertainment, and Recreation	274	277	3	1.1
72	Accommodation and Food Services	306	321	15	4.9
81	Other Services (except Government)	571	582	11	1.9
90	Government	905	923	18	2.0
00	Total, All Industries	829	847	18	2.2

Data are not seasonally adjusted. Asterisks (***) indicate data cannot be released due to reliability, availability or confidentiality restrictions.

Source: Labor Market Information Center, Job Service North Dakota, Quarterly Census of Employment and Wages (QCEW)

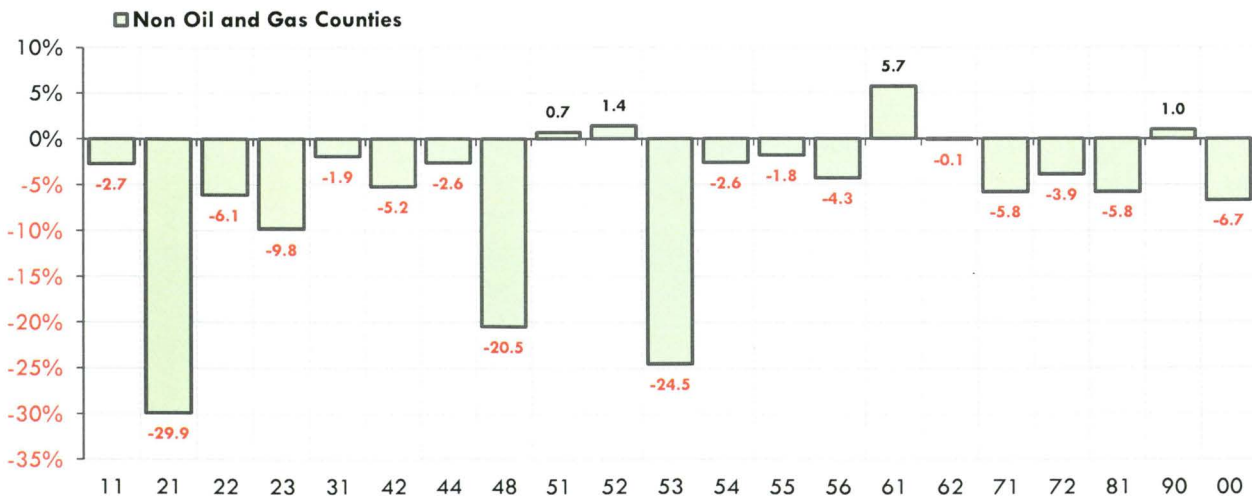
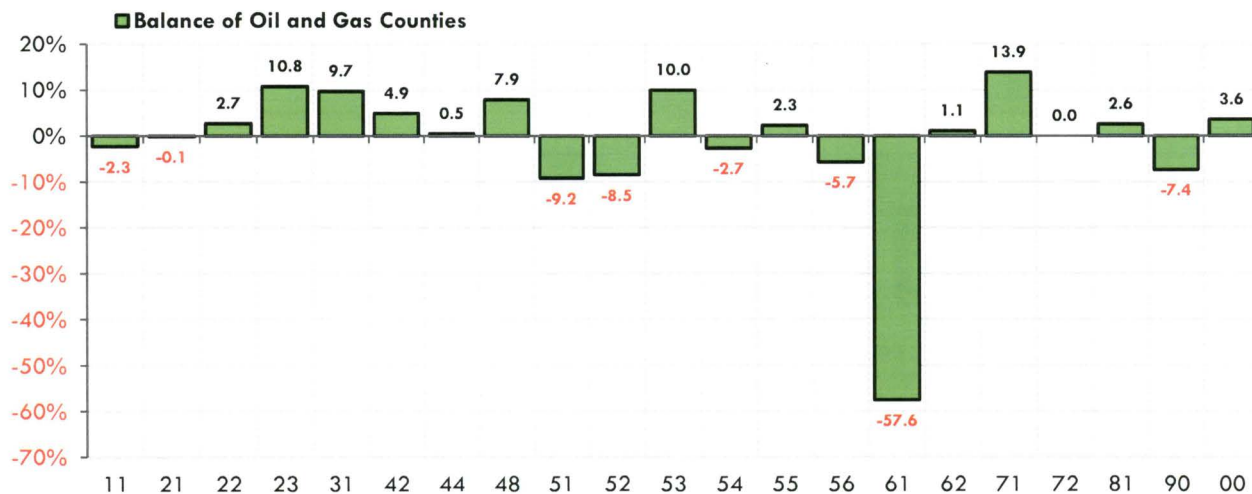
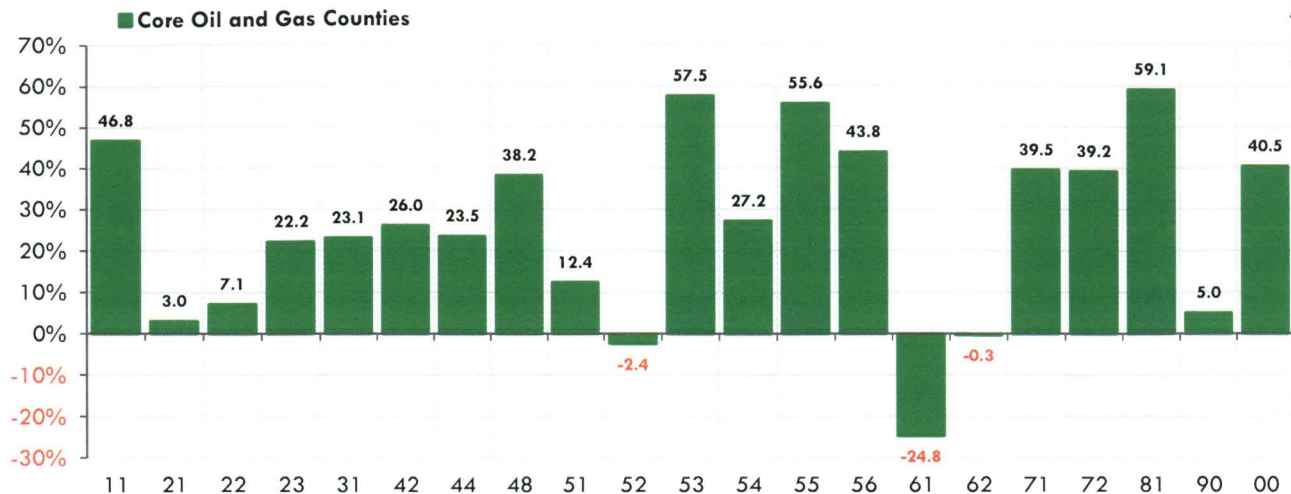
NORTH DAKOTA'S OIL AND GAS ECONOMY

#1
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AVERAGE WEEKLY WAGE COMPARISON BY INDUSTRY (%)

[Q2 2016]

DIFFERENCE BETWEEN AN AREA'S INDUSTRY AVERAGE AND THE STATE-LEVEL INDUSTRY AVERAGE



Data are not seasonally adjusted. Asterisks (***) indicate data cannot be released due to reliability, availability or confidentiality restrictions.

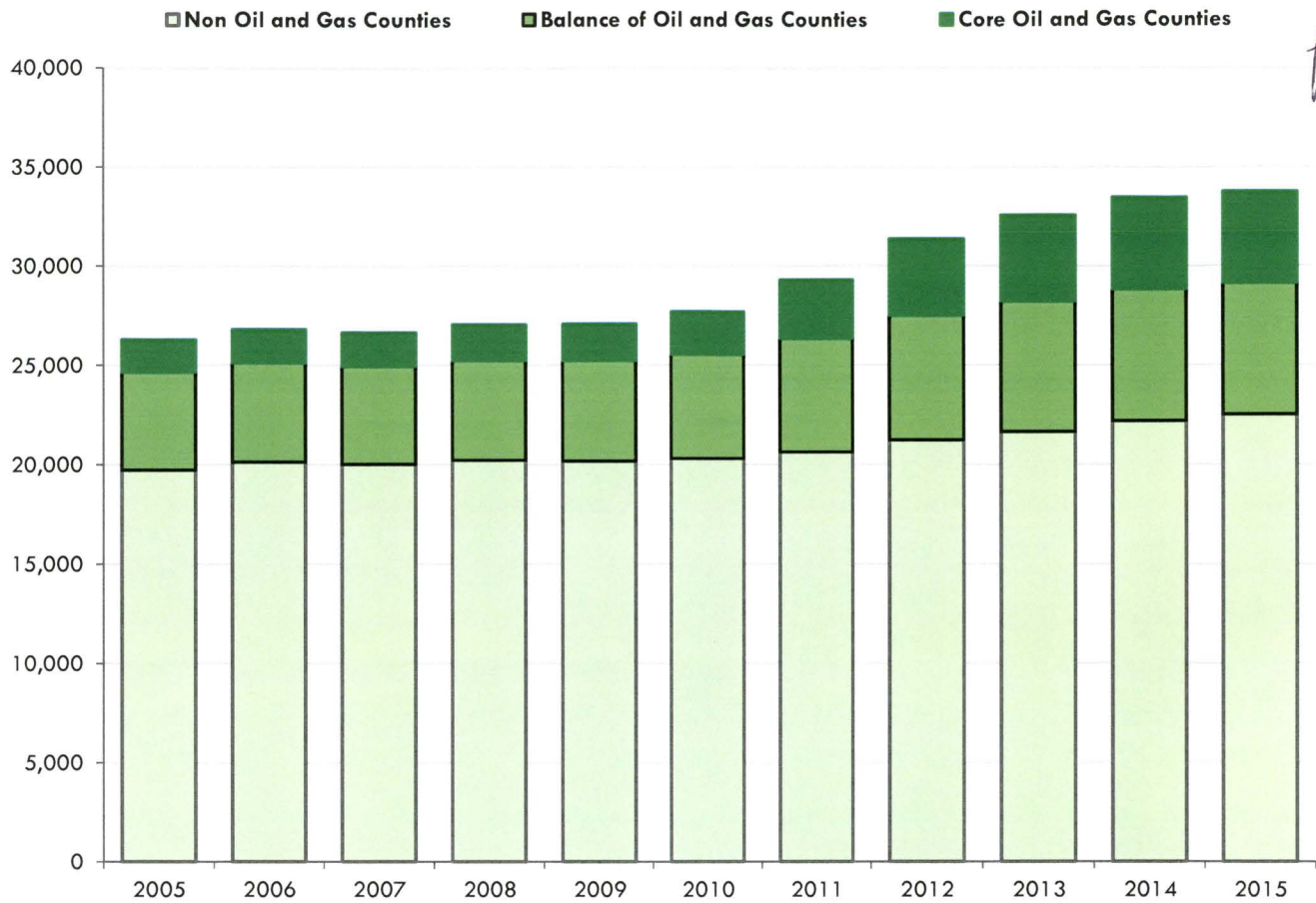
Source: Labor Market Information Center, Job Service North Dakota, Quarterly Census of Employment and Wages (QCEW)

NORTH DAKOTA'S OIL AND GAS ECONOMY #1

#1
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BUSINESS ESTABLISHMENTS [ANNUAL DATA]

TOTAL, ALL INDUSTRIES



YEAR	NORTH DAKOTA			CORE COUNTIES			BALANCE COUNTIES			NON OIL COUNTIES		
	BUS. ESTAB.	NUM CHG	PCT CHG	BUS. ESTAB.	NUM CHG	PCT CHG	BUS. ESTAB.	NUM CHG	PCT CHG	BUS. ESTAB.	NUM CHG	PCT CHG
2005	26,540	629	2.4	1,632	44	2.8	4,930	130	2.7	19,723	491	2.6
2006	27,106	566	2.1	1,692	60	3.7	4,986	56	1.1	20,130	407	2.1
2007	26,969	-137	-0.5	1,698	6	0.4	4,932	-54	-1.1	20,021	-109	-0.5
2008	27,420	451	1.7	1,818	120	7.1	5,026	94	1.9	20,214	193	1.0
2009	27,395	-25	-0.1	1,850	32	1.8	5,073	47	0.9	20,169	-45	-0.2
2010	28,003	608	2.2	2,132	282	15.2	5,260	187	3.7	20,299	130	0.6
2011	29,622	1,619	5.8	2,952	820	38.5	5,730	470	8.9	20,620	321	1.6
2012	31,896	2,274	7.7	3,844	892	30.2	6,296	566	9.9	21,222	602	2.9
2013	33,267	1,371	4.3	4,342	498	13.0	6,569	273	4.3	21,654	432	2.0
2014	34,207	940	2.8	4,614	272	6.3	6,671	102	1.6	22,180	526	2.4
2015	34,589	382	1.1	4,610	-4	-0.1	6,616	-55	-0.8	22,508	328	1.5

Data are not seasonally adjusted. Asterisks (***) indicate data cannot be released due to reliability, availability or confidentiality restrictions.

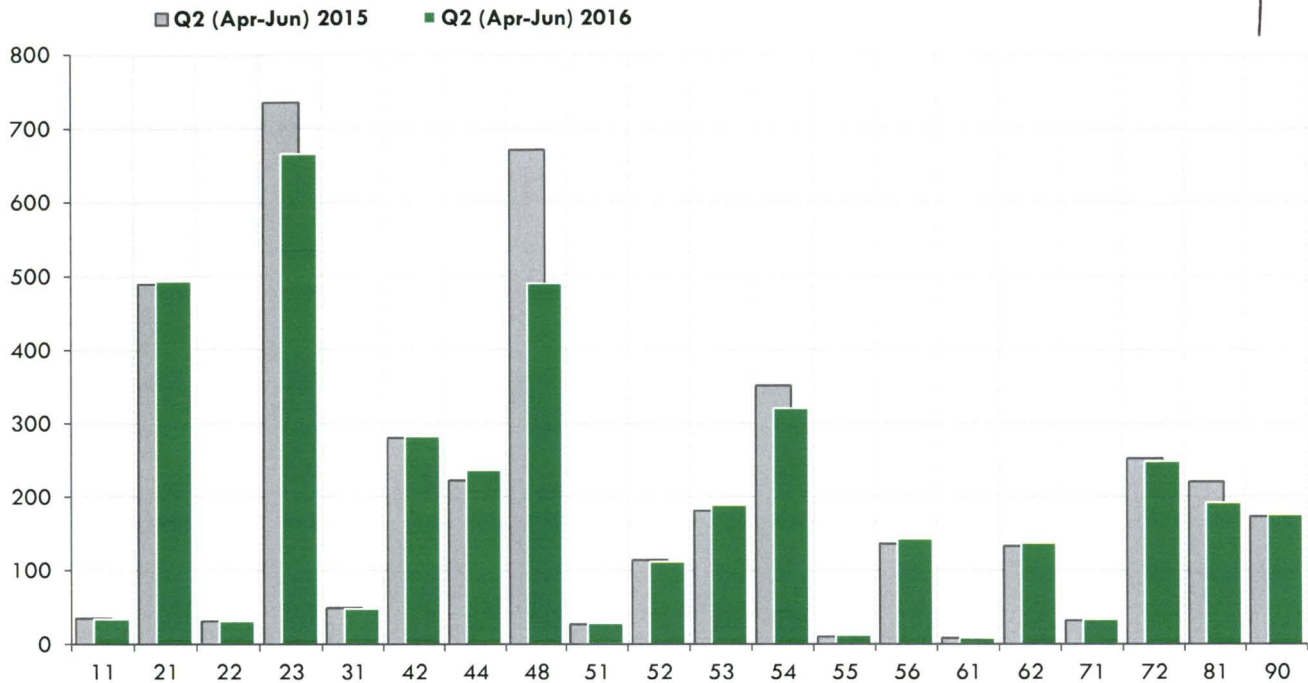
Source: Labor Market Information Center, Job Service North Dakota, Quarterly Census of Employment and Wages (QCEW)

NORTH DAKOTA'S OIL AND GAS ECONOMY

BUSINESS ESTABLISHMENTS BY INDUSTRY [QUARTERLY DATA]

CORE OIL AND GAS COUNTIES

#1
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NAICS CODE	INDUSTRY	BUS. ESTAB. Q2 2015	BUS. ESTAB. Q2 2016	NUM CHG	PCT CHG
11	Agriculture, Forestry, Fishing and Hunting	35	34	-1	-2.9
21	Mining, Quarrying, and Oil and Gas Extraction	490	494	4	0.8
22	Utilities	31	31	0	0.0
23	Construction	736	666	-70	-9.5
31	Manufacturing	49	48	-1	-2.0
42	Wholesale Trade	280	282	2	0.7
44	Retail Trade	222	236	14	6.3
48	Transportation and Warehousing	671	490	-181	-27.0
51	Information	27	28	1	3.7
52	Finance and Insurance	114	112	-2	-1.8
53	Real Estate and Rental and Leasing	181	189	8	4.4
54	Professional and Technical Services	351	320	-31	-8.8
55	Management of Companies and Enterprises	10	12	2	20.0
56	Administrative and Waste Services	136	143	7	5.1
61	Educational Services	8	8	0	0.0
62	Health Care and Social Assistance	133	137	4	3.0
71	Arts, Entertainment, and Recreation	32	33	1	3.1
72	Accommodation and Food Services	252	248	-4	-1.6
81	Other Services (except Government)	220	192	-28	-12.7
90	Government	173	176	3	1.7
00	Total, All Industries	4,151	3,879	-272	-6.6

Data are not seasonally adjusted. Asterisks (***) indicate data cannot be released due to reliability, availability or confidentiality restrictions.

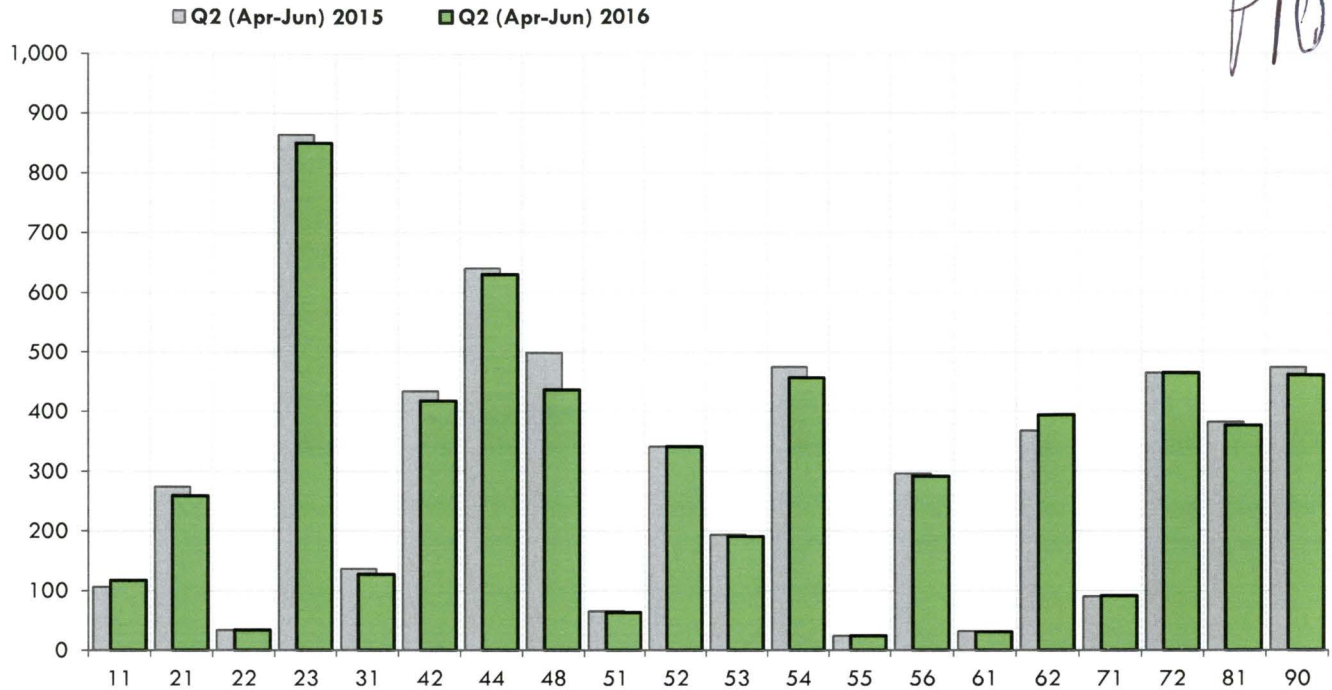
Source: Labor Market Information Center, Job Service North Dakota, Quarterly Census of Employment and Wages (QCEW)

NORTH DAKOTA'S OIL AND GAS ECONOMY ^{#1}

BUSINESS ESTABLISHMENTS BY INDUSTRY [QUARTERLY DATA]

BALANCE OF OIL AND GAS COUNTIES

P108



NAICS CODE	INDUSTRY	BUS. ESTAB. Q2 2015	BUS. ESTAB. Q2 2016	NUM CHG	PCT CHG
11	Agriculture, Forestry, Fishing and Hunting	106	117	11	10.4
21	Mining, Quarrying, and Oil and Gas Extraction	274	259	-15	-5.5
22	Utilities	34	34	0	0.0
23	Construction	864	850	-14	-1.6
31	Manufacturing	136	127	-9	-6.6
42	Wholesale Trade	434	417	-17	-3.9
44	Retail Trade	640	630	-10	-1.6
48	Transportation and Warehousing	498	436	-62	-12.4
51	Information	65	63	-2	-3.1
52	Finance and Insurance	341	341	0	0.0
53	Real Estate and Rental and Leasing	193	190	-3	-1.6
54	Professional and Technical Services	474	456	-18	-3.8
55	Management of Companies and Enterprises	24	24	0	0.0
56	Administrative and Waste Services	296	291	-5	-1.7
61	Educational Services	32	31	-1	-3.1
62	Health Care and Social Assistance	368	394	26	7.1
71	Arts, Entertainment, and Recreation	90	91	1	1.1
72	Accommodation and Food Services	464	464	0	0.0
81	Other Services (except Government)	382	376	-6	-1.6
90	Government	473	460	-13	-2.7
00	Total, All Industries	6,188	6,051	-137	-2.2

Data are not seasonally adjusted. Asterisks (***) indicate data cannot be released due to reliability, availability or confidentiality restrictions.

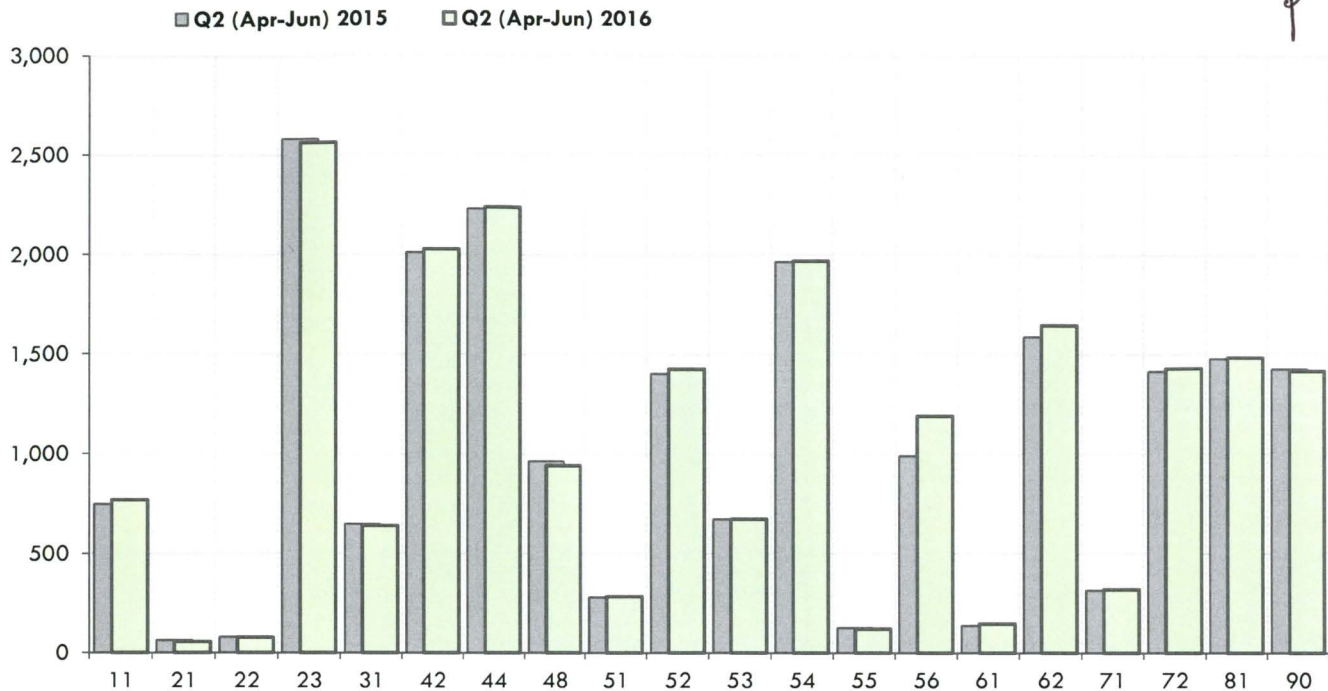
Source: Labor Market Information Center, Job Service North Dakota, Quarterly Census of Employment and Wages (QCEW)

NORTH DAKOTA'S OIL AND GAS ECONOMY ~~#1~~

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BUSINESS ESTABLISHMENTS BY INDUSTRY [QUARTERLY DATA]

NON OIL AND GAS COUNTIES



NAICS CODE	INDUSTRY	BUS. ESTAB. Q2 2015	BUS. ESTAB. Q2 2016	NUM CHG	PCT CHG
11	Agriculture, Forestry, Fishing and Hunting	747	768	21	2.8
21	Mining, Quarrying, and Oil and Gas Extraction	64	56	-8	-12.5
22	Utilities	79	78	-1	-1.3
23	Construction	2,582	2,563	-19	-0.7
31	Manufacturing	647	640	-7	-1.1
42	Wholesale Trade	2,009	2,026	17	0.8
44	Retail Trade	2,229	2,237	8	0.4
48	Transportation and Warehousing	962	940	-22	-2.3
51	Information	279	284	5	1.8
52	Finance and Insurance	1,404	1,427	23	1.6
53	Real Estate and Rental and Leasing	672	673	1	0.1
54	Professional and Technical Services	1,965	1,970	5	0.3
55	Management of Companies and Enterprises	126	121	-5	-4.0
56	Administrative and Waste Services	989	1,190	201	20.3
61	Educational Services	138	147	9	6.5
62	Health Care and Social Assistance	1,587	1,647	60	3.8
71	Arts, Entertainment, and Recreation	315	319	4	1.3
72	Accommodation and Food Services	1,417	1,431	14	1.0
81	Other Services (except Government)	1,478	1,483	5	0.3
90	Government	1,426	1,416	-10	-0.7
00	Total, All Industries	21,115	21,416	301	1.4

Data are not seasonally adjusted. Asterisks (***) indicate data cannot be released due to reliability, availability or confidentiality restrictions.

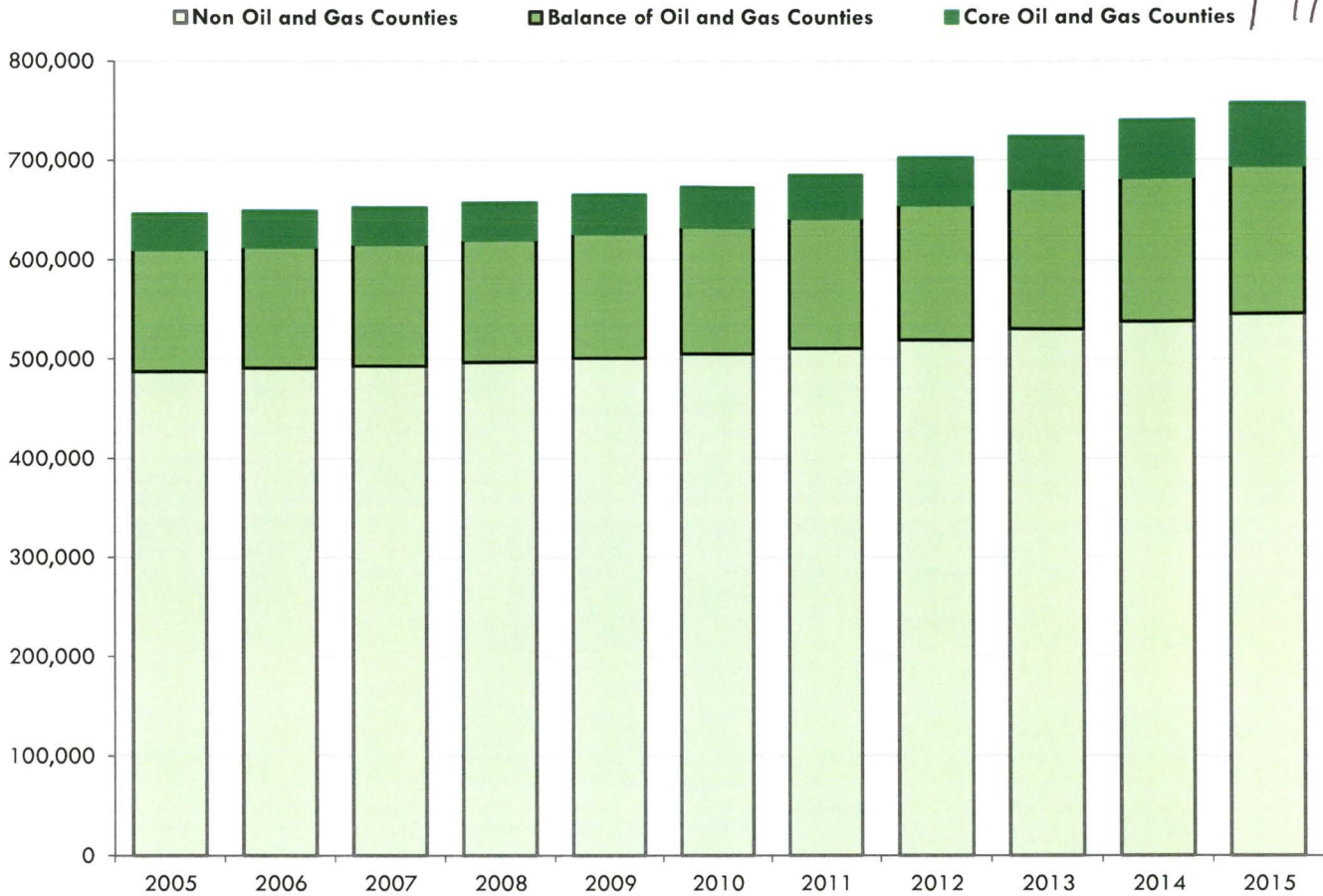
Source: Labor Market Information Center, Job Service North Dakota, Quarterly Census of Employment and Wages (QCEW)

#1

NORTH DAKOTA'S OIL AND GAS ECONOMY

POPULATION [ANNUAL DATA]

P110



YEAR	NORTH DAKOTA			CORE COUNTIES			BALANCE COUNTIES			NON OIL COUNTIES		
	POP.	NUM CHG	PCT CHG	POP.	NUM CHG	PCT CHG	POP.	NUM CHG	PCT CHG	POP.	NUM CHG	PCT CHG
2005	646,089	1,384	0.2	35,838	262	0.7	122,885	-625	-0.5	487,366	1,747	0.4
2006	649,422	3,333	0.5	36,107	269	0.8	122,641	-244	-0.2	490,674	3,308	0.7
2007	652,822	3,400	0.5	36,779	672	1.9	123,015	374	0.3	493,028	2,354	0.5
2008	657,569	4,747	0.7	37,459	680	1.8	123,565	550	0.4	496,545	3,517	0.7
2009	664,968	7,399	1.1	38,931	1,472	3.9	125,734	2,169	1.8	500,303	3,758	0.8
2010	672,591	7,623	1.1	39,967	1,036	2.7	127,934	2,200	1.7	504,690	4,387	0.9
2011	685,326	12,735	1.9	43,273	3,306	8.3	132,145	4,211	3.3	509,908	5,218	1.0
2012	702,265	16,939	2.5	47,399	4,126	9.5	136,340	4,195	3.2	518,526	8,618	1.7
2013	723,626	21,361	3.0	52,338	4,939	10.4	140,992	4,652	3.4	530,296	11,770	2.3
2014	740,040	16,414	2.3	57,301	4,963	9.5	144,971	3,979	2.8	537,768	7,472	1.4
2015	756,927	16,887	2.3	63,097	5,796	10.1	148,881	3,910	2.7	544,949	7,181	1.3

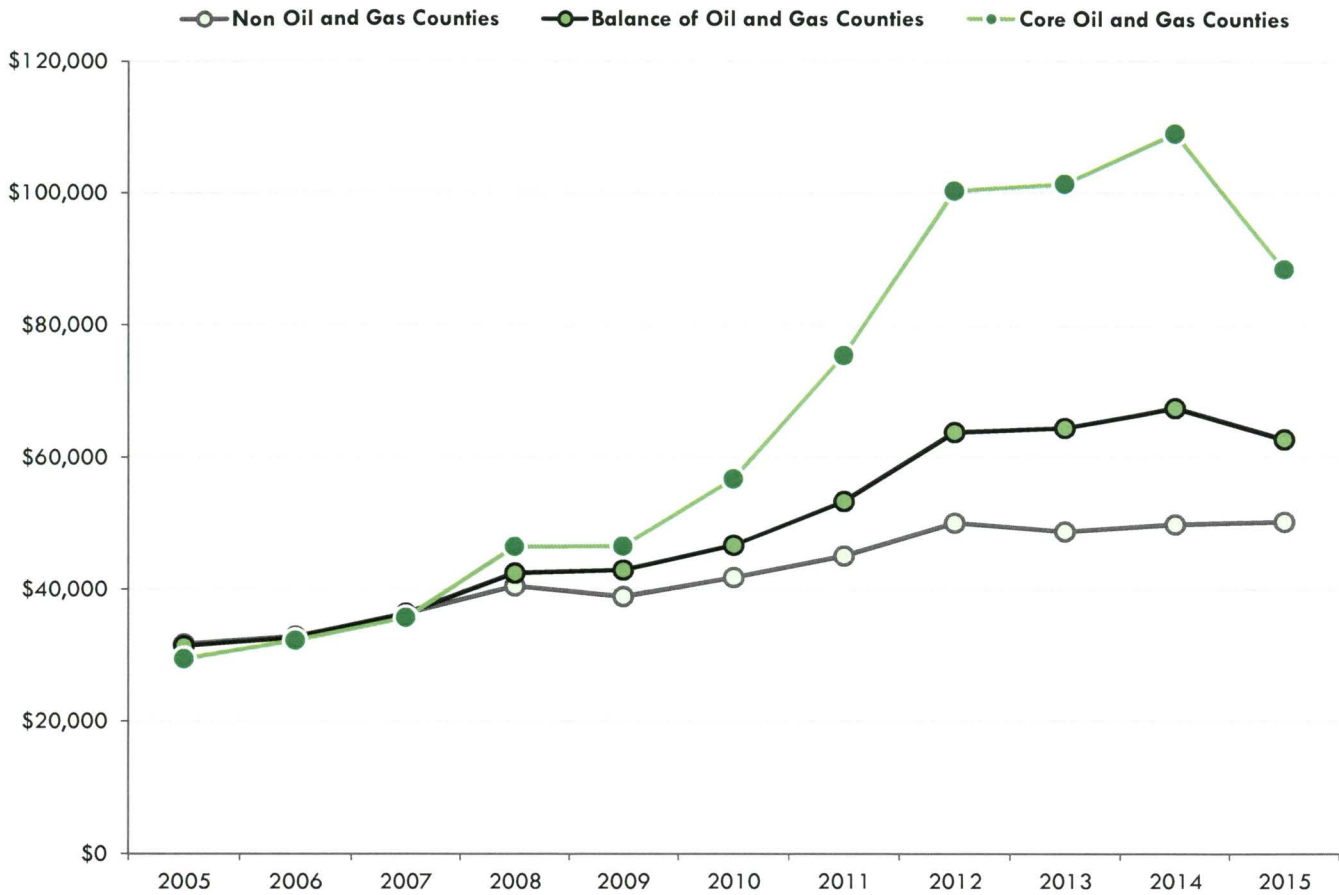
Data are not seasonally adjusted. Asterisks (***) indicate data cannot be released due to reliability, availability or confidentiality restrictions.

Source: U.S. Census Bureau

NORTH DAKOTA'S OIL AND GAS ECONOMY

PER CAPITA PERSONAL INCOME (\$) [ANNUAL DATA]

#1
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YEAR	NORTH DAKOTA			CORE COUNTIES			BALANCE COUNTIES			NON OIL COUNTIES		
	PCPI	NUM CHG	PCT CHG	PCPI	NUM CHG	PCT CHG	PCPI	NUM CHG	PCT CHG	PCPI	NUM CHG	PCT CHG
2005	31,521	1,746	5.9	29,457	2,020	7.4	31,390	1,814	6.1	31,706	1,710	5.7
2006	32,801	1,280	4.1	32,245	2,788	9.5	32,666	1,276	4.1	32,875	1,169	3.7
2007	36,325	3,524	10.7	35,692	3,447	10.7	36,384	3,718	11.4	36,358	3,483	10.6
2008	41,213	4,888	13.5	46,449	10,757	30.1	42,472	6,088	16.7	40,505	4,147	11.4
2009	40,134	-1,079	-2.6	46,504	55	0.1	42,977	505	1.2	38,924	-1,581	-3.9
2010	43,660	3,526	8.8	56,814	10,310	22.2	46,741	3,764	8.8	41,831	2,907	7.5
2011	48,600	4,940	11.3	75,436	18,622	32.8	53,372	6,631	14.2	45,085	3,254	7.8
2012	56,174	7,574	15.6	100,319	24,883	33.0	63,846	10,474	19.6	50,122	5,037	11.2
2013	55,687	-487	-0.9	101,448	1,129	1.1	64,529	683	1.1	48,820	-1,302	-2.6
2014	57,900	2,213	4.0	109,126	7,678	7.6	67,495	2,966	4.6	49,855	1,035	2.1
2015	55,950	-1,950	-3.4	88,532	-20,594	-18.9	62,765	-4,730	-7.0	50,315	460	0.9

Data are not seasonally adjusted. Asterisks (***) indicate data cannot be released due to reliability, availability or confidentiality restrictions.

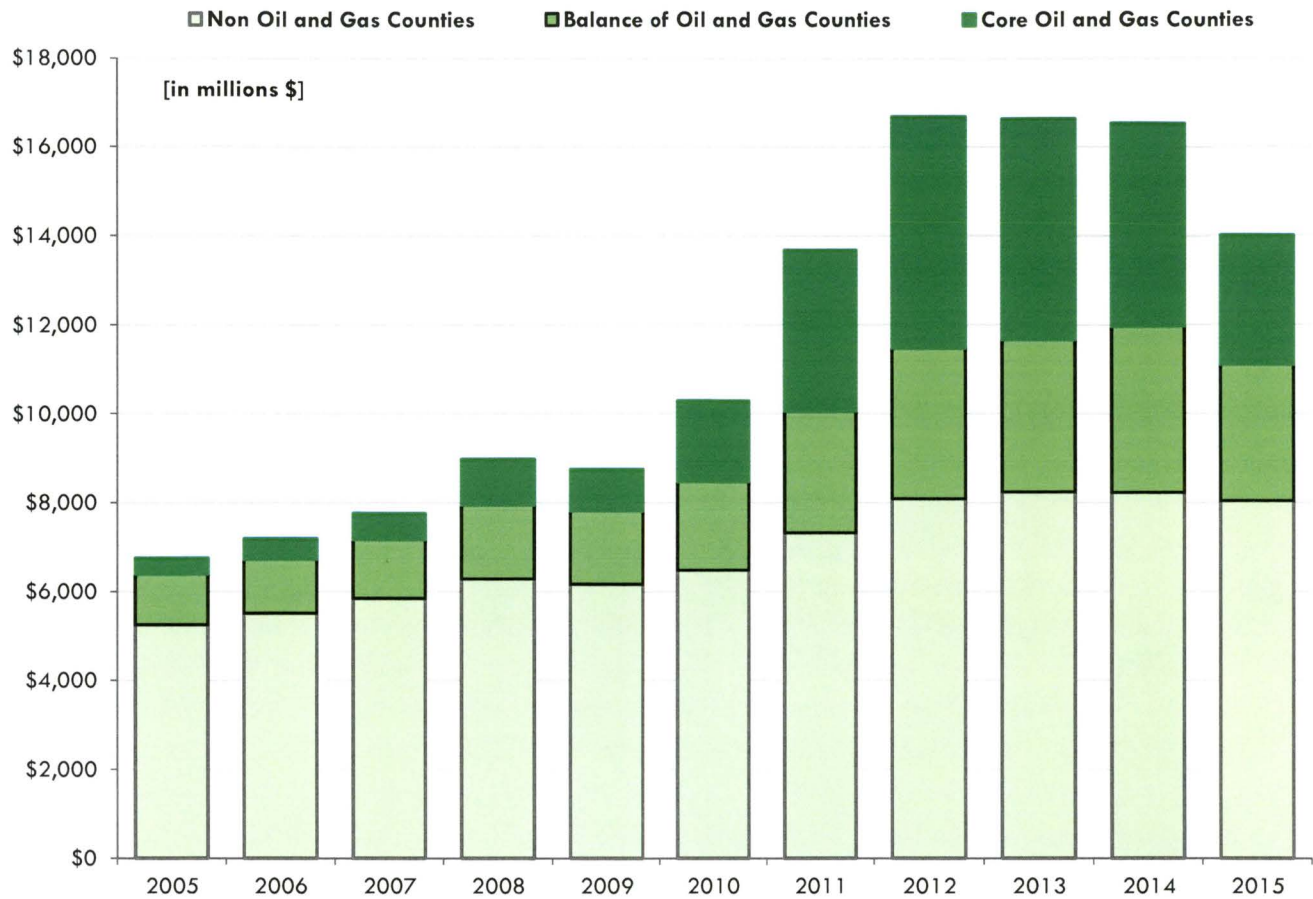
Source: U.S. Bureau of Economic Analysis

NORTH DAKOTA'S OIL AND GAS ECONOMY

TAXABLE SALES AND PURCHASES (\$) [ANNUAL DATA]

EXCLUDES OUT-OF-STATE AND CONSOLIDATED TAXABLE SALES AND PURCHASES

#1
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YEAR	CORE COUNTIES			BALANCE COUNTIES			NON OIL COUNTIES		
	SALES AND PURCHASES	NUM CHG	PCT CHG	SALES AND PURCHASES	NUM CHG	PCT CHG	SALES AND PURCHASES	NUM CHG	PCT CHG
2005	355.3	71.1	25.0	1,145.2	81.3	7.6	5,253.1	280.3	5.6
2006	456.2	100.9	28.4	1,224.0	78.8	6.9	5,509.7	256.5	4.9
2007	583.3	127.1	27.9	1,324.7	100.7	8.2	5,850.2	340.5	6.2
2008	1,021.2	437.9	75.1	1,667.0	342.3	25.8	6,287.7	437.5	7.5
2009	929.8	-91.5	-9.0	1,651.8	-15.3	-0.9	6,167.2	-120.5	-1.9
2010	1,814.9	885.2	95.2	1,990.6	338.8	20.5	6,484.2	317.0	5.1
2011	3,631.6	1,816.7	100.1	2,737.9	747.3	37.5	7,321.9	837.7	12.9
2012	5,212.9	1,581.3	43.5	3,396.8	658.9	24.1	8,085.2	763.3	10.4
2013	4,969.3	-243.7	-4.7	3,435.5	38.7	1.1	8,240.8	155.6	1.9
2014	4,571.8	-397.5	-8.0	3,746.5	311.1	9.1	8,224.5	-16.3	-0.2
2015	2,903.9	-1,667.9	-36.5	3,058.5	-688.0	-18.4	8,039.2	-185.3	-2.3

[in millions of dollars; year-over-year change calculations based on unrounded data]

Data are not seasonally adjusted. Asterisks (***) indicate data cannot be released due to reliability, availability or confidentiality restrictions.

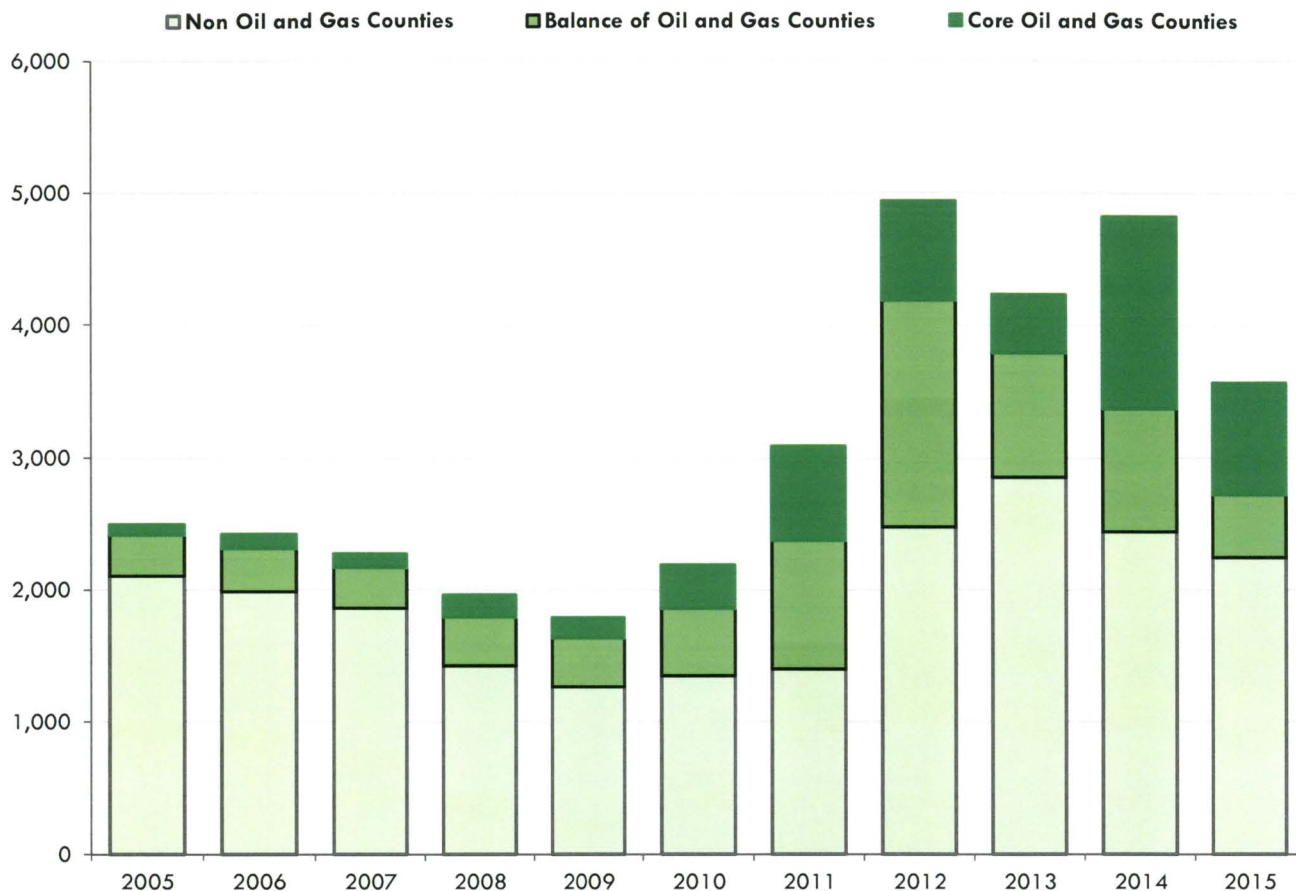
Source: North Dakota Tax Department

NORTH DAKOTA'S OIL AND GAS ECONOMY

#1
P113

NEW PRIVATELY-OWNED RESIDENTIAL BUILDING PERMITS [ANNUAL DATA]

RESIDENTIAL BUILDING COUNT



YEAR	NORTH DAKOTA			CORE COUNTIES			BALANCE COUNTIES			NON OIL COUNTIES		
	BLDG COUNT	NUM CHG	PCT CHG	BLDG COUNT	NUM CHG	PCT CHG	BLDG COUNT	NUM CHG	PCT CHG	BLDG COUNT	NUM CHG	PCT CHG
2005	2,494	-156	-5.9	77	-11	-12.5	313	68	27.8	2,104	-213	-9.2
2006	2,418	-76	-3.0	107	30	39.0	327	14	4.5	1,984	-120	-5.7
2007	2,273	-145	-6.0	103	-4	-3.7	308	-19	-5.8	1,862	-122	-6.1
2008	1,960	-313	-13.8	166	63	61.2	368	60	19.5	1,426	-436	-23.4
2009	1,788	-172	-8.8	151	-15	-9.0	371	3	0.8	1,266	-160	-11.2
2010	2,187	399	22.3	328	177	117.2	509	138	37.2	1,350	84	6.6
2011	3,089	902	41.2	715	387	118.0	971	462	90.8	1,403	53	3.9
2012	4,940	1,851	59.9	752	37	5.2	1,710	739	76.1	2,478	1,075	76.6
2013	4,233	-707	-14.3	441	-311	-41.4	938	-772	-45.1	2,854	376	15.2
2014	4,824	591	14.0	1,453	1,012	229.5	930	-8	-0.9	2,441	-413	-14.5
2015	3,563	-1,261	-26.1	844	-609	-41.9	476	-454	-48.8	2,243	-198	-8.1

[a residential building may consist of one or more housing units; a single-family home is considered one building and one housing unit, whereas a building of apartments is considered one building but multiple housing units]

Data are not seasonally adjusted. Asterisks (***) indicate data cannot be released due to reliability, availability or confidentiality restrictions.

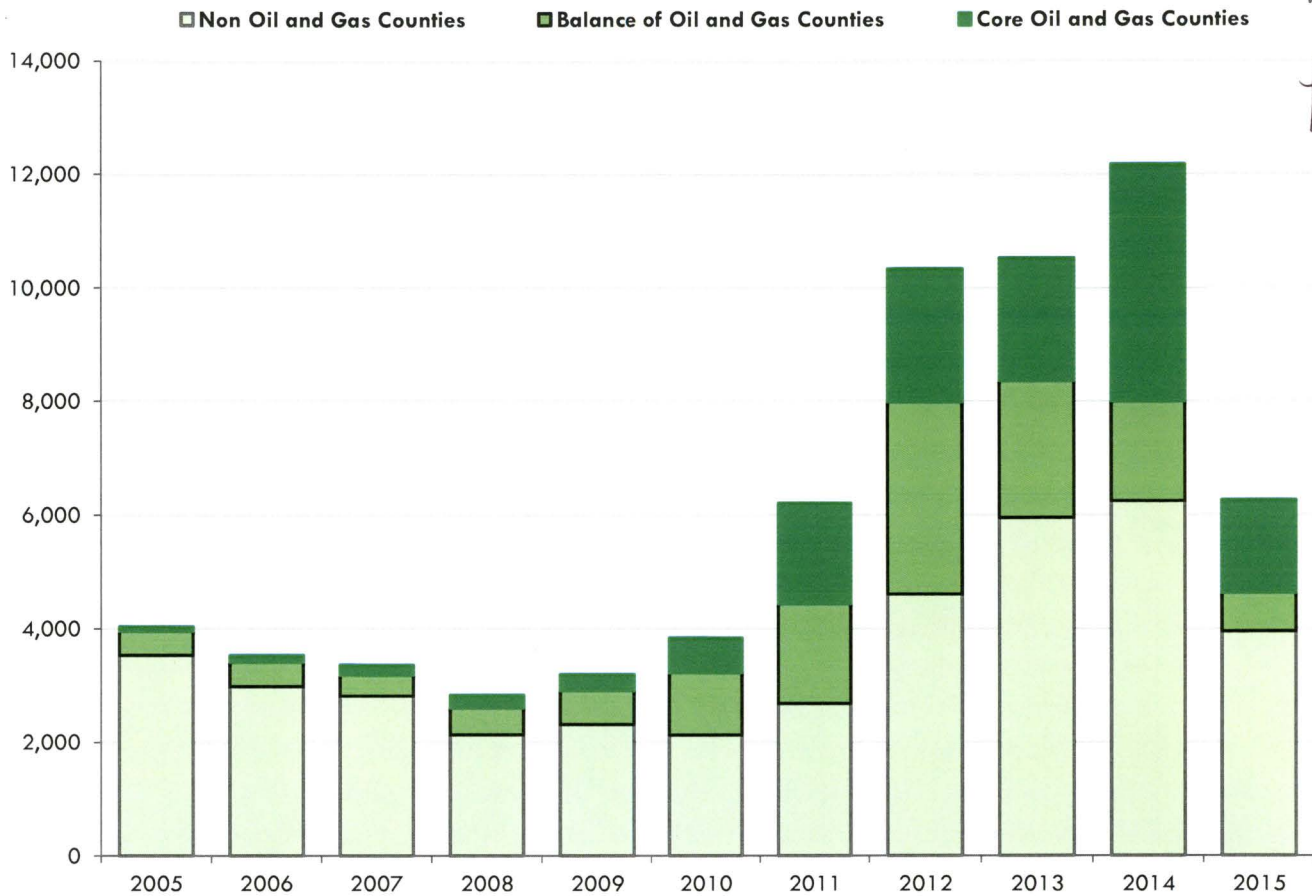
Source: U.S. Census Bureau

NORTH DAKOTA'S OIL AND GAS ECONOMY

NEW PRIVATELY-OWNED RESIDENTIAL BUILDING PERMITS [ANNUAL DATA]

RESIDENTIAL HOUSING UNIT COUNT

#1
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YEAR	NORTH DAKOTA			CORE COUNTIES			BALANCE COUNTIES			NON OIL COUNTIES		
	UNIT COUNT	NUM CHG	PCT CHG	UNIT COUNT	NUM CHG	PCT CHG	UNIT COUNT	NUM CHG	PCT CHG	UNIT COUNT	NUM CHG	PCT CHG
2005	4,038	5	0.1	79	-9	-10.2	426	88	26.0	3,533	-74	-2.1
2006	3,529	-509	-12.6	113	34	43.0	431	5	1.2	2,985	-548	-15.5
2007	3,360	-169	-4.8	176	63	55.8	371	-60	-13.9	2,813	-172	-5.8
2008	2,833	-527	-15.7	225	49	27.8	474	103	27.8	2,134	-679	-24.1
2009	3,195	362	12.8	279	54	24.0	603	129	27.2	2,313	179	8.4
2010	3,833	638	20.0	611	332	119.0	1,094	491	81.4	2,128	-185	-8.0
2011	6,201	2,368	61.8	1,768	1,157	189.4	1,751	657	60.1	2,682	554	26.0
2012	10,340	4,139	66.7	2,354	586	33.1	3,380	1,629	93.0	4,606	1,924	71.7
2013	10,532	192	1.9	2,177	-177	-7.5	2,411	-969	-28.7	5,944	1,338	29.0
2014	12,178	1,646	15.6	4,179	2,002	92.0	1,762	-649	-26.9	6,237	293	4.9
2015	6,256	-5,922	-48.6	1,636	-2,543	-60.9	669	-1,093	-62.0	3,951	-2,286	-36.7

[a residential building may consist of one or more housing units; a single-family home is considered one building and one housing unit, whereas a building of apartments is considered one building but multiple housing units]

Data are not seasonally adjusted. Asterisks (***) indicate data cannot be released due to reliability, availability or confidentiality restrictions.

Source: U.S. Census Bureau

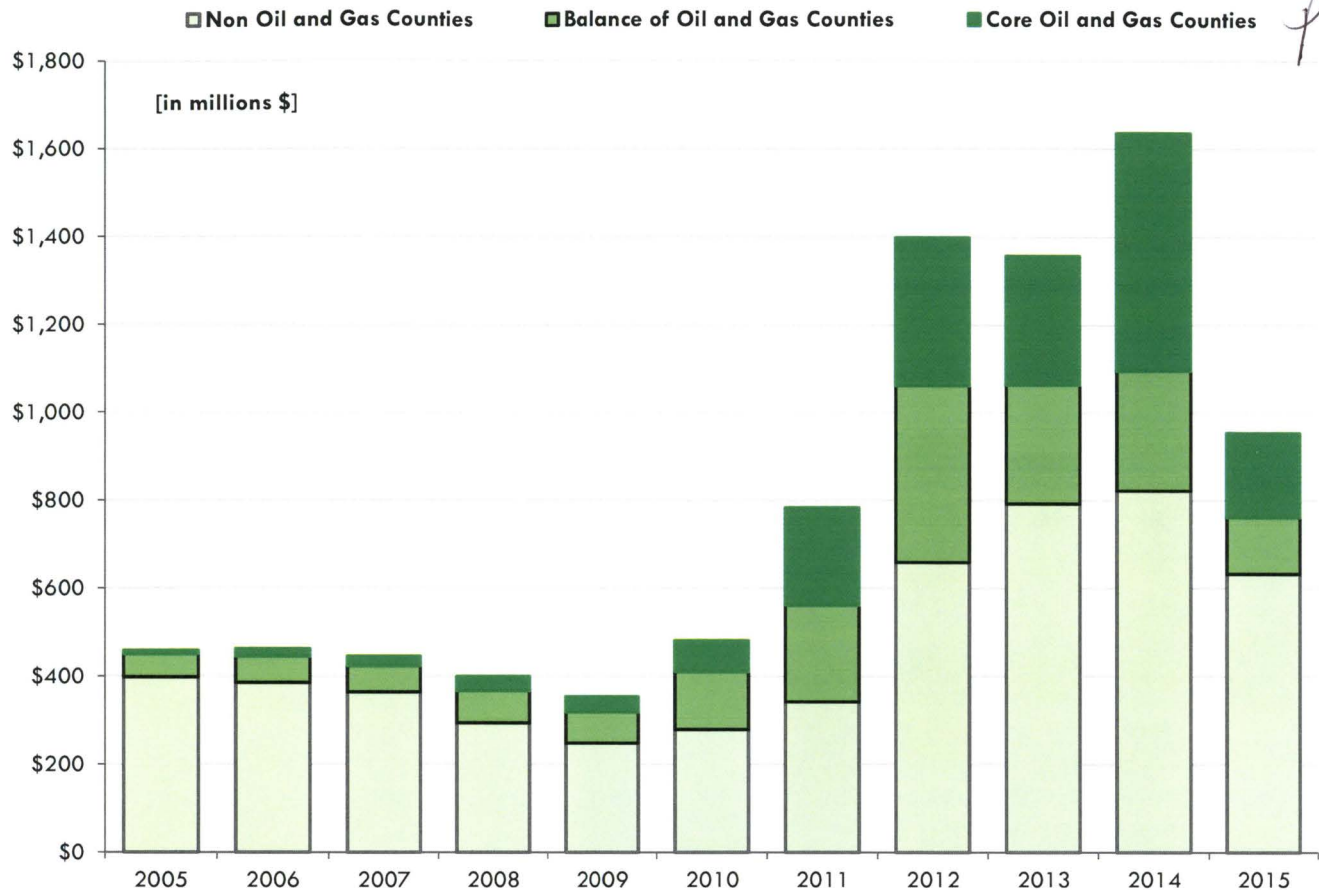
NORTH DAKOTA'S OIL AND GAS ECONOMY

#1

NEW PRIVATELY-OWNED RESIDENTIAL BUILDING PERMITS [ANNUAL DATA]

ESTIMATED VALUATION OF RESIDENTIAL BUILDINGS (\$)

P 115



YEAR	NORTH DAKOTA			CORE COUNTIES			BALANCE COUNTIES			NON OIL COUNTIES		
	EST. VALUE	NUM CHG	PCT CHG	EST. VALUE	NUM CHG	PCT CHG	EST. VALUE	NUM CHG	PCT CHG	EST. VALUE	NUM CHG	PCT CHG
2005	457.8	23.4	5.4	7.4	-0.8	-9.9	52.7	17.7	50.6	397.7	6.5	1.7
2006	462.3	4.6	1.0	17.4	10.0	134.4	60.2	7.5	14.2	384.8	-12.9	-3.2
2007	445.7	-16.6	-3.6	22.8	5.4	31.4	58.9	-1.3	-2.1	364.0	-20.8	-5.4
2008	398.8	-46.9	-10.5	31.9	9.1	39.8	73.1	14.2	24.2	293.8	-70.2	-19.3
2009	352.4	-46.4	-11.6	33.7	1.8	5.8	70.8	-2.3	-3.1	247.9	-46.0	-15.6
2010	481.1	128.7	36.5	70.8	37.1	109.9	131.3	60.4	85.3	279.1	31.2	12.6
2011	783.6	302.5	62.9	222.0	151.2	213.7	219.7	88.4	67.3	341.9	62.8	22.5
2012	1,397.5	613.9	78.3	335.5	113.5	51.1	402.3	182.6	83.1	659.7	317.7	92.9
2013	1,357.4	-40.2	-2.9	293.5	-42.0	-12.5	271.2	-131.1	-32.6	792.6	132.9	20.2
2014	1,636.1	278.7	20.5	540.0	246.5	84.0	273.8	2.6	0.9	822.3	29.7	3.7
2015	953.0	-683.0	-41.7	190.9	-349.1	-64.6	129.0	-144.7	-52.9	633.1	-189.2	-23.0

[in millions of dollars; year-over-year change calculations based on unrounded data]

Data are not seasonally adjusted. Asterisks (***) indicate data cannot be released due to reliability, availability or confidentiality restrictions.

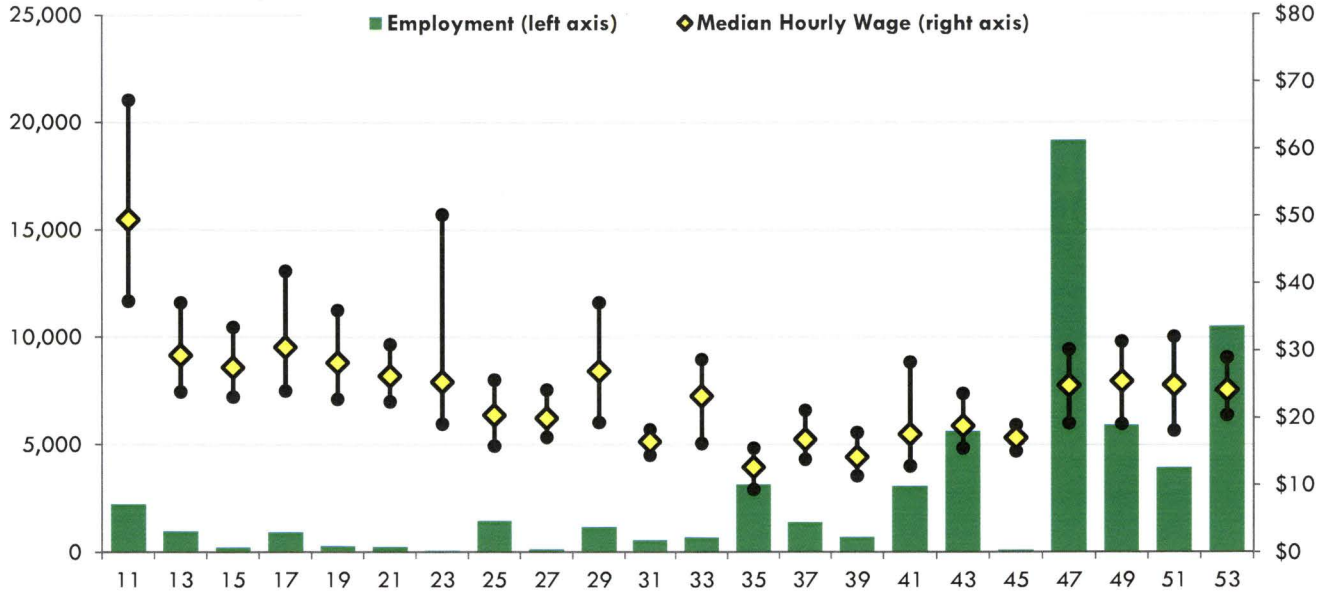
Source: U.S. Census Bureau

NORTH DAKOTA'S OIL AND GAS ECONOMY #1

EMPLOYMENT LEVELS AND WAGE RANGES BY OCCUPATION GROUPS

CORE OIL AND GAS COUNTIES

P116



SOC CODE	OCCUPATION GROUPS	2015 HOURLY WAGE (\$)			
		2015 EMPLOY.	25th PERCENTILE	50th PCTL (MEDIAN)	75th PERCENTILE
11	Management	2,240	37.39	49.50	67.37
13	Business and Financial Operations	970	23.82	29.26	37.12
15	Computer and Mathematical	230	23.05	27.44	33.49
17	Architecture and Engineering	930	24.00	30.49	41.91
19	Life, Physical, and Social Science	300	22.76	28.17	36.00
21	Community and Social Service	250	22.39	26.17	30.89
23	Legal	80	19.08	25.30	50.29
25	Education, Training, and Library	1,460	15.80	20.34	25.62
27	Arts, Design, Entertainment, Sports, and Media	140	17.07	19.92	24.14
29	Healthcare Practitioners and Technical	1,180	19.31	26.89	37.17
31	Healthcare Support	550	14.40	16.41	18.17
33	Protective Service	700	16.14	23.15	28.64
35	Food Preparation and Serving Related	3,150	9.32	12.61	15.47
37	Building and Grounds Cleaning and Maintenance	1,410	13.83	16.72	21.08
39	Personal Care and Service	710	11.31	14.12	17.77
41	Sales and Related	3,070	12.79	17.49	28.29
43	Office and Administrative Support	5,620	15.49	18.77	23.56
45	Farming, Fishing, and Forestry	110	15.07	16.98	18.91
47	Construction and Extraction	19,160	19.21	24.77	30.20
49	Installation, Maintenance, and Repair	5,930	19.13	25.46	31.42
51	Production	3,950	18.13	24.91	32.15
53	Transportation and Material Moving	10,520	20.46	24.12	29.01
00	Total, All Occupations	62,660	17.42	23.22	29.80

[go to the 'SOC Code and Occupational Group Structure' section at the end of this report for a sample of occupations by group]

Data are not seasonally adjusted. Asterisks (***) indicate data cannot be released due to reliability, availability or confidentiality restrictions.

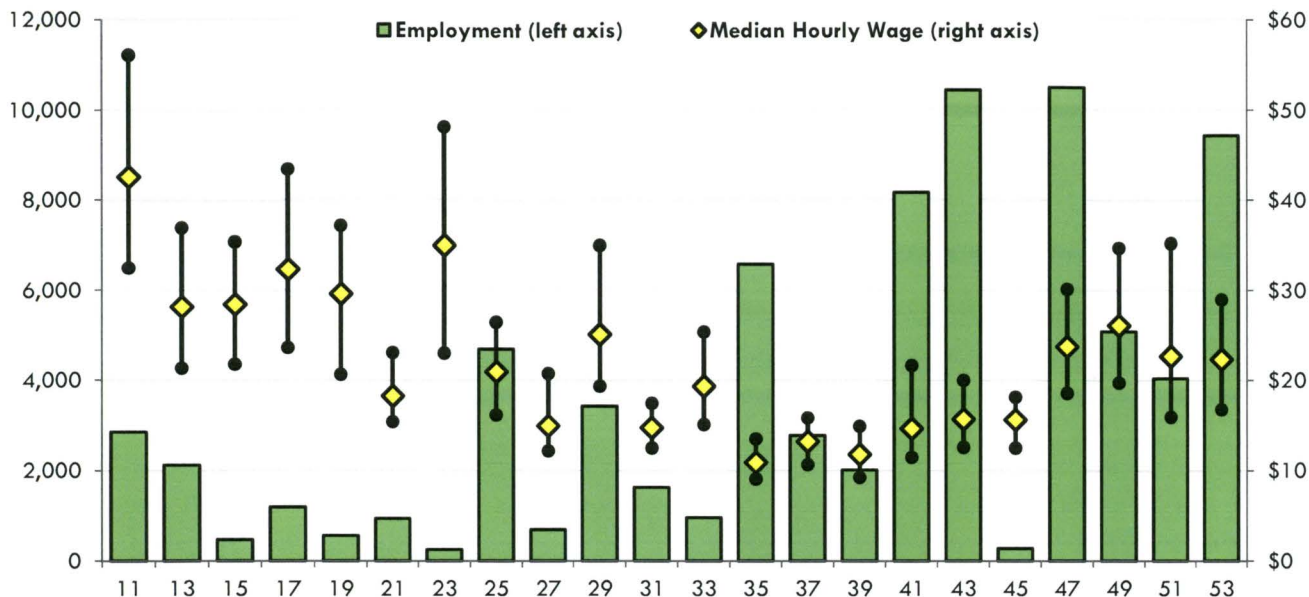
Source: Labor Market Information Center, Job Service North Dakota, Occupational Employment Statistics (OES)

#1
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NORTH DAKOTA'S OIL AND GAS ECONOMY

EMPLOYMENT LEVELS AND WAGE RANGES BY OCCUPATION GROUPS

BALANCE OF OIL AND GAS COUNTIES



SOC CODE	OCCUPATION GROUPS	2015 HOURLY WAGE (\$)			
		2015 EMPLOY.	25th PERCENTILE	50th PCTL (MEDIAN)	75th PERCENTILE
11	Management	2,850	32.48	42.59	56.14
13	Business and Financial Operations	2,120	21.37	28.15	36.94
15	Computer and Mathematical	470	21.80	28.46	35.42
17	Architecture and Engineering	1,190	23.66	32.36	43.44
19	Life, Physical, and Social Science	560	20.69	29.60	37.16
21	Community and Social Service	940	15.44	18.31	23.10
23	Legal	250	23.05	34.96	48.05
25	Education, Training, and Library	4,690	16.19	20.95	26.47
27	Arts, Design, Entertainment, Sports, and Media	690	12.19	14.98	20.79
29	Healthcare Practitioners and Technical	3,430	19.40	25.09	34.97
31	Healthcare Support	1,630	12.56	14.77	17.50
33	Protective Service	960	15.14	19.37	25.37
35	Food Preparation and Serving Related	6,580	9.08	10.91	13.55
37	Building and Grounds Cleaning and Maintenance	2,780	10.67	13.25	15.85
39	Personal Care and Service	2,010	9.27	11.80	14.94
41	Sales and Related	8,160	11.47	14.66	21.66
43	Office and Administrative Support	10,420	12.60	15.74	20.02
45	Farming, Fishing, and Forestry	280	12.54	15.67	18.19
47	Construction and Extraction	10,490	18.62	23.76	30.14
49	Installation, Maintenance, and Repair	5,090	19.80	26.13	34.74
51	Production	4,040	15.96	22.67	35.24
53	Transportation and Material Moving	9,430	16.80	22.34	28.96
00	Total, All Occupations	79,090	13.62	19.19	27.84

[go to the 'SOC Code and Occupational Group Structure' section at the end of this report for a sample of occupations by group]

Data are not seasonally adjusted. Asterisks (***) indicate data cannot be released due to reliability, availability or confidentiality restrictions.

Source: Labor Market Information Center, Job Service North Dakota, Occupational Employment Statistics (OES)

NORTH DAKOTA'S OIL AND GAS ECONOMY

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EMPLOYMENT LEVELS AND WAGE RANGES BY OCCUPATION GROUPS

NON OIL AND GAS COUNTIES



SOC CODE	OCCUPATION GROUPS	2015 HOURLY WAGE (\$)			
		2015 EMPLOY.	25th PERCENTILE	50th PCTL (MEDIAN)	75th PERCENTILE
11	Management	14,270	30.63	40.21	54.89
13	Business and Financial Operations	13,390	20.44	26.02	33.16
15	Computer and Mathematical	5,750	22.70	28.60	36.21
17	Architecture and Engineering	4,560	22.41	29.23	37.44
19	Life, Physical, and Social Science	2,580	19.03	25.16	33.74
21	Community and Social Service	4,120	17.25	22.31	26.56
23	Legal	1,570	21.35	29.74	44.29
25	Education, Training, and Library	16,650	16.32	21.34	28.09
27	Arts, Design, Entertainment, Sports, and Media	3,710	12.01	15.90	23.13
29	Healthcare Practitioners and Technical	19,950	20.43	26.46	34.16
31	Healthcare Support	10,810	12.37	14.14	16.74
33	Protective Service	4,700	12.88	18.03	24.25
35	Food Preparation and Serving Related	26,550	8.64	10.08	12.52
37	Building and Grounds Cleaning and Maintenance	11,570	10.10	12.02	14.76
39	Personal Care and Service	11,980	9.14	12.01	15.24
41	Sales and Related	31,670	9.74	12.82	21.02
43	Office and Administrative Support	46,910	12.39	15.37	19.05
45	Farming, Fishing, and Forestry	1,180	12.50	15.95	18.83
47	Construction and Extraction	16,940	16.31	20.21	25.58
49	Installation, Maintenance, and Repair	13,470	16.41	21.24	27.73
51	Production	17,180	13.07	16.66	21.03
53	Transportation and Material Moving	24,690	12.39	16.53	21.72
00	Total, All Occupations	304,220	12.18	17.15	24.73

[go to the 'SOC Code and Occupational Group Structure' section at the end of this report for a sample of occupations by group]

Data are not seasonally adjusted. Asterisks (***) indicate data cannot be released due to reliability, availability or confidentiality restrictions.

Source: Labor Market Information Center, Job Service North Dakota, Occupational Employment Statistics (OES)

NORTH DAKOTA'S OIL AND GAS ECONOMY

SUPPLEMENTAL OIL AND GAS SURVEY RESULTS

[2015]

DIRECT AND RELATED OIL AND GAS EMPLOYMENT & WAGES

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The North Dakota Legislature directed Job Service North Dakota's Labor Market Information Center to upgrade the collection and compilation of employment data related to the broader oil and gas sector. The results that follow are based on the 2015 North Dakota Oil and Gas Employment Report released in June 2016.

METHODOLOGY

DATA SOURCE

Job Service North Dakota's primary source for industry employment and wage data is the Quarterly Census of Employment and Wages (QCEW) program, which derives its data from quarterly tax reports of employers subject to state and federal unemployment insurance laws. Data are published approximately six months after a quarter ends. North Dakota employers report employment levels for each month of the quarter as well as total quarterly payroll. Reported employment represents the number of insured workers who worked during, or received pay for, the pay period including the 12th of the month. Exceptions include members of the armed forces, self-employed individuals, unpaid family workers and railroad workers who are insured by the railroad unemployment insurance system. Reported payroll includes base pay wages and any bonuses, overtime, and commissions paid to an employee. Job Service North Dakota uses the North American Industry Classification System (NAICS) to code an employer's business activity for each worksite in the state. Each employer determined to be liable to provide unemployment insurance coverage for their employees is assigned one of 1,065 six-digit NAICS codes for each of its worksites. An employer may have more than one worksite or business establishment. QCEW data are based on a place-of-work concept. In other words, QCEW counts where people work not where they reside. This differs with population or labor force counts which are based on a place-of-residence concept. QCEW data are a count of jobs not necessarily workers, so a worker with more than one job is counted for each job in which they are employed. Also, jobs held by out-of-area commuters are counted in the area where they work not where they reside. For example, a Montana resident working in North Dakota is counted as employed in the North Dakota QCEW data.

IN-SCOPE ESTABLISHMENTS

Six-digit NAICS codes are in-scope for the purposes of this report if the industry is a major contributor to well-pad operations. Labor Market Information Center analysts reviewed all six-digit NAICS codes to determine which detail industries may be in-scope. If determined to be in-scope, a NAICS code was categorized as either Direct or Related. The Direct category consists of establishments involved in the drilling, extraction, production, or refining of crude oil, natural gas, or natural gas liquids and includes all activities tied directly to well-pad operations. The Related category consists of establishments involved in key support activities for well-pad development, operation, and maintenance including infrastructure development, professional services, transportation, and wholesale trade and manufacturing. Additionally, NAICS codes were further grouped into subcategories. A listing of in-scope NAICS codes and titles and their associated categories and subcategories is available in the section titled 'In-Scope NAICS Industry Breakouts by Category and Subcategory' (pp. 28-31). The Direct category consists of 5 six-digit NAICS codes in one subcategory. The Related category consists of 126 six-digit NAICS codes in four subcategories. There were 8,952 in-scope private establishments and 25,637 out-of-scope private establishments in 2015.

SURVEY

Business establishments may provide goods and/or services to the oil and gas sector as well as other sectors. The Job Service Labor Market Information Center surveyed in-scope private sector employers to help determine the percentage of their business activity that can be specifically attributed to the oil and gas sector. This report uses the latest three years (2013-2015) of survey responses to calculate final results. The Oil & Gas Employment Survey asked employers to report the percentage of their business activity attributed to the oil and gas sector. Employers could choose between five percentage ranges (0%, 1-25%, 26-50%, 51-75%, 76-100%) and were asked to report the percentage for each establishment. Employers in the Direct Establishment category were not surveyed due to the nature of their NAICS codes. Instead, they were administratively coded in the 76-100% range since their NAICS codes have a direct relationship to the oil and gas sector. These employers accounted for 884 out of the 8,952 in-scope establishments. For 2015, Labor Market Information Center analysts divided the 8,068 remaining in-scope establishments into two pools, one of which was surveyed. The survey pool consisted of all new accounts and only existing accounts ending in an odd number, totaling 4,201 establishments. Accounts ending in an even number will be surveyed for 2016. An analyst reviewed the 4,201 in-scope establishments' Report to Determine Liability (administrative records employers submit for the unemployment insurance program) to determine each establishment's percentage of oil and gas business activity. Analysts performed additional research to determine a business's activity if one was not included in the Report. A total of 468 (11.1%) in-scope establishments in the Direct and Related categories were administratively coded. Job Service North Dakota sent Oil and Gas Employment Surveys to the remaining 3,733 (88.9%) in-scope establishments of which 2,891 responded for a response rate of 77.4%. The remaining 842 establishments were assigned values according to their responses to the 2013 or 2014 survey (if they had one), while the majority were imputed using a weighted average derived from establishment survey responses by firm size, subcategory, and county location. Additionally, all existing accounts that were not surveyed in 2015 but had been imputed in 2014 were updated to the new imputed values. Of the total 8,952 in-scope establishments, 1,107 were imputed.

RESULTS

To calculate the final results, an establishment's 2015 average annual employment and total wages are multiplied by their business activity percentage as recorded via survey response, administratively-coded response, or imputation. The top of the percentage range was used to perform the calculation. For example, if an establishment reported 51-75% of their business activity was attributed to the oil and gas sector, then that establishment's average annual employment and total wages are multiplied by 0.75, while the remainder is considered non oil and gas employment and wages. If an employer's survey response was 0%, all of their employment and wages are considered non oil and gas. For imputed establishments, a business activity percentage based on a weighted average derived from establishment survey

responses by firm size, subcategory, and county location was used to calculate final results. All private sector establishments are then

Source: Labor Market Information Center, Job Service North Dakota, North Dakota Oil & Gas Employment Report

NORTH DAKOTA'S OIL AND GAS ECONOMY #1

SUPPLEMENTAL OIL AND GAS SURVEY RESULTS

DIRECT AND RELATED OIL AND GAS EMPLOYMENT & WAGES

[2015]

METHODOLOGY

RESULTS [cont'd]

aggregated by category, subcategory, and geography. These data are not meant to capture a secondary employment effect (e.g. food, housing, medical, government services, etc.). This survey's focus was on employment tied to well-pad operations.

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IN-SCOPE NAICS INDUSTRY BREAKOUTS BY CATEGORY AND SUBCATEGORY

DIRECT OIL AND GAS ESTABLISHMENTS

Establishments involved in the drilling, extraction, production, or refining of crude oil, natural gas, or natural gas liquids and includes all activities tied directly to well-pad operations.

OIL AND GAS DRILLING, EXTRACTION, PRODUCTION, AND REFINING

Establishments involved in the drilling, extraction, production, or refining of crude oil, natural gas, or natural gas liquids. This includes services such as exploration (except geophysical surveying and mapping); excavating slush pits and cellars, well surveying; running, cutting, and pulling casings, tubes, and rods; cementing wells, shooting wells; perforating well casings; acidizing and chemically treating wells; cleaning out, bailing, and swabbing wells; and refining crude petroleum into refined petroleum. This includes all activities tied directly to well-pad operations. Oil and Gas Drilling, Extraction, Production, and Refining includes the following NAICS codes:

211111 Crude Petroleum and Natural Gas Extraction	213112 Support Activities for Oil and Gas Operations
211112 Natural Gas Liquid Extraction	324110 Petroleum Refineries
213111 Drilling Oil and Gas Wells	

RELATED OIL AND GAS ESTABLISHMENTS

Establishments involved in key support activities for well-pad development, operation, and maintenance including infrastructure development, professional services, transportation, and wholesale trade and manufacturing.

INFRASTRUCTURE DEVELOPMENT

Establishments involved in providing necessary well-pad infrastructure including such activities as the development and construction of the well pad and surrounding site and any service roads to the well pad; pipeline development, use, and maintenance; power generation and distribution (e.g. power lines connecting the well pad to the power grid); gravel and scoria quarrying for service road construction; landfill operation (e.g. accepting of well-pad production waste); bulk petroleum storage; and supplying water for well-pad drilling and production. The infrastructure development subcategory excludes temporary and permanent residential housing construction, commercial or industrial construction not directly connected to the well pad, and establishments involved in the supply or manufacture of well-pad materials. Infrastructure Development includes the following NAICS codes:

212313 Crushed and Broken Granite Mining	237130 Power and Communication System Construction
212319 Other Crushed and Broken Stone Mining	237210 Land Subdivision
212321 Construction Sand and Gravel Mining	237310 Highway, Street, and Bridge Construction
212325 Clay, Ceramic, and Refractory Minerals Mining	237990 Other Heavy Construction
212399 All Other Nonmetallic Mineral Mining	238112 Nonresidential Poured Foundation Contractors
221111 Hydroelectric Power Generation	238122 Nonresidential Structural Steel Contractors
221112 Fossil Fuel Electric Power Generation	238132 Nonresidential Framing Contractors
221113 Nuclear Electric Power Generation	238212 Nonresidential Electrical Contractors
221114 Solar Electric Power Generation	238222 Nonresidential Plumbing and HVAC Contractors
221115 Wind Electric Power Generation	238292 Other Nonresidential Equipment Contractors
221116 Geothermal Electric Power Generation	238912 Nonresidential Site Preparation Contractors
221117 Biomass Electric Power Generation	238992 All Other Nonresidential Trade Contractors
221118 Other Electric Power Generation	486110 Pipeline Transportation of Crude Oil
221121 Electric Bulk Power Transmission and Control	486210 Pipeline Transportation of Natural Gas
221122 Electric Power Distribution	486910 Refined Petroleum Product Pipeline Transport
221210 Natural Gas Distribution	493190 Other Warehousing and Storage
221310 Water Supply and Irrigation Systems	562112 Hazardous Waste Collection
236210 Industrial Building Construction	562211 Hazardous Waste Treatment and Disposal
236220 Commercial Building Construction	562212 Solid Waste Landfill
237110 Water and Sewer System Construction	562219 Other Nonhazardous Waste Disposal
237120 Oil and Gas Pipeline Construction	

PROFESSIONAL SERVICES

Establishments that provide services necessary for well-pad development, operation, and maintenance such as engineering services; consulting services; technical services; surveying; specialized repair services; testing laboratories; equipment leasing services; mineral rights services (landmen), and remediation services. Professional Services also includes establishments engaged in administrative, management, scientific, and legal services specific to oil and gas development. Professional Services includes the following NAICS codes:

Source: Labor Market Information Center, Job Service North Dakota, North Dakota Oil & Gas Employment Report

NORTH DAKOTA'S OIL AND GAS ECONOMY

SUPPLEMENTAL OIL AND GAS SURVEY RESULTS

[2015]

DIRECT AND RELATED OIL AND GAS EMPLOYMENT & WAGES

METHODOLOGY

PROFESSIONAL SERVICES [cont'd]

523910 Miscellaneous Intermediation	541611 Administrative Management Consulting Services
531190 Lessors of Other Real Estate Property	541614 Process and Logistics Consulting Services
531390 Other Activities Related to Real Estate	541620 Environmental Consulting Services
532412 Other Heavy Machinery Rental and Leasing	541690 Other Technical Consulting Services
532490 Other Machinery Rental and Leasing	541990 All Other Professional and Technical Services
533110 Lessors of Nonfinancial Intangible Assets	551114 Managing Offices
541110 Offices of Lawyers	561790 Other Services to Buildings and Dwellings
541330 Engineering Services	561990 All Other Support Services
541360 Geophysical Surveying and Mapping Services	562910 Remediation Services
541370 Other Surveying and Mapping Services	811310 Commercial Machinery Repair and Maintenance
541380 Testing Laboratories	

TRANSPORTATION

Establishments involved in transporting supplies to the well pad in order to drill for oil and natural gas or transporting recovered oil from the well pad to a refinery. This includes activities such as the transportation of oil, natural gas, production water, oilfield waste, well-pad materials (e.g. supplies, chemicals, equipment, machinery); transportation freight arrangement; hot shot services; and support activities for road and rail transportation including loading and unloading rail cars and operating independent terminals. Though establishments involved in support activities for rail transportation are included, railroad operators themselves are excluded. Establishments involved in the transportation of goods to retailers (gas stations, supermarkets, big box stores, etc.); the transportation of workers to/from worksites; or the transportation of agricultural products are also excluded. Transportation includes the following NAICS codes:

484110 General Freight Trucking, Local	488210 Support Activities for Rail Transportation
484121 General Freight Trucking, Long-Distance TL	488490 Other Support Activities for Road Transport
484122 General Freight Trucking, Long-Distance LTT	488510 Freight Transportation Arrangement
484220 Other Specialized Trucking, Local	488999 All Other Support Activities for Transport
484230 Other Specialized Trucking, Long-Distance	

WHOLESALE TRADE AND MANUFACTURING

Establishments involved in the supply or manufacture of materials that are unique, dedicated, and/or critical to well-pad construction, operation, or maintenance including materials such as electrical components; industrial equipment or machinery and related parts; storage tanks; concrete; acids; chemicals; proppants; and other fluids. The Wholesale Trade and Manufacturing subcategory excludes establishments whose wholesale supplies or manufactured items are not required for well-pad operations. Wholesale Trade and Manufacturing includes the following NAICS codes:

324191 Petroleum Lubricating Oil and Grease Mfg	333111 Farm Machinery and Equipment Manufacturing
325110 Petrochemical Manufacturing	333120 Construction Machinery Manufacturing
325120 Industrial Gas Manufacturing	333131 Mining Machinery and Equipment Manufacturing
325510 Paint and Coating Manufacturing	333132 Oil and Gas Field Machinery and Equipment Mfg
326113 Nonpackaging Plastics Film and Sheet Mfg	333242 Semiconductor Machinery Manufacturing
326122 Plastics Pipe and Pipe Fitting Manufacturing	333249 Other Industrial Machinery Manufacturing
326191 Plastics Plumbing Fixture Manufacturing	333413 Industrial Fan & Air Purification Equip. Mfg
326199 All Other Plastics Product Manufacturing	333414 Heating Equipment (except Warm Air Furnaces)
326220 Rubber and Plastics Hose and Belting Mfg	333415 AC, Refrigeration, and Forced Air Heating
326291 Rubber Product Mfg for Mechanical Use	333511 Industrial Mold Manufacturing
327310 Cement Manufacturing	333514 Special Tool, Die, Jig, and Fixture Mfg
327320 Ready-Mix Concrete Manufacturing	333515 Cutting Tool and Machine Tool Accessory Mfg
331210 Iron, Steel Pipe & Tube from Purchased Steel	333517 Machine Tool Manufacturing
332311 Prefabricated Metal Buildings and Components	333519 Rolling Mill/Other Metalworking Machinery Mfg
332420 Metal Tank (Heavy Gauge) Manufacturing	333911 Pump and Pumping Equipment Manufacturing
332710 Machine Shops	336212 Truck Trailer Manufacturing
332721 Precision Turned Product Manufacturing	423320 Masonry Material Merchant Wholesalers
332722 Bolt, Nut, Screw, Rivet, and Washer Mfg	423810 Construction Equipment Merchant Wholesalers
332811 Metal Heat Treating	423830 Industrial Machinery Merchant Wholesalers
332812 Metal Coating and Nonprecious Engraving	423840 Industrial Supplies Merchant Wholesalers
332813 Electroplating, Anodizing, and Coloring Metal	423850 Service Estab. Equip. Merchant Wholesalers
332911 Industrial Valve Manufacturing	423990 All Other Durable Goods Merchant Wholesalers
332912 Fluid Power Valve and Hose Fitting Mfg	424610 Plastics Materials Merchant Wholesalers
332913 Plumbing Fixture Fitting and Trim Mfg	424690 Other Chemical Merchant Wholesalers
332919 Other Metal Valve and Pipe Fitting Mfg	424710 Petroleum Bulk Stations and Terminals
332991 Ball and Roller Bearing Manufacturing	424720 Other Petroleum Merchant Wholesalers
332996 Fabricated Pipe and Pipe Fitting Mfg	424990 Other Nondurable Goods Merchant Wholesalers
332999 Miscellaneous Fabricated Metal Product Mfg	

Source: Labor Market Information Center, Job Service North Dakota, North Dakota Oil & Gas Employment Report

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NORTH DAKOTA'S OIL AND GAS ECONOMY

SUPPLEMENTAL OIL AND GAS SURVEY RESULTS

DIRECT AND RELATED OIL AND GAS EMPLOYMENT & WAGES

[2015]

PRIVATE SECTOR ESTIMATES BY INDUSTRY

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NORTH DAKOTA



TOTAL OIL & GAS WAGES (\$):	4,550,022,844
TOTAL NON OIL & GAS WAGES (\$):	14,387,394,796
TOTAL PRIVATE SECTOR WAGES (\$):	18,937,417,640

	BUS. ESTAB.	O & G EMPLOY.	PCT O & G EMPLOY.	NON O & G EMPLOY.	PCT NON O & G EMPLOY.	AVG O & G WAGES (\$)	AVG NON O & G WAGES (\$)
DIRECT OIL AND GAS INDUSTRIES	884	21,348	100.0	0	0.0	103,737	0
Drilling, Extraction, Production, and Refining	884	21,348	100.0	0	0.0	103,737	0
RELATED OIL AND GAS INDUSTRIES	3,891	27,022	61.7	16,765	38.3	86,430	71,159
Infrastructure Development	921	7,978	58.1	5,757	41.9	91,330	75,803
Professional Services	1,209	4,891	56.3	3,801	43.7	93,347	89,913
Transportation	1,191	8,540	84.2	1,607	15.8	79,568	57,208
Wholesale Trade and Manufacturing	570	5,613	50.1	5,601	49.9	83,878	57,661
NON OIL AND GAS INDUSTRIES	27,690	0	0.0	302,020	100.0	0	43,687
TOTAL OIL AND GAS	4,775	48,369	100.0	0	0.0	94,069	0
TOTAL NON OIL AND GAS	27,690	0	0.0	318,785	100.0	0	45,132
TOTAL PRIVATE SECTOR	32,465	48,369	13.2	318,785	86.8	94,069	45,132

BREAKDOWN BY NAICS INDUSTRIES	O & G BUS. ESTAB.	NON O & G BUS. ESTAB.	O & G EMPLOY.	PCT O & G EMPLOY.	NON O & G EMPLOY.	PCT NON O & G EMPLOY.	AVG O & G WAGES (\$)	AVG NON O & G WAGES (\$)
	11 Agriculture, Forestry, Fishing and Hunting	0	930	0	0.0	4,391	100.0	0
21 Mining, Quarrying, & Oil and Gas Extraction	915	36	21,183	91.1	2,064	8.9	102,892	88,385
22 Utilities	70	81	631	16.5	3,199	83.5	96,063	95,058
23 Construction	723	4,015	6,201	18.2	27,849	81.8	87,246	59,993
31-33 Manufacturing	130	754	1,821	7.2	23,610	92.8	77,215	49,180
42 Wholesale Trade	448	2,501	***	***	***	***	***	***
44-45 Retail Trade	0	3,319	0	0.0	50,724	100.0	0	30,785
48-49 Transportation and Warehousing	1,264	1,180	9,425	46.2	10,968	53.8	83,537	45,856
51 Information	0	405	0	0.0	6,605	100.0	0	59,885
52 Finance and Insurance	58	1,951	***	***	***	***	***	***
53 Real Estate and Rental and Leasing	194	960	1,416	25.1	4,233	74.9	91,649	45,031
54 Professional and Technical Services	714	2,489	2,369	13.9	14,673	86.1	100,583	64,783
55 Management of Companies and Enterprises	33	149	409	7.7	4,924	92.3	93,526	80,425
56 Administrative and Waste Services	66	1,602	240	1.7	13,474	98.3	74,493	34,201
61 Educational Services	0	199	0	0.0	2,368	100.0	0	31,772
62 Health Care and Social Assistance	0	2,262	0	0.0	56,765	100.0	0	49,414
71 Arts, Entertainment, and Recreation	0	471	0	0.0	4,303	100.0	0	16,273
72 Accommodation and Food Services	0	2,314	0	0.0	36,124	100.0	0	17,558
81 Other Services (except Public Administration)	160	2,072	458	3.6	12,138	96.4	71,787	31,826

Asterisks (***) indicate data cannot be released due to reliability, availability or confidentiality restrictions. Rounding may affect additivity.

Source: Labor Market Information Center, Job Service North Dakota, North Dakota Oil & Gas Employment Report

NORTH DAKOTA'S OIL AND GAS ECONOMY

SUPPLEMENTAL OIL AND GAS SURVEY RESULTS

DIRECT AND RELATED OIL AND GAS EMPLOYMENT & WAGES

[2015]

PRIVATE SECTOR ESTIMATES BY SELECT COUNTY

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	O & G BUS. ESTAB.	NON O & G BUS. ESTAB.	O & G EMPLOY.	PCT O & G EMPLOY.	NON O & G EMPLOY.	PCT NON O & G EMPLOY.	TOTAL O & G WAGES (\$)	TOTAL NON O & G WAGES (\$)	AVG O & G WAGES (\$)	AVG NON O & G WAGES (\$)
CORE OIL AND GAS PRODUCING COUNTIES										
DUNN	153	116	1,561	62.4	941	37.6	136.0	47.9	87,125	50,840
MCKENZIE	474	426	5,801	63.0	3,406	37.0	559.9	182.4	96,527	53,560
MOUNTRAIL	355	316	3,404	56.1	2,668	43.9	308.5	142.5	90,649	53,391
WILLIAMS	1,182	1,407	19,480	57.6	14,311	42.4	1,926.7	768.7	98,906	53,717
TOTAL	2,164	2,265	30,245	58.6	21,326	41.4	2,931.1	1,141.5	96,912	53,525

BALANCE OIL AND GAS PRODUCING COUNTIES										
BILLINGS	18	37	91	24.4	283	75.6	6.6	8.1	72,935	28,621
BOTTINEAU	58	253	399	19.8	1,618	80.2	26.5	59.9	66,281	37,038
BOWMAN	33	158	211	14.4	1,257	85.6	19.0	49.1	90,036	39,093
BURKE	26	83	132	25.5	385	74.5	10.2	16.8	77,354	43,549
DIVIDE	61	107	271	32.5	561	67.5	24.8	24.0	91,380	42,770
GOLDEN VALLEY	15	71	72	13.7	451	86.3	4.3	16.6	60,206	36,865
MCHENRY	17	139	33	3.7	870	96.3	2.9	36.6	89,205	42,082
MCLEAN	37	300	146	5.4	2,559	94.6	11.9	137.9	81,564	53,866
MERCER	45	265	257	5.6	4,346	94.4	21.6	307.7	83,972	70,805
RENVILLE	36	89	135	24.2	422	75.8	9.8	16.8	72,609	39,814
SLOPE	11	14	56	48.9	59	51.1	4.5	3.6	79,853	60,526
STARK	507	1,115	7,343	36.8	12,612	63.2	724.5	567.6	98,664	45,002
WARD	438	2,204	3,562	12.0	26,208	88.0	325.0	1,127.9	91,255	43,036
TOTAL	1,302	4,835	12,708	19.8	51,631	80.2	1,191.6	2,372.6	93,771	45,952

NON OIL AND GAS PRODUCING COUNTIES										
BARNES	15	404	68	1.8	3,805	98.2	5.4	138.6	78,882	36,434
BURLEIGH	316	3,447	1,537	3.3	45,598	96.7	127.8	2,166.6	83,167	47,515
CASS	323	6,893	1,434	1.4	102,163	98.6	95.6	4,766.8	66,663	46,659
GRAND FORKS	100	2,114	371	1.1	32,249	98.9	24.8	1,311.7	66,823	40,673
HETTINGER	10	101	35	6.6	501	93.4	2.5	20.0	69,744	39,881
MORTON	104	928	633	6.7	8,798	93.3	73.0	356.7	115,404	40,545
RAMSEY	14	482	40	0.9	4,297	99.1	2.4	159.4	59,779	37,107
RICHLAND	10	588	74	1.2	5,817	98.8	3.3	238.2	45,391	40,947
STUTSMAN	37	841	145	1.5	9,293	98.5	10.5	373.6	72,370	40,201
TRAILL	15	331	123	4.7	2,514	95.3	5.5	101.9	44,250	40,545
WALSH	14	487	72	1.8	3,930	98.2	3.7	146.7	50,648	37,315
WELLS	12	199	11	0.9	1,307	99.1	1.0	43.6	85,181	33,364
TOTAL	1,045	20,020	4,858	2.0	244,208	98.0	377.5	10,763.8	77,694	44,076

[due to confidentiality restrictions, only individual counties with 10 or more oil and gas establishments are displayed, though aggregate totals include all counties in an area; total wages are rounded and displayed in millions of dollars]

Asterisks (***) indicate data cannot be released due to reliability, availability or confidentiality restrictions. Rounding may affect additivity.

Source: Labor Market Information Center, Job Service North Dakota, North Dakota Oil & Gas Employment Report

NORTH DAKOTA'S OIL AND GAS ECONOMY

SUPPLEMENTAL OIL AND GAS SURVEY RESULTS

DIRECT AND RELATED OIL AND GAS EMPLOYMENT & WAGES

[2015]

PRIVATE SECTOR ESTIMATES BY CORE OIL AND GAS PRODUCING COUNTIES

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DUNN COUNTY



TOTAL OIL & GAS WAGES (\$):	135,977,366
TOTAL NON OIL & GAS WAGES (\$):	47,855,077
TOTAL PRIVATE SECTOR WAGES (\$):	183,832,443

	BUS. ESTAB.	O & G EMPLOY.	PCT O & G EMPLOY.	NON O & G EMPLOY.	PCT NON O & G EMPLOY.	AVG O & G WAGES (\$)	AVG NON O & G WAGES (\$)
DIRECT OIL AND GAS INDUSTRIES	44	639	100.0	0	0.0	98,018	0
Drilling, Extraction, Production, and Refining	44	639	100.0	0	0.0	98,018	0
RELATED OIL AND GAS INDUSTRIES	109	922	88.5	120	11.5	79,581	79,955
Infrastructure Development	28	286	88.3	38	11.7	84,151	78,579
Professional Services	19	***	***	***	***	***	***
Transportation	57	464	95.4	22	4.6	78,202	62,218
Wholesale Trade and Manufacturing	5	***	***	***	***	***	***
NON OIL AND GAS INDUSTRIES	116	0	0.0	821	100.0	0	46,581
TOTAL OIL AND GAS	153	1,561	100.0	0	0.0	87,125	0
TOTAL NON OIL AND GAS	116	0	0.0	941	100.0	0	50,840
TOTAL PRIVATE SECTOR	269	1,561	62.4	941	37.6	87,125	50,840

MCKENZIE COUNTY



TOTAL OIL & GAS WAGES (\$):	559,918,047
TOTAL NON OIL & GAS WAGES (\$):	182,420,144
TOTAL PRIVATE SECTOR WAGES (\$):	742,338,191

	BUS. ESTAB.	O & G EMPLOY.	PCT O & G EMPLOY.	NON O & G EMPLOY.	PCT NON O & G EMPLOY.	AVG O & G WAGES (\$)	AVG NON O & G WAGES (\$)
DIRECT OIL AND GAS INDUSTRIES	130	1,853	100.0	0	0.0	96,457	0
Drilling, Extraction, Production, and Refining	130	1,853	100.0	0	0.0	96,457	0
RELATED OIL AND GAS INDUSTRIES	344	3,947	91.0	390	9.0	96,560	88,799
Infrastructure Development	113	1,796	88.8	227	11.2	103,799	94,353
Professional Services	88	487	85.4	83	14.6	89,173	80,672
Transportation	117	1,259	94.8	70	5.2	88,791	76,174
Wholesale Trade and Manufacturing	26	405	97.7	10	2.3	97,499	119,568
NON OIL AND GAS INDUSTRIES	426	0	0.0	3,016	100.0	0	49,008
TOTAL OIL AND GAS	474	5,801	100.0	0	0.0	96,527	0
TOTAL NON OIL AND GAS	426	0	0.0	3,406	100.0	0	53,560
TOTAL PRIVATE SECTOR	900	5,801	63.0	3,406	37.0	96,527	53,560

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Source: Labor Market Information Center, Job Service North Dakota, North Dakota Oil & Gas Employment Report

NORTH DAKOTA'S OIL AND GAS ECONOMY

SUPPLEMENTAL OIL AND GAS SURVEY RESULTS

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PRIVATE SECTOR ESTIMATES BY CORE OIL AND GAS PRODUCING COUNTIES

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MOUNTRAIL COUNTY



TOTAL OIL & GAS WAGES (\$):	308,532,251
TOTAL NON OIL & GAS WAGES (\$):	142,451,619
TOTAL PRIVATE SECTOR WAGES (\$):	450,983,870

DIRECT OIL AND GAS INDUSTRIES

Drilling, Extraction, Production, and Refining

RELATED OIL AND GAS INDUSTRIES

Infrastructure Development

Professional Services

Transportation

Wholesale Trade and Manufacturing

NON OIL AND GAS INDUSTRIES

TOTAL OIL AND GAS

TOTAL NON OIL AND GAS

TOTAL PRIVATE SECTOR

BUS. ESTAB.	O & G EMPLOY.	PCT O & G EMPLOY.	NON O & G EMPLOY.	PCT NON O & G EMPLOY.	AVG O & G WAGES (\$)	AVG NON O & G WAGES (\$)
77	1,411	100.0	0	0.0	97,152	0
77	1,411	100.0	0	0.0	97,152	0
278	1,993	91.3	190	8.7	86,045	71,649
47	405	89.8	46	10.2	94,785	71,120
66	295	88.0	40	12.0	98,926	78,076
150	1,206	93.7	82	6.3	80,891	65,710
15	86	79.8	22	20.2	72,966	83,092
316	0	0.0	2,479	100.0	0	51,995
355	3,404	100.0	0	0.0	90,649	0
316	0	0.0	2,668	100.0	0	53,391
671	3,404	56.1	2,668	43.9	90,649	53,391

WILLIAMS COUNTY



TOTAL OIL & GAS WAGES (\$):	1,926,665,731
TOTAL NON OIL & GAS WAGES (\$):	768,737,517
TOTAL PRIVATE SECTOR WAGES (\$):	2,695,403,248

DIRECT OIL AND GAS INDUSTRIES

Drilling, Extraction, Production, and Refining

RELATED OIL AND GAS INDUSTRIES

Infrastructure Development

Professional Services

Transportation

Wholesale Trade and Manufacturing

NON OIL AND GAS INDUSTRIES

TOTAL OIL AND GAS

TOTAL NON OIL AND GAS

TOTAL PRIVATE SECTOR

BUS. ESTAB.	O & G EMPLOY.	PCT O & G EMPLOY.	NON O & G EMPLOY.	PCT NON O & G EMPLOY.	AVG O & G WAGES (\$)	AVG NON O & G WAGES (\$)
287	11,034	100.0	0	0.0	104,699	0
287	11,034	100.0	0	0.0	104,699	0
895	8,446	85.9	1,382	14.1	91,338	81,705
183	2,453	76.2	764	23.8	86,973	76,246
303	1,784	88.5	232	11.5	101,245	96,546
269	2,419	92.3	202	7.7	83,016	83,600
140	1,791	90.7	184	9.3	98,685	83,565
1,407	0	0.0	12,928	100.0	0	50,725
1,182	19,480	100.0	0	0.0	98,906	0
1,407	0	0.0	14,311	100.0	0	53,717
2,589	19,480	57.6	14,311	42.4	98,906	53,717

Asterisks (***) indicate data cannot be released due to reliability, availability or confidentiality restrictions. Rounding may affect additivity.

Source: Labor Market Information Center, Job Service North Dakota, North Dakota Oil & Gas Employment Report

NORTH DAKOTA'S OIL AND GAS ECONOMY

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SUPPLEMENTAL OIL AND GAS SURVEY RESULTS

DIRECT AND RELATED OIL AND GAS EMPLOYMENT & WAGES

[2015]

PRIVATE SECTOR ESTIMATES BY SELECT CITY OR PLACE

	O & G BUS. ESTAB.	NON O & G BUS. ESTAB.	O & G EMPLOY.	PCT O & G EMPLOY.	NON O & G EMPLOY.	PCT NON O & G EMPLOY.	TOTAL O & G WAGES (\$)	TOTAL NON O & G WAGES (\$)	AVG O & G WAGES (\$)	AVG NON O & G WAGES (\$)
CITIES OR PLACES IN CORE OIL AND GAS PRODUCING COUNTIES										
ALEXANDER	60	56	690	66.1	355	33.9	70.4	24.6	101,987	69,213
ARNEGARD	32	21	305	77.7	88	22.3	24.9	6.3	81,695	71,339
DUNN CENTER	10	6	45	50.7	44	49.3	2.6	2.6	57,277	59,202
EPPING	18	11	284	43.9	363	56.1	20.4	23.7	71,873	65,164
GRASSY BUTTE	12	12	493	88.3	66	11.7	66.2	4.2	134,405	63,251
HALLIDAY	17	19	103	51.7	96	48.3	7.2	4.8	70,585	50,182
KEENE	21	9	266	91.1	26	8.9	25.7	0.7	96,664	26,537
KILLDEER	105	74	1,282	63.5	735	36.5	114.6	37.8	89,374	51,424
MANDAREE	20	8	189	87.3	28	12.7	15.3	1.9	80,611	69,981
MCGREGOR	14	6	179	88.3	24	11.7	16.0	1.5	89,179	64,752
NEW TOWN	141	105	1,382	59.1	956	40.9	131.7	47.8	95,312	50,041
PARSHALL	27	38	315	49.8	317	50.2	33.3	18.5	105,766	58,411
PLAZA	13	18	47	33.9	92	66.1	3.0	4.6	63,559	50,229
RAY	40	56	151	36.0	269	64.0	10.8	13.8	71,913	51,407
ROSS	33	12	434	81.2	101	18.8	34.8	8.1	80,093	80,106
STANLEY	108	134	985	46.5	1,136	53.5	85.4	57.1	86,686	50,319
TIOGA	114	109	2,016	67.7	961	32.3	208.6	46.1	103,488	48,041
TRENTON	12	12	261	91.7	24	8.3	26.9	1.2	103,102	51,892
WATFORD CITY	281	289	3,403	56.1	2,662	43.9	314.8	132.8	92,515	49,890
WILLISTON	923	1,157	16,143	56.8	12,255	43.2	1,597.9	661.0	98,984	53,936
CITIES OR PLACES IN BALANCE OIL AND GAS PRODUCING COUNTIES										
BEACH	12	60	70	18.5	310	81.5	4.3	10.9	60,682	35,315
BELFIELD	81	38	1,190	80.5	289	19.5	98.4	14.5	82,667	50,239
BERTHOLD	20	36	301	45.9	355	54.1	30.1	24.0	99,763	67,505
BEULAH	24	129	187	5.8	3,037	94.2	16.2	235.7	86,803	77,604
BOTTINEAU	18	168	51	4.0	1,228	96.0	3.0	40.7	58,564	33,163
BOWMAN	22	128	113	9.5	1,084	90.5	7.8	40.2	68,802	37,071
CROSBY	44	81	225	31.9	479	68.1	21.8	18.9	97,200	39,504
DICKINSON	376	997	5,874	33.0	11,925	67.0	602.9	534.1	102,643	44,792
FAIRFIELD	10	2	60	95.5	3	4.5	4.2	0.4	69,488	134,412
GARRISON	13	85	41	5.9	667	94.1	2.2	23.1	52,043	34,697
HAZEN	10	96	11	1.3	858	98.7	0.7	31.4	65,353	36,591
KENMARE	24	81	162	22.9	546	77.1	12.6	21.4	77,512	39,253
MINOT	354	1,898	2,973	10.8	24,634	89.2	273.2	1,053.5	91,899	42,767

[due to confidentiality restrictions, only individual cities or places with 10 or more oil and gas establishments are displayed; total wages are rounded and displayed in millions of dollars]

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Source: Labor Market Information Center, Job Service North Dakota, North Dakota Oil & Gas Employment Report

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SUPPLEMENTAL OIL AND GAS SURVEY RESULTS

DIRECT AND RELATED OIL AND GAS EMPLOYMENT & WAGES

[2015]

PRIVATE SECTOR ESTIMATES BY SELECT CITY OR PLACE

O & G BUS. ESTAB.	NON O & G BUS. ESTAB.	O & G EMPLOY.	PCT O & G EMPLOY.	NON O & G EMPLOY.	PCT NON O & G EMPLOY.	TOTAL O & G WAGES (\$)	TOTAL NON O & G WAGES (\$)	AVG O & G WAGES (\$)	AVG NON O & G WAGES (\$)
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CITIES OR PLACES IN BALANCE OIL AND GAS PRODUCING COUNTIES [cont'd]

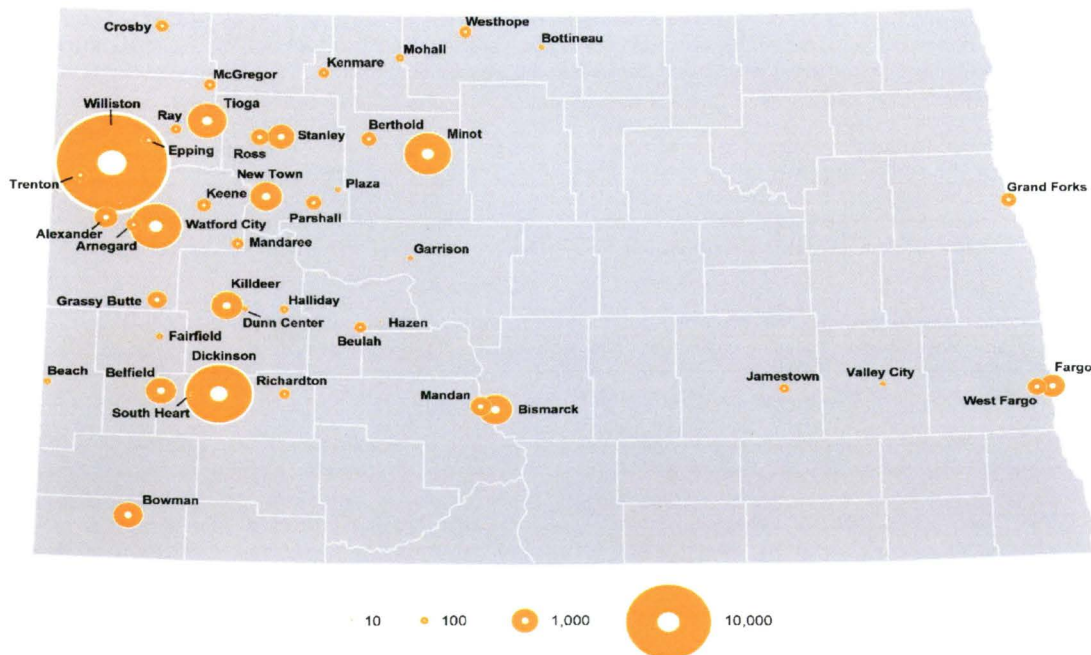
MOHALL	24	56	101	24.1	319	75.9	8.0	11.9	78,673	37,259
RICHARDTON	11	35	156	37.1	265	62.9	14.5	12.3	92,845	46,270
SOUTH HEART	19	10	60	71.1	24	28.9	4.0	0.8	67,175	34,779
WESTHOPE	17	25	225	73.7	81	26.3	16.1	3.1	71,454	38,135

CITIES OR PLACES IN NON OIL AND GAS PRODUCING COUNTIES

BISMARCK	296	3,270	1,522	3.3	44,981	96.7	126.8	2,140.9	83,340	47,595
DEVILS LAKE	12	429	37	0.9	4,124	99.1	2.3	150.7	62,169	36,553
FARGO	224	5,237	874	1.0	87,134	99.0	58.9	4,074.7	67,481	46,764
GRAND FORKS	82	1,813	320	1.0	30,490	99.0	19.8	1,240.3	61,918	40,678
JAMESTOWN	27	674	136	1.6	8,640	98.4	9.9	338.9	72,787	39,226
MANDAN	88	767	601	7.1	7,811	92.9	71.4	317.2	118,813	40,608
VALLEY CITY	12	323	44	1.2	3,511	98.8	3.4	125.3	76,901	35,697
WEST FARGO	65	1,010	469	4.1	10,921	95.9	31.6	504.6	67,389	46,202

DIRECT AND RELATED OIL AND GAS EMPLOYMENT

PRIVATE SECTOR ESTIMATES BY SELECT CITY OR PLACE



[due to confidentiality restrictions, only individual cities or places with 10 or more oil and gas establishments are displayed; total wages are rounded and displayed in millions of dollars]

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Source: Labor Market Information Center, Job Service North Dakota, North Dakota Oil & Gas Employment Report

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LOCAL AREA UNEMPLOYMENT STATISTICS (LAUS)

The Local Area Unemployment Statistics (LAUS) program produces monthly and annual employment, unemployment, and labor force data for North Dakota and its many substate areas by place of residence. These estimates are key indicators of local economic conditions. The LAUS program is a federal-state cooperative effort between the Job Service North Dakota Labor Market Information Center and the U.S. Department of Labor's Bureau of Labor Statistics (BLS). BLS is responsible for the concepts, definitions, technical procedures, validation, and publication of the estimates that the Job Service North Dakota Labor Market Information Center prepares under agreement with the BLS. Rounding may affect additivity.

LABOR FORCE. The noninstitutionalized resident civilian population ages 16 and older either employed (part-time or full-time) or unemployed but actively seeking employment.

EMPLOYED. All persons who, during the reference week (week that includes the 12th of the month), (a) did any work at all (at least 1 hour) as paid employees; worked in their own business, profession, or on their own farm, or worked 15 hours or more as unpaid workers in an enterprise operated by a member of the family; and (b) all those who were not working but who had jobs or businesses from which they were temporarily absent because of vacation, illness, bad weather, childcare problems, maternity or paternity leave, labor-management dispute, job training, or other family or personal reasons, whether or not they were paid for the time off or were seeking other jobs. The labor force concept counts persons, not jobs, so a person holding more than one job is counted only once (the job they worked the most hours). Also, commuters are counted where they live, not where they work, so the effects of commuting into and out of an area are negated.

UNEMPLOYED. All persons who had no employment during the reference week (week that includes the 12th of the month), were available for work, except for temporary illness, and had made specific efforts to find employment sometime during the 4-week period ending with the reference week. Persons who were waiting to be recalled to a job from which they had been laid off need not have been looking for work to be classified as unemployed. Not all persons 16 years and older are unemployed if not working. One must be actively looking and available for work in order to qualify. Otherwise, these persons are not in the labor force. Unemployed persons are always counted at their place of residence as opposed to place of previous employment, if any. Unemployed persons may be so by virtue of being laid off or having quit a job. A person does not have to be receiving unemployment benefits to be counted as unemployed.

UNEMPLOYMENT RATE. The unemployment rate represents the number unemployed as a percent of the labor force.

OCCUPATIONAL EMPLOYMENT STATISTICS (OES)

The Occupational Employment Statistics (OES) program administers a semiannual survey measuring annual employment and wage rates by occupation for wage and salary workers in nonfarm establishments in North Dakota. The source of the data is workers covered by state unemployment insurance (UI) laws and federal workers covered by the Unemployment Compensation for Federal Employees (UCFE) program, which covers at least 95 percent of all North Dakota workers. Supplemental sources are used for "noncovered" industries. OES categorizes workers into nearly 800 detailed occupations based on the 2010 Standard Occupational Classification (SOC) system; together, these detailed occupations make up 22 of the 23 SOC major occupational groups. The OES program is a federal-state cooperative effort between the Job Service North Dakota Labor Market Information Center and the Bureau of Labor Statistics (BLS) of the U.S. Department of Labor. BLS is responsible for the concepts, definitions, technical procedures, validation, and publication of the estimates that the Job Service North Dakota Labor Market Information Center prepares under agreement with the BLS. Rounding may affect additivity. Data are subject to confidentiality restrictions.

EMPLOYMENT. Occupational employment is the estimate of total wage and salary employment in an occupation. OES defines employment as the number of workers who can be classified as full- or part-time employees, including workers on paid vacations or other types of paid leave; workers on unpaid short-term absences; salaried officers, executives, and staff members of incorporated firms; employees temporarily assigned to other units; and employees for whom the reporting unit is their permanent duty station, regardless of whether that unit prepares their paycheck. OES employment does not include the self-employed, owners and partners in unincorporated firms, household workers, or unpaid family workers.

WAGE DATA. OES wage rates are straight-time, gross pay, exclusive of premium pay. Base rate; cost-of-living allowances; guaranteed pay; hazardous-duty pay; incentive pay, including commissions and production bonuses; and tips are included. Excluded are overtime pay, severance pay, shift differentials, nonproduction bonuses, employer cost for supplementary benefits, and tuition reimbursements. OES wage rates do not include the self-employed, owners and partners in unincorporated firms, household workers, or unpaid family workers.

25TH PERCENTILE WAGE. The 25th percentile wage is the estimated 25th percentile of the distribution of wages based on data collected from employers in all industries; 25 percent of workers in an occupation earn less than this wage and 75 percent earn more than this wage.

50TH PERCENTILE (MEDIAN) WAGE. The 50th percentile (median) wage is the estimated 50th percentile of the distribution of wages based on data collected from employers in all industries; 50 percent of workers in an occupation earn less than this wage and 50 percent earn more than this wage. The median is less likely to be influenced by outliers within the wage distribution.

75TH PERCENTILE WAGE. The 75th percentile wage is the estimated 75th percentile of the distribution of wages based on data collected from employers in all industries; 25 percent of workers in an occupation earn more than this wage and 75 percent earn less than this wage.

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ONLINE JOB OPENINGS REPORT (OJOR)

The Online Job Openings Report (OJOR) is the earliest monthly indicator of North Dakota's labor market activity and provides a timely overview of the current supply/demand dynamic. The report involves the monthly collection, processing, and dissemination of online job openings posted by employers and online resumé activities of job seekers. Job Service North Dakota compiles and publishes the OJOR.

JOB OPENINGS. Job openings include all open and available online openings during the reference period. This figure may include openings posted no more than 90 days prior but still active during the reference period, as well as new openings.

ACTIVE RESUMÉS. Active resumé are all online resumé that have been created or otherwise modified during the reference period. This figure may include resumé posted no more than 90 days prior but still active during the reference period, as well as new resumé. Active resumé may include those created by out-of-state candidates. Candidates may post multiple online resumé so active resumé should not be interpreted as an individual candidate count. Active resumé are not necessarily an indicator of unemployment since candidates posting resumé may or may not be unemployed.

ACTIVE RESUMÉS PER JOB OPENING. Active resumé per job opening is a supply/demand rate that uses active online resumé as the supply input and is the most timely of the supply/demand rates. For this measure, only local active online resumé (i.e. resumé tied to an in-state North Dakota address) were used in the calculation in order to get a more accurate measure of the local supply situation. Out-of-state resumé are excluded from this calculation. A result less than 1 indicates more job openings than local active resumé, while a result greater than 1 indicates more local active resumé than job openings.

QUARTERLY CENSUS OF EMPLOYMENT AND WAGES (QCEW)

The Quarterly Census of Employment and Wages (QCEW) program produces quarterly and annual establishment, employment, and wage data by industry for North Dakota and its 53 counties by place of work. The source of the data is workers covered by state unemployment insurance (UI) laws and federal workers covered by the Unemployment Compensation for Federal Employees (UCFE) program, which covers at least 95 percent of all North Dakota workers. The QCEW program is a federal-state cooperative effort between the Job Service North Dakota Labor Market Information Center and the Bureau of Labor Statistics (BLS) of the U.S. Department of Labor. BLS is responsible for the concepts, definitions, technical procedures, validation, and publication of the estimates that the Job Service North Dakota Labor Market Information Center prepares under agreement with the BLS. Occasionally, an establishment's county designation cannot be determined and is subsequently coded as "unclassified". While these establishments may not have a county designation, they are industry coded and included in the state-level detail. Unclassified establishments are the reason the county totals may not add up to the statewide total. Rounding may affect additivity. Data are subject to confidentiality restrictions. Data are coded using the 2012 version of the North American Industry Classification System (NAICS).

EMPLOYMENT. A near-census count of employed persons during the reference week (week that includes the 12th of the month) whose employment is covered by North Dakota's unemployment insurance program. Generally excluded from coverage in North Dakota are the self-employed (farm and nonfarm sectors); farms that employ less than ten workers for less than 20 weeks in a calendar year; all railroad transportation employment; student workers; individuals working for religious organizations or church-related elementary and secondary schools; elected public officials at the federal, state, or local levels of government; and most domestic and private household workers. Data are extracted from quarterly contribution reports filed by employers. Employment represents a count of jobs rather than workers, counting jobs at the place of business. Multiple jobholders are counted for each job.

AVERAGE WEEKLY WAGES. Wages represent total compensation paid during the calendar quarter, regardless of when services were performed. Included in wages are pay for vacation and other paid leave, bonuses, stock options, tips, the cash value of meals and lodging, and in some states, contributions to deferred compensation plans (such as 401(k) plans). For quarterly data, average weekly wages are calculated by dividing the average quarterly wage by 13 (the standard number of weeks in a quarter), or, for annual data, dividing the average annual wage by 52 (the standard number of weeks in a year).

BUSINESS ESTABLISHMENTS. A business establishment is defined as the smallest operating business unit for which information can be provided on the cost of resources, materials, labor, and capital employed to produce output. An establishment is generally a single, physical location where business is conducted or where services or industrial operations are performed (e.g. store, factory, farm, etc.). Business establishment counts are a unique count of worksites for a reference period (e.g. quarter or year).

NORTH DAKOTA'S OIL AND GAS ECONOMY

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SOC CODE AND OCCUPATIONAL GROUP STRUCTURE

The Occupational Employment Statistics (OES) program categorizes workers into nearly 800 detailed occupations based on the Standard Occupational Classification (SOC) system. These detailed occupations make up 22 of the 23 SOC major occupational groups (OES does not survey military occupations). For reference, below are the 23 major occupational groups along with a select sample of detailed occupations that fall within each respective group.

11 MANAGEMENT. Managers, Education Administrators, Farmers and Ranchers, Human Resource Managers

13 BUSINESS AND FINANCIAL OPERATIONS. Accountants, Auditors, Loan Officers, Tax Preparers

15 COMPUTER AND MATHEMATICAL. Computer Programmers, Computer and Network Administrators, Web Developers, Statisticians

17 ARCHITECTURE AND ENGINEERING. Engineers, Drafters, Architects, Surveyors

19 LIFE, PHYSICAL, AND SOCIAL SCIENCE. Biologists, Chemists, Economists

21 COMMUNITY AND SOCIAL SERVICE. Social Workers, Clergy, Counselors, Social and Human Service Assistants

23 LEGAL. Lawyers, Court Reporters, Judges, Magistrate Judges, Magistrates, Paralegal and Legal Assistants

25 EDUCATION, TRAINING, AND LIBRARY. Elementary School Teachers, Secondary School Teachers, Special Education Teachers, Librarians

27 ARTS, DESIGN, ENTERTAINMENT, SPORTS, AND MEDIA. Musicians and Singers, Photographers, Reporters and Correspondents, Umpires, Referees

29 HEALTHCARE PRACTITIONERS AND TECHNICAL. Physicians and Surgeons, Dentists, Pharmacists, Registered Nurses, EMTs and Paramedics, Chiropractors

31 HEALTHCARE SUPPORT. Home Health Aides, Medical Assistants, Medical Transcriptionists, Nursing Aides and Orderlies

33 PROTECTIVE SERVICE. Correctional Officers, Firefighters, Police and Sheriff's Patrol Officers, Lifeguards

35 FOOD PREPARATION AND SERVING RELATED. Cooks, Bartenders, Waiters and Waitresses, Counter Attendants, Dishwashers

37 BUILDING AND GROUNDS CLEANING AND MAINTENANCE. Janitors and Cleaners, Landscaping and Groundskeeping Workers, Maids and Housekeeping Cleaners

39 PERSONAL CARE AND SERVICE. Childcare Workers, Hairdressers, Hairstylists, Fitness Trainers, Personal and Home Care Aides

41 SALES AND RELATED. Cashiers, Retail Salespersons, Insurance Sales Agents, Telemarketers

43 OFFICE AND ADMINISTRATIVE SUPPORT. Secretaries and Administrative Assistants, Office Clerks, Receptionists, Tellers

45 FARMING, FISHING, AND FORESTRY. Farmworkers and Laborers, Graders and Sorters of Agricultural Products, Hunters and Trappers

47 CONSTRUCTION AND EXTRACTION. Carpenters, Electricians, Plumbers, Roofers, Oil and Gas Roustabouts

49 INSTALLATION, MAINTENANCE, AND REPAIR. Automotive Body Repairers, Mechanics, Electrical Power-Line Installers, Wind Turbine Service Technicians

51 PRODUCTION. Assemblers and Fabricators, Machinists, Tool and Die Makers, Welders, Cutters, Solderers, Brazers

53 TRANSPORTATION AND MATERIAL MOVING. Airline Pilots, Bus Drivers, Truck Drivers, Industrial Truck and Tractor Operators, Packers and Packagers

55 MILITARY SPECIFIC. Aircrew Officers, Infantry, Radar and Sonar Technicians, Special Forces

U.S. BUREAU OF ECONOMIC ANALYSIS (BEA)

PER CAPITA PERSONAL INCOME. Per capita personal income is the ratio of the measure of the residence-adjusted total personal income to population estimates. It is an arithmetic mean of personal income (usually expressed in dollars) per person.

REAL GROSS DOMESTIC PRODUCT (GDP). Real Gross Domestic Product is an inflation-adjusted measurement of a state's economic output using chained 2009 dollars. It is the sum of the value added in production by labor and capital from all industries in a state.

NORTH DAKOTA'S OIL AND GAS ECONOMY

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U.S. CENSUS BUREAU

DECENNIAL POPULATION COUNTS. The decennial population is the "official" population count tallied in conjunction with the national census conducted every ten years on April 1st. Years ending in '0' (e.g. 2000, 2010, etc.) denote decennial population counts; all other years are intercensal population estimates.

INTERCENSAL POPULATION ESTIMATES. Intercensal population estimates are the number of people living in an area as of a specified point in time, usually July 1st of any year. Intercensal population estimates are calculated using a component of change model that incorporates information on natural increase (births, deaths) and net migration (net domestic migration, net international migration) that has occurred in an area since the latest decennial census. When new estimates are published, prior years may be revised.

The Building Permits Survey (BPS) is conducted by the U.S. Census Bureau and provides statistics on the number and valuation of new privately-owned housing units authorized by building permits. The statistics are based on reports that are submitted by local building permit officials in response to a voluntary mail survey.

RESIDENTIAL BUILDING COUNT. A residential building is a building consisting primarily of housing units. For new buildings with a combination of residential and nonresidential floor areas, every effort is made to include the residential units even if the primary function of the entire building is for nonresidential purposes.

RESIDENTIAL HOUSING UNIT COUNT. A residential housing unit is a house, an apartment, a group of rooms, or a single room intended for occupancy as separate living quarters. Separate living quarters are those in which the occupants live separately from any other individuals in the building and which have direct access from the outside of the building or through a common hall. Housing units exclude group quarters (dormitories, rooming houses, etc.), transient accommodations (transient hotels, motels, tourist courts, etc.), moved or relocated buildings, and housing units created in an existing residential or nonresidential structure. Units in assisted living facilities are considered to be housing units, however, units in nursing homes are not considered to be housing units.

ESTIMATED VALUATION OF RESIDENTIAL BUILDINGS. The estimated valuation is the value of the residential structure as shown on the building permit. If no value is listed on the permit, an estimate from the permit official is accepted. Because of the nature of the building permit application process, valuations may frequently differ from the true cost of construction.

NORTH DAKOTA OFFICE OF STATE TAX COMMISSIONER

TAXABLE SALES AND PURCHASES. Taxable sales and purchases are reported by businesses to North Dakota's Office of State Tax Commissioner on quarterly or monthly sales tax returns. Taxable sales are gross sales less nontaxable sales. Businesses must remit sales tax on taxable sales. Taxable purchases are taxable goods purchased by businesses for their own use on which they did not pay sales tax to suppliers. Also included are purchases of goods to be installed into real property by contractors who did not pay sales tax to suppliers. Businesses and contractors must pay use tax on these goods. Individuals purchasing items over the Internet on which sales tax is not charged, are obligated to report "taxable purchases" and remit the appropriate use tax. Data in this report exclude out-of-state and consolidated taxable sales and purchases.

NORTH DAKOTA DEPARTMENT OF MINERAL RESOURCES, OIL AND GAS DIVISION

OIL PRODUCTION. Monthly oil production reported in barrels (BBLs). Average daily oil production is monthly oil production divided by the number of days in a month.

GAS PRODUCTION. Monthly gas production reported in thousand cubic feet (MCF). Average daily gas production is monthly gas production divided by the number of days in a month.

OIL AND GAS PRODUCTION WELLS. Monthly count of oil and gas wells in production.

DRILLING RIGS. Monthly count of active drilling rigs. Active drilling rig counts are extracted mid-week of the week that includes the 15th of the month. The drilling rig location map is based on a ND Dept of Mineral Resources GIS database which is updated less frequently and may not match the monthly mid-week count.

OIL AND GAS PERMITS. Monthly count of oil and gas permits issued.

U.S. DEPARTMENT OF ENERGY, U.S. ENERGY INFORMATION ADMINISTRATION

ND CRUDE OIL FIRST PURCHASE PRICE. An equity (not custody) transaction involving an arms-length transfer of ownership of crude oil associated with the physical removal of the crude oil from a property (lease) for the first time. A first purchase normally occurs at the time and place of ownership transfer where the crude oil volume sold is measured and recorded on a run ticket or other similar physical evidence of purchase. The reported cost is the actual amount paid by the purchaser, allowing for any adjustments (deductions or premiums) passed on to the producer or royalty owner. Purchase prices are represented as dollars per barrel.

ND NATURAL GAS CITY GATE PRICE. City gate prices represent the total cost paid by gas distribution companies for gas received at the point where the gas is physically transferred from a pipeline company or transmission system. This price is intended to reflect all charges for the acquisition, storage, and transportation of gas as well as other charges associated with obtaining the gas for sale to consumers. Prices are represented as dollars per thousand cubic feet.

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ND New Jobs Training Program Reported Through 2015

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North Dakota New Jobs Training Program Overview

The North Dakota New Jobs Training Program was enacted into law in 1993 by the North Dakota Legislative Assembly. The purpose of this state-funded workforce training program is to provide a mechanism for primary-sector businesses to secure funding to help offset the cost of creating new employment opportunities through business expansion or relocation to North Dakota.

Under the New Jobs Training Program, the business obtains funds in the form of a loan, grant, or self-financing option. The loan may be obtained from a commercial lender, a local development corporation, the Bank of North Dakota, or other qualified lender. A grant may be obtained from a state, a city, or local economic development corporation.

Funds under the New Jobs Training Program are made available through the capture of the state income tax withholding generated from the permanent, full-time new positions that are created. Reimbursements to repay the loan (plus interest) are made directly to the lender. Reimbursements for a grant are made directly to the granting community or local economic development corporation. Under the self-financing option, 60 percent of the allowable state income tax withholding can be reimbursed directly to the participating business. State income tax withholding can be captured for up to a ten year period or until the loan is repaid, or the self-financing or grant obligations have been met, whichever comes first.

To qualify, the business must be in a primary-sector industry, either locating to the state or expanding employment in the state. A "primary sector business" is an individual, corporation, limited liability company, partnership, or association which through the employment or labor adds value to a product, process, or service that results in the creation of new wealth. The term includes tourism, but does not include production agriculture or the oil industry.

Other qualifying criteria include:

- 1.) A new employer locating in North Dakota must create a minimum of five new jobs;
- 2.) An existing business must increase its base employment level by a minimum of one new job;
- 3.) A business must not be closing or reducing its operation in one area of the state and relocating substantially the same operation to another area of the state;
- 4.) Employees in the eligible new positions must be paid a minimum of \$10.00 per hour plus benefits by the end of the first year of employment in the new position created.

The amount of state income tax withholding credit available to an employer is based on the following criteria:

- The number of permanent, full-time new positions created.
- The wage rate paid to individuals filling the new positions.
- A withholding formula provided by the North Dakota State Tax Department is applied to the actual annual salary of the new jobs being created. The formula is applied to the annual gross wages of the new jobs created, and is then multiplied by the number of new positions in each pay category. This figure is then multiplied by 10 (the maximum number of years under the program) to establish the maximum state income tax withholding credit available under a ND New Jobs Training Program.

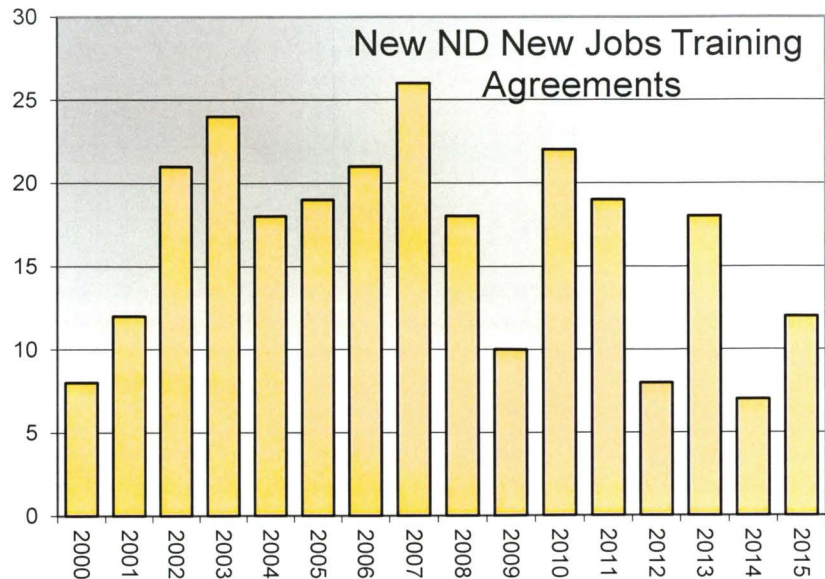
New Jobs Training Program, New Agreements By year; 2000 - 2015

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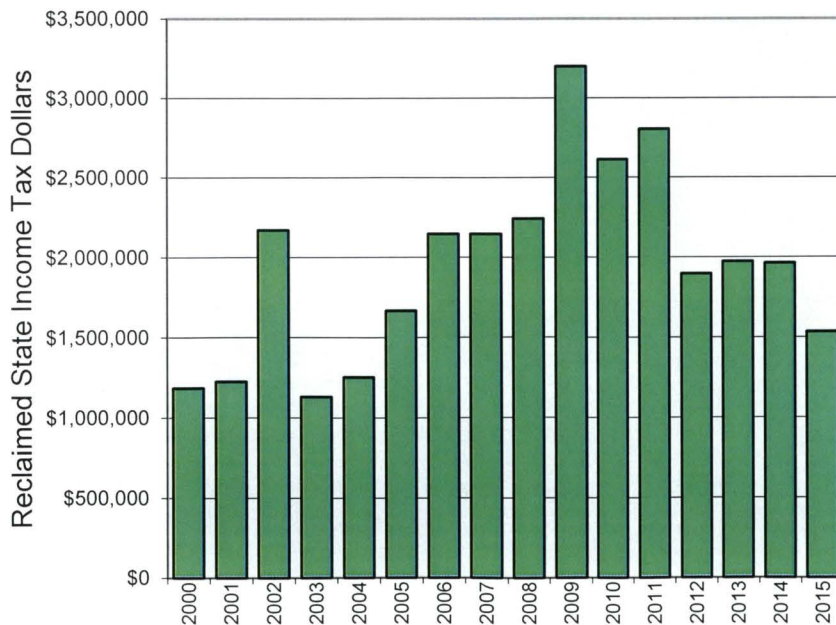
The chart to the right shows the number of new agreements finalized each year. Agreements can be finalized in a year following the actual hiring date year due to the usage of the preliminary agreement.

Employers claim their income tax withholding credits through filing quarterly reports with the ND State Tax Department. An employer has up to 10 years from the effective date of the agreement to claim the North Dakota income tax withholding credit. An increase in North

Dakota New Jobs Agreements will not be seen as increased collection for at least a year.



New Jobs Training Program, Tax Credits By year; 2000 - 2015



ND New Jobs Training collections have been less and agreements are running longer due to hiring freezes and the legislative reduction of Individual ND Income Tax amounts in June of 2013. Individual Income Tax percentages decreased between 0.06% and 0.77% for all ND residents. Any further individual Income Tax reductions will further affect new and open agreements as the calculation does not change once an agreement is finalized.

2014 and 2015 agreements could show increased claims in future reports as all employers have the right to claim reimbursements up to 3 years after the quarter the taxes were paid.

Through December 31, 2015, the ND State Tax Department has issued tax credits totaling \$32,178,615.46. At this time, North Dakota income tax credits totaling an additional approximately \$20.1 million are available to 76 actively collecting agreements over the next ten years. Based on a review of completed and closed agreements, employers are claiming 91% of the projected credits available to them.

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North Dakota New Jobs Tax Credit Activity

By the end of 2015, Job Service North Dakota had completed and closed 74%, 283 of 380, of all North Dakota New Jobs Training Program agreements. The closed agreements projected 17,089 new jobs in North Dakota and were used to review the current job creation performance and average investment per new job created.

Job Creation Performance and Investment Summary on completed agreements from 1998-2015					
Closed Agreements	Reported New Jobs	Projected New Jobs	Job Creation Rate	Tax Credits Claimed	Average Investment per New Job
283	14,092	17,089	82.5%	\$32.1 million	\$2,283.47

If the business creates the number of new jobs identified in the North Dakota New Jobs Training Program agreement at the wage rates projected, most loans, grants, or self-financing options will be reimbursed in less than the ten year program period. Early reimbursement takes place when:

- Average tax liabilities are used to calculate the amount of state income tax withholding credit available, but the actual withholding reported is used to credit reimbursements.
- Most individuals have more state income tax withheld than their actual tax liability.
- The agreement does not build in salary increases during the ten year period, resulting in larger withholdings.

While tax credits will cause a reduction in state revenues, this reduction is offset by the positive economic impacts the new jobs create in North Dakota. Other states have job creation tax credit programs, but historical data from other states is limited for doing state to state comparisons.

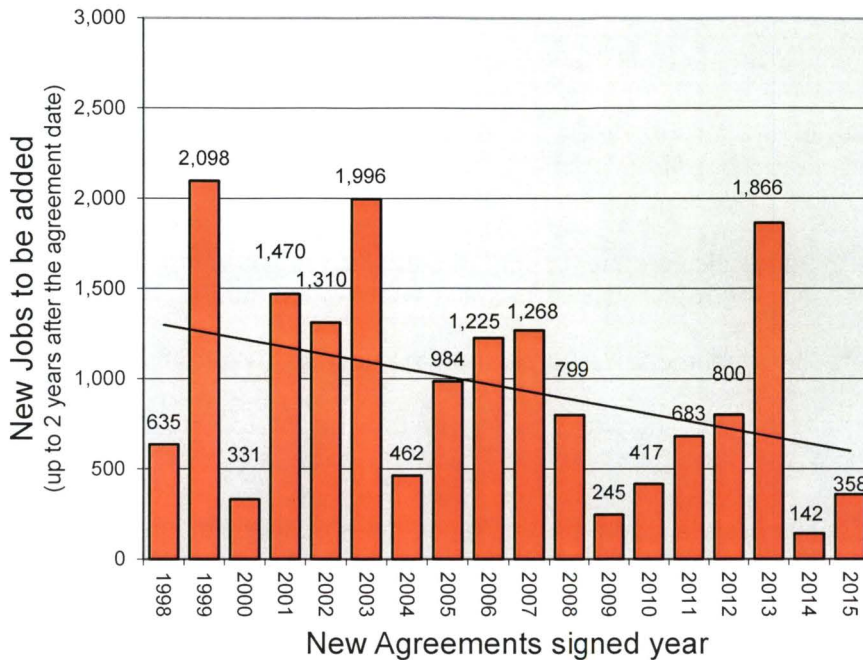
Many states have set caps on the amount of tax credits that can be claimed for each new job position, some reimburse on a percentage of actual training expenditures, or states have complex calculations based on the number of employees, employee state income tax withholding, and longevity with the company. Caps ranges have remained constant across other states from \$1,500 in Maryland, \$5,000 in Rhode Island, to \$6,500 in North Carolina. North Dakota's average investment of \$2,283.47 is aligned with other states.

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New Jobs Training Program, Projected New Positions by Calendar Years 1998 - 2015

The figures below are a projection of new positions that will be created in ND over two years following the date of the agreement. Agreements written in 2015, will show job creations in the years of 2016 and 2017. Agreements are based on an estimation of new jobs being created by the employer during the calendar year stated.

The projected number of new positions to be created can fluctuate from year to year due to agreement amendments for unexpected business events.



The actual number of new positions created is not fully known until the employer files their final quarterly statement and the agreement is closed.

An agreement is closed as it meets its ten year period, the loan is repaid, or the self-financing or grant obligations have been met, whichever comes first. Closed agreements in 2013-2015 had an average life of 9.5 years.

Since North Dakota state income tax is not withheld from the payroll of out-of-state residents, employers are not allowed to claim a credit for positions filled by out-of-state residents.

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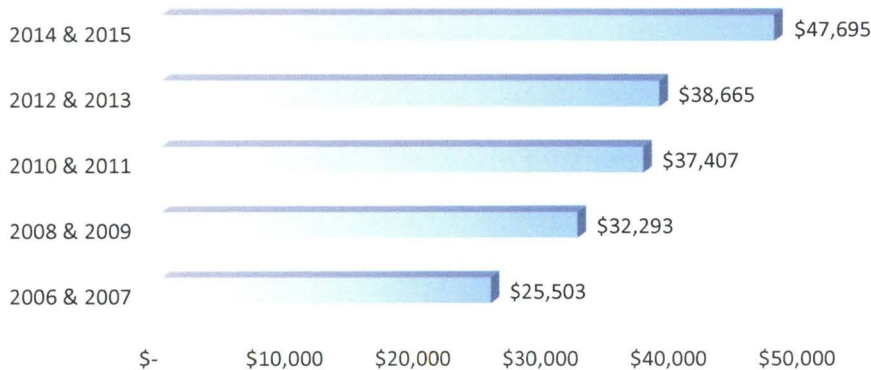
North Dakota New Jobs Training Program Biennium Performance

The most recent time for which North Dakota Century Code Section 54-60-19 accountability measures are available are the years of 2014 and 2015. During 2014 and 2015, Employers hired 630 employees into the newly created positions listed in ND New Jobs Training open agreements.

ND New Jobs Training Program Accountability Measures (2014 & 2015)			
	Pre-Training	1 Year After Training	
New Positions Filled in ND	Average Annual Salary	Average Annual Salary	Average Annual ND Income Tax Paid Per Participant
630	\$32,808	\$47,695	\$ 603.81

After one year of being hired into a newly created position, employees showed an average wage increase of 45%. North Dakota's unemployment wage records for these individuals generated an aggregate annual payroll of \$30 million.

Average Wage 1 Year into a New ND New Jobs Position



The primary sector business employees within ND New Jobs Training positions have shown an average wage increase of 87% in the 10 years shown.

Job Service North Dakota
 North Dakota New Jobs Training Program
 1000 E. Divide Avenue
 PO Box 5507
 Bismarck, North Dakota 58506-5507
 Telephone: (701) 328-3358
 Fax: (701) 328-4894
 TTY: (800) 366-6888

Job Service North Dakota is an equal opportunity employer/program provider. Auxiliary aids and services are available upon request to individuals with disabilities.

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Workforce 20/20 Report 2013-2015 Biennium



Helping train today's workers for new technologies.



Workforce 20/20 Training Program Background

The North Dakota legislative assembly enacted the Workforce 2000 Training Program in 1991 to help North Dakota employers train and upgrade their workers' skills. This state-funded training program was renamed Workforce 20/20 in 2005 and is designed to fill gaps left by federally-funded training programs.

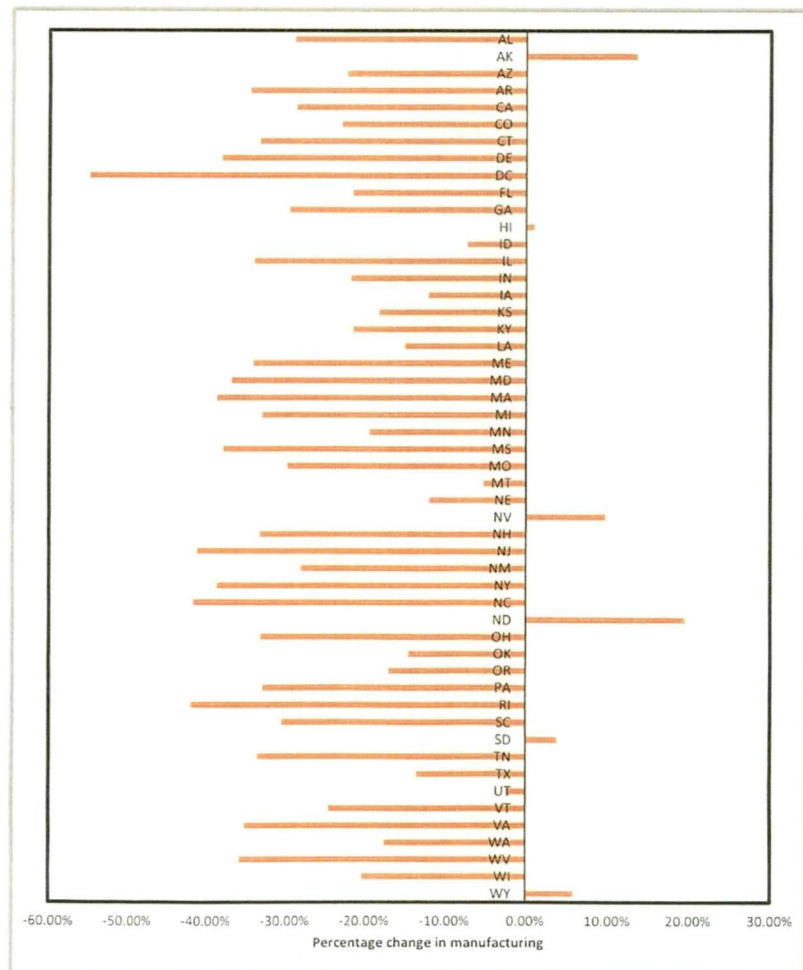
Over the past thirty years, rapid advances in technology, global competition, and the introduction of new work methods have placed an ever-increasing burden on North Dakota's employers to employ highly-skilled workers. Workforce 20/20 funding gives the employer access to training funds that can keep their businesses competitive in today's technologically advanced and global economy. Workforce 20/20 funding is available to assist with upgrading current workers' skills by reimbursing a portion of the cost for new technologies and production methods.

North Dakota's Economy

When most states were experiencing weakened economies, North Dakota's economy enjoyed unprecedented growth with contributions made by the energy, manufacturing, value-added agriculture, wholesale trade, and professional and technical service sectors. Some western North Dakota counties progressed into the oil industry at record speeds. High paying jobs in the oil fields caused pay rates and living costs to increase across the state.

Today, North Dakota's challenge is finding people to fill positions with a low unemployment rate and a high labor force participation rate. In order to support the increased demand for a skilled workforce and the growing number of businesses, the Workforce 20/20 program gives North Dakota a valuable tool to attract and retain employers and employees. The North Dakota Legislature's appropriation to the Workforce 20/20 program for the 2013-2015 biennium enabled Job Service to award \$1,110,745.37 in Workforce 20/20 funds to employers to train 1,290 ND participants.

As shown in the chart to the right; ND has been able to grow manufacturing while other states had significant losses in the industry, in part, due to funding assistance from the Workforce 20/20 program. North Dakota grew state manufacturing by adding over 3,400 jobs at a growth percentage of 19.53% between the years of 1998 and 2014.



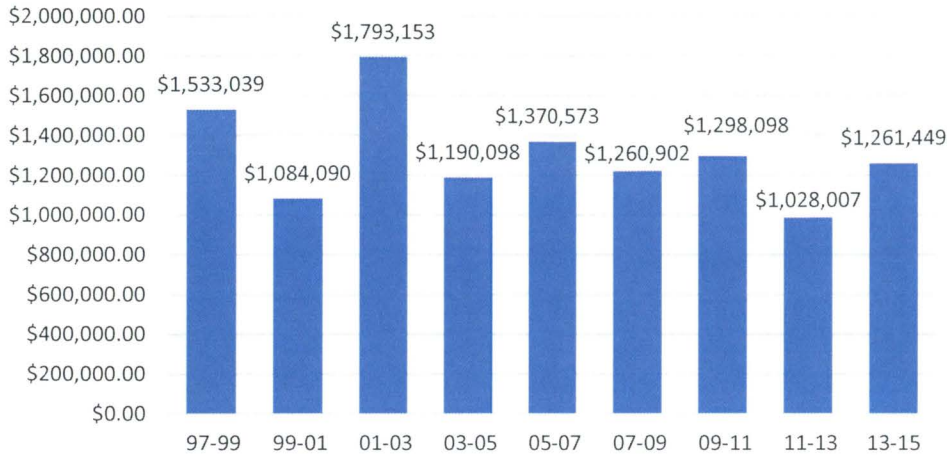
Bureau of Economic Analysis Table SA25N Employment & Wage Trends in Mfg., GSU

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Workforce 20/20, Funds Expended; Historical Overview 1997 – 2015

The North Dakota Legislative Assembly appropriates Workforce 20/20 program funds and returns unspent funds to the General Fund at the end of each biennium.

Workforce 20/20 Expended



During the 2013-15 biennium, \$1,541,924.00 was allocated. Final biennium spending was \$1,110,745.37 on training and \$150,703.98 on administrative costs at a total of \$1,261,449.35.

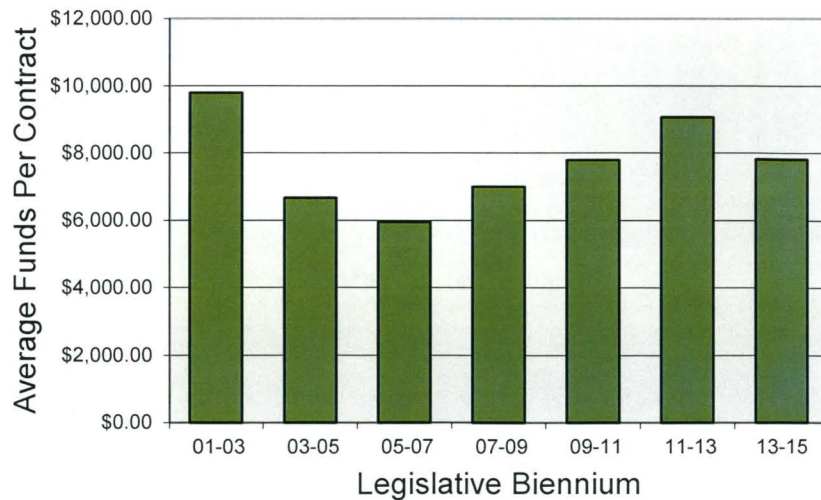
Job Service North Dakota operates within the administrative fee guidelines. The process is to re-obligate training funds as agreements come back with unspent obligations. This

biennium closed with \$140,728.94 returned to the General Fund due to insufficient time for re-obligation in the biennium.

Workforce 20/20, Average Contract Reimbursement Awarded 2001 – 2015

The average cost was lower during this biennium compared to the last biennium due to increased agreements for efficiency training, such as Lean concepts.

Funding for the 2013-15 biennium allowed the program to invest in 142 training contracts with an average investment of \$7,822.15 per contract.



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Workforce 20/20, Expenditures on New and Expanding Industry 2013 - 2015

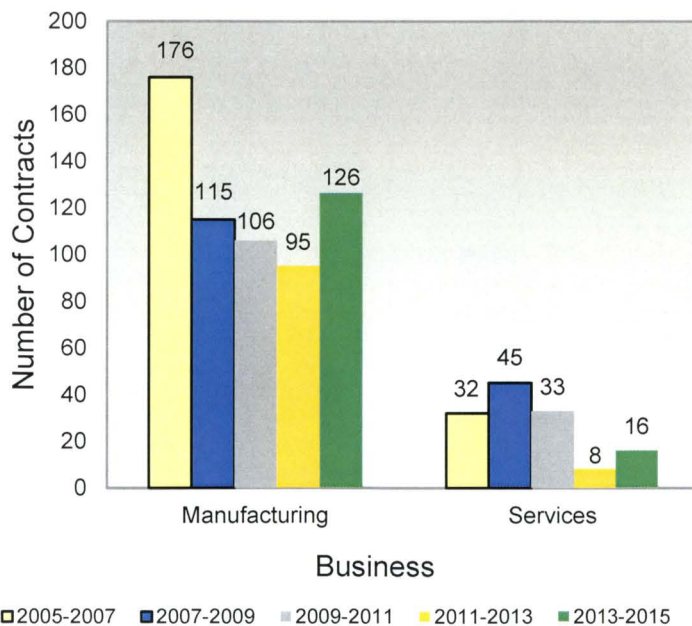
In an effort to enhance the growth potential of existing companies and expand the overall economic growth and development in North Dakota, the Workforce 20/20 program focuses on new and expanding businesses. During the 2013-15 biennium, 45%, or 586 of the 1,290 workers trained met this priority. 19% of the biennium's agreements went to rural businesses, another program focus.

Type of Business	Contracts Awarded	Workers [†] Trained	Expenditures Total	Percent of Total Expenditure
Expanding	73 10 Rural	537	\$415,979.55	37.57%
New	8 5 Rural	49	\$113,936.60	10.59%
<i>Subtotal New/Expanding</i>	81	586	\$529,916.15	48.16%
Existing	61 12 Rural	704	\$580,829.22	51.84%
Total	142	1,290	\$1,110,745.37	100.00%

[†] "Workers Trained" may include instances of the same employee receiving more than one training.

Workforce 20/20, Contracts by Business Type 2005 - 2015

By statute, the funding priority for Workforce 20/20 is applicants/employers who;



- (1) Are compatible with statewide economic development strategies,
- (2) Demonstrate business and community financial support and participation,
- (3) Coordinate activities and resources with other training programs,
- (4) Provide program follow-up and evaluation,
- (5) Provide training in occupations that pay not less than 200 percent of the federal and state minimum wage,
- (6) Provide training for unemployed and employed North Dakota residents for new and expanding businesses.

As shown to the left, the business sector with the most potential for promoting statewide economic development and growth during the last five biennium has been the manufacturing sector. High-tech service sector training was approximately 11% of the

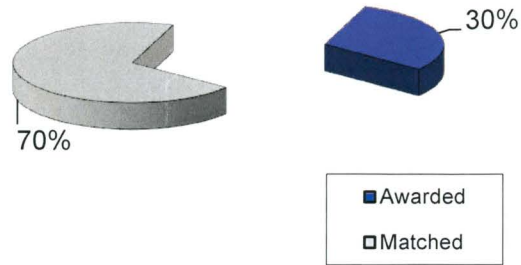
funded training during the 2013-2015 biennium. This sector showed an increase due to focus on the energy industry. Energy industry training was approximately 14% of the total biennium funding or \$159,347.36.

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Workforce 20/20, Value of Matching Contributions from Employers 2013 – 2015

North Dakota Century Code Section 52-08.1-03 requires companies to participate with in-kind contributions. Examples of matching funds are employees' wages and portions of the training fees not covered by Workforce 20/20 reimbursements. During the 2013-15 biennium, the Workforce 20/20 program invested an average of **\$978** per trainee and the employer's in-kind contribution averaged \$2,012 per trainee. Employers matched an average of \$2.33 for every reimbursement dollar received from Workforce 20/20. This was a slight decrease from the \$2.95 per funded dollar the previous biennium.

Source	Funds
Workforce 20/20 Funds	\$1,110,745.37
Employer In-kind Match	\$2,595,769.57
Total Training Costs	\$3,706,514.94

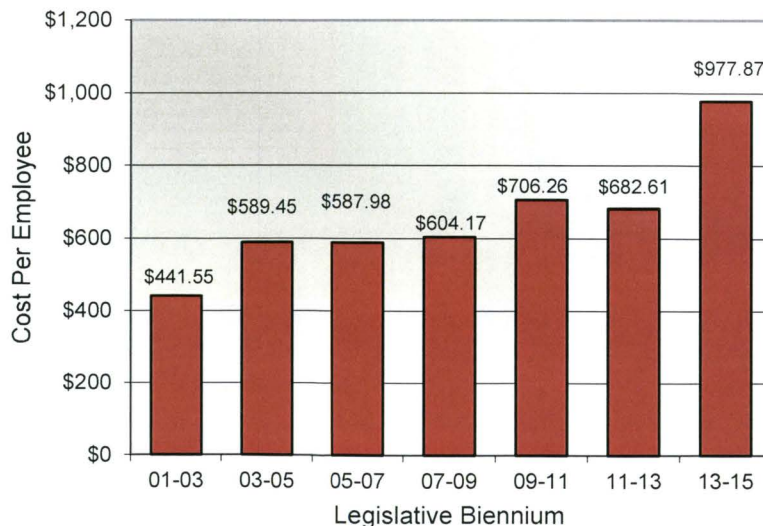


Workforce 20/20, Financial Impact for North Dakota

Using the North Dakota income tax withholding calculator and the average hourly wage rate of \$27.60 earned by the trainees one year after training, it takes North Dakota approximately **14 months, to recover the \$978 Workforce 20/20 investment** through state income tax withholdings from employees who received training. However, due to overtime pay, commissions, and bonuses, the recovery period through state income taxes can be much shorter. Also, the return on investment calculation does not consider increased collections of state sales taxes, motor vehicle excise taxes, fuel taxes, property taxes, or other excise taxes trainees may pay as a result of earning higher wages.

Workforce 20/20, Cost per Employee; Historical Overview 2001– 2015

Workforce 20/20 cost per employee varies from year to year based on the amount of funds expended, the number of employees trained, and the cost of training.

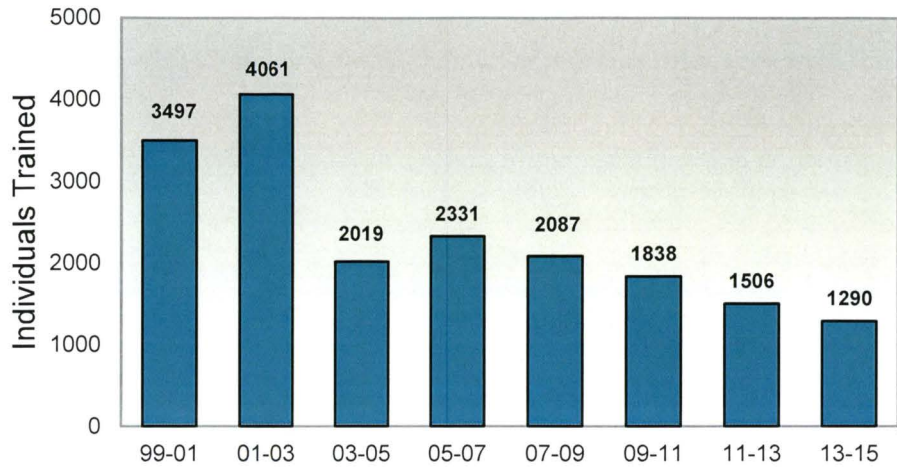


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Workforce 20/20, Individuals Trained each Biennium 1999 – 2015

Since inception of the program, employers have used Workforce 20/20 funding to train 28,076 employees. The chart to the right shows unduplicated training participants for each biennium. The number of employees trained with Workforce 20/20 funds each biennium is dependent on the funding available and the economic viability of the employers' proposals.

The selection of training and employers who will receive reimbursements goes beyond just training a large volume of employees. The overall economic impact is also considered, such as wages, generation of out-of-state revenue, and other economic benefits to the community or state.

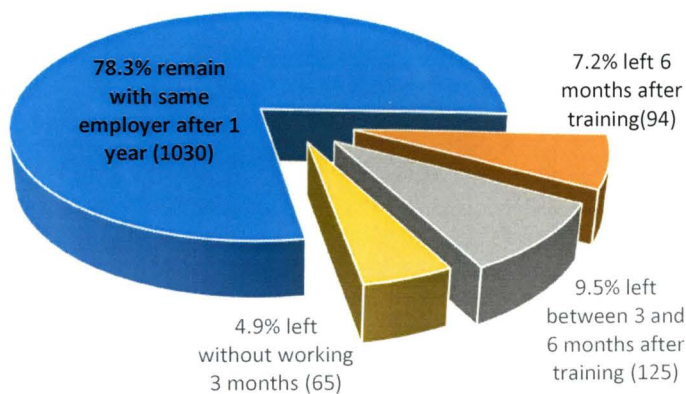


The Workforce 20/20 training program is an excellent asset to North Dakota. Employees who receive training through the program stay in North Dakota, earn increased incomes, and gain skills our state's employers need to remain competitive.

Workforce 20/20, Trained Employees with the Same Employer After 1 Year

A major goal of Workforce 20/20 is to help an employer retain their valued employees.

Participant trained with some Workforce 20/20 funding:



As finding replacement workers remained difficult; it became critical for employers to train for the needs of the employee and the business alike. Improved compensation also helps to retain employees.

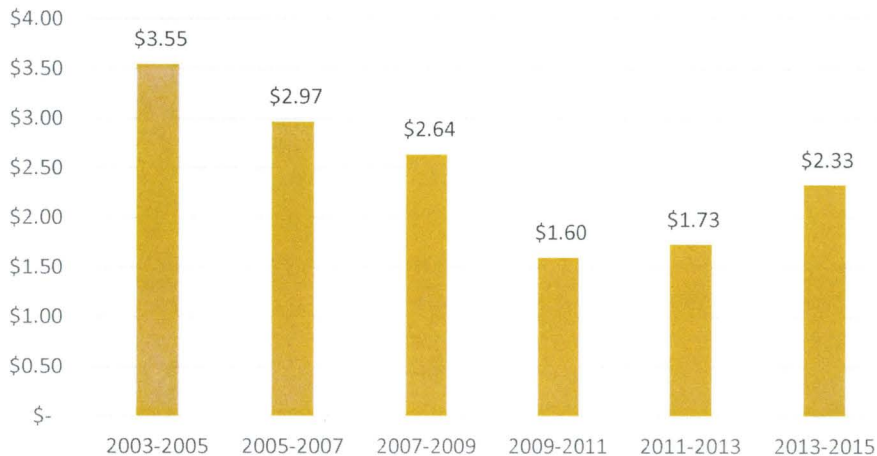
Of the 1,315 trainings during the 2013-2015 biennium, 350 individuals were trained once, and 593 participants took more than one class. Overall, an average of 1.36 trainings per participant was funded and only 13 participants that left before 1 year of employment had more than 1 training.

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Workforce 20/20, Average Hourly Wage Rate Increases 2003 – 2015

Wages of Workforce 20/20 trained individuals increased an average of \$2.33 per hour for the employees one year after they received training. Under the Workforce 20/20 program, North Dakota Century Code Section 52.08.1-02 gives priority to customized training, retraining, and upgrade training in occupations that pay not less than 200 percent of the federal and state minimum wage.

Average wage raise 1 year after training



During the 2013-15 biennium, 200 percent of the federal and state minimum wage was \$14.50 per hour. Hourly wage rates are collected prior to training and then again at 90-day, 180-day, and 1-year intervals after training completion.

Some of the companies seeking Workforce 20/20 funding were entering into contracts for efficiency training (e.g., Lean Manufacturing/productivity) again this biennium.

As a retention strategy, employers were focused on cross-training employees and improving efficiency. Employers invested in training their valued employees in an effort to retain the employee.

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Other Indicators Relating to the Effectiveness of the Workforce 20/20 Program

The effectiveness of a program goes beyond just measuring the increased numbers of businesses and employees benefiting from the program. A program can also be gauged by comments of those customers using the program. A survey is sent with every 90 Day Wage Request. Employers indicated they were "satisfied" in 100% of the surveys received. (86% were actually VERY satisfied.) The following employer comments attest to the success of the Workforce 20/20 Program during the 2013 – 2015 Biennium.

Improved Efficiency from training:

WF-032: "This training provided a greater understand on how to read blueprints. This has increased our quality and cut down on defects and rework."

WF-056: "More utilization of CAD techniques for better manufacturing"

WF-062: "The training for our employees has shown improvement in their mechanical trouble shooting skills. Quicker turn around on repairs."

WF-127: "We have maintenance employees that can now machine parts that we were unable to machine onsite before the training."

WF-141: "We were able to decrease our defect rate by having this training done"

Employment benefits:

WF-008: "Trained community- non welders - in welding. No new products but 10 ND residents learned a new skill."

WF-023: "It is difficult to say that new positions were created as a direct result of this funding. But our company is growing and adding new positions all the time. This funding helps us move employees into key, productive positions faster-fueling our growth"

WF-047: "Now, We can weld a 3G weld. We are trained to weld pressure vessels. This resulted in new products that we can build then sell."

WF-067: "Our main focus was retention of current employees w/ the shortage of applicants. Training has helped."

Program Comments:

WF-019: "Provides a great incentive to train workers"

WF-025: "We are thankful for the program and look forward to continuing it in the future"

WF-035: "Fast turnaround time, helpful with answering questions"

WF-048: "The assistance provided was exceptional"

WF-072: "We have always found the program as a great benefit"

WF-088: "The application process, documentation and final paperwork was very user friendly."

WF-098: "I highly recommend this program to keep business' in top technical form. Your support (Karyn) is very knowledgeable and prompt."

WF-104: "Excellent resource for developing employees"

WF-110: "Really appreciate the program"

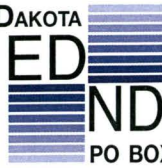
WF-123: "Very happy to have this program available to us"

Equipment Upgraded:

WF-051: "We expanded our CNC Lathe operations and added new machinery to our inventory"

WF-063: "Participants received a better understanding of how to use the CNC Lathe. They are able to do more projects on that machine.

WF-091: "We were able to purchase and implement an automated machine that cuts, drills, etc. our structural steel"



1-9-17

SB 2016/2017

#2
P1

January 9, 2017

Dear Chairman Holmberg and members of the Senate Appropriations Committee:

The Economic Development Association of North Dakota (EDND) represents more than 80 state economic development organizations on the front line of economic development efforts throughout North Dakota. The primary purpose of the organization is to support the creation of new wealth and the diversification of North Dakota's economy. It is for these reasons our organization and its members want to express support for SB 2016, the Job Service North Dakota appropriation bill.

EDND recognizes the importance of connecting businesses and education through expanded career counseling, career and technical education, and post-secondary education and training programs that support the state's most critical occupational needs. Job Service North Dakota serves as the conduit between job seekers and employers, and EDND supports additional funding and greater flexibility for Workforce 20/20 and New Jobs Training included in this bill.

Job Service provides many essential services for economic developers, including regional and company-specific job fairs, and is also a great resource for wage-related information for economic developers and businesses. We see the agency as the state's premier job source organization. Workforce 20/20 helps North Dakota's employers keep up with technical advances, global competition and new work methods, and is a valuable tool in retaining employees. Statistics show 95 percent of Workforce 20/20 trainees stay in North Dakota. New Jobs Training provides worker education and training specifically required for jobs in new and expanding primary-sector businesses, and encourages employers to create new, high-wage jobs in our state. Both of these programs provide a strong incentive in attracting new employers and employees to North Dakota.

Workforce availability is one of the most significant challenges facing North Dakota businesses, impacting the growth potential of the state's economy. EDND supports the development of workforce attraction, development and training strategies that address the needs of the state's companies. The investments included in this bill will continue to help grow and diversify our state's economy.

Thank you for this opportunity to address your committee and express our support for SB 2016.

Sincerely,

A handwritten signature in black ink, appearing to read 'Connie Ova', written in a cursive style.

Connie Ova
President

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

2-1-17 SB 2016 + 2019 # 1
 subcommittee P 1

	Burgum Executive Budget Recommendation (Changes to Dalrymple Budget in Bold)				Senate Version				Senate Changes to Executive Budget Increase (Decrease) - Executive Budget			
	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2017-19 Biennium Base Level	237.76	\$1,888,080	\$70,467,866	\$72,355,946	237.76	\$1,888,080	\$70,467,866	\$72,355,946	0.00	\$0	\$0	\$0
2017-19 Ongoing Funding Changes												
Adjusts funding for base payroll changes	(56.15)	(\$12,798)	(\$12,603,617)	(\$12,616,415)				\$0	56.15	\$12,798	\$12,603,617	\$12,616,415
Salary increase - Performance				0				0				0
Health insurance increase		3,048	451,863	454,911				0		(3,048)	(451,863)	(454,911)
Employee portion of health insurance		(1,597)	(236,712)	(238,309)				0		1,597	236,712	238,309
Reduces funding for operating expenses			(2,727,902)	(2,727,902)				0			2,727,902	2,727,902
Increases funding for participant training contract grants			54,245	54,245				0			(54,245)	(54,245)
Reduces funding for Workforce 20/20 program		(930,083)		(930,083)				0		930,083		930,083
Eliminates funding for Workforce 20/20 program		(502,407)		(502,407)				0		502,407		502,407
Reduces Reed Act funding			(1,460,560)	(1,460,560)				0			1,460,560	1,460,560
Total ongoing funding changes	(56.15)	(\$1,443,837)	(\$16,522,683)	(\$17,966,520)	0.00	\$0	\$0	\$0	56.15	\$1,443,837	\$16,522,683	\$17,966,520
One-time funding items												
No one-time funding items				\$0				\$0				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	(56.15)	(\$1,443,837)	(\$16,522,683)	(\$17,966,520)	0.00	\$0	\$0	\$0	56.15	\$1,443,837	\$16,522,683	\$17,966,520
2017-19 Total Funding	181.61	\$444,243	\$53,945,183	\$54,389,426	237.76	\$1,888,080	\$70,467,866	\$72,355,946	56.15	\$1,443,837	\$16,522,683	\$17,966,520
										325.0%	30.6%	33.0%

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

	Burgum Executive Budget Recommendation (Changes to Dalrymple Budget in Bold)
Reed Act funds	Section 3 provides a special fund appropriation of \$11,213,427 in Section 1 from federal Reed Act funds made available to the state by the federal Reed Act distributions made in federal fiscal years 1957, 1958, 1999, and 2002, pursuant to section 903 of the federal Social Security Act for the purpose of developing a modernized unemployment insurance computer system.
Federal funds	Section 4 provides all federal funds received by Job Service North Dakota in excess of those funds appropriated in Section 1 are appropriated for the 2017-19 biennium.

	Senate Version
Reed Act funds	
Federal funds	

17.8076.0100
Title .

2-1-17 2016+5B 2119 Subcommittee
Adopted by the Industry, Business and Labor Committee
~~January 25, 2017~~ #2

PROPOSED AMENDMENTS TO HOUSE BILL NO. 2119 SALE OF JOB SERVICE
PROPERTY P1

Page 1, line 11 after "law." insert "General fund proceeds must be deposited in the job service federal advanced interest repayment fund."

Page 1, line 18 after "law." insert "General fund proceeds must be deposited in the job service federal advanced interest repayment fund."

Page 2, line 2 after "law." insert "General fund proceeds must be deposited in the job service federal advanced interest repayment fund."

Re-number accordingly

NDLA, S APP ASST - Laning, Rose

Submitted 2-1-17 SB 2019 + 2016 #3

From: Krebsbach, Karen K.
Sent: Tuesday, February 07, 2017 3:19 PM
To: TLBoe@nd.gov; NDLA, S APP ASST - Laning, Rose
Subject: FW: Job Service North Dakota - Rolla Property
Attachments: Rolla Property Deed.pdf

PI

From: Kinnischtzke, Levi
Sent: Tuesday, February 7, 2017 2:35 PM
To: Krebsbach, Karen K. <kkrebsbach@nd.gov>
Subject: Job Service North Dakota - Rolla Property

Senator Krebsbach,

I called Rolette County concerning the Job Service North Dakota building and land located in Rolla, North Dakota. The clerk confirmed that the building and land, which matches the property listed in Section 1 of Senate Bill 2119, is indeed owned by Job Service North Dakota. The clerk provided a copy of the deed on file, which matches the records I viewed with Job Service North Dakota. In addition, the Department of Trust Lands has confirmed that the property in question, including the land, is not owned by their department.

Attached you will find the copy of the deed provided by the clerk. On the top of the page, you will note the sale from First Bank to Job Service North Dakota, dated December 29, 1986 and signed February 6, 1987.

I have had discussions with Job Service North Dakota on this topic and they are prepared to discuss the matter further and provide additional documentation to support the ownership of the property by Job Service if necessary at the next subcommittee meeting on Senate Bill No. 2119 or Senate Bill No. 2016.

If you have any additional questions, please let me know.

Thank you.

Levi Kinnischtzke, CPA
Fiscal Analyst
North Dakota Legislative Council
(701)-328-3694
lkinnischtzke@nd.gov

2-1-17 SB 2019+2016 Subcommittee #3

THIS INDENTURE, Made this 29th day of December, 1986, between First Bank Rolla, P.O. Box 789, Rolla, North Dakota 58367 a corporation under the laws of the State of North Dakota grantor, and The State of North Dakota in trust for the use and benefit of Job Service North Dakota a corporation under the laws of the State of North Dakota grantee, whose post office address is 1000 East Divide Ave., Box 1537, Bismarck, ND 58502

WITNESSETH, For and in consideration of the sum of ONE DOLLAR AND OTHER GOOD AND VALUABLE CONSIDERATION Dollars, grantor does hereby GRANT to grantee, all of the following real property lying and being in the County of Rolette and State of North Dakota, and described as follows, to-wit:

Lots Seventeen (17) and Eighteen (18), in Block Seven (7), in the Original Townsite of the City of Rolla, Rolette County, North Dakota

I certify that this transaction is exempt from the provisions of N.D.C.C. Section 11-18-02.2, because it is a sale to a government agency.

Signed: Michael Weiss Grantee or Agent Date: 2/6/87

And the grantor for itself, its successors and assigns, does covenant with the grantee that it is well seized in fee of the land and premises aforesaid and has good right to sell and convey the same in manner and form aforesaid; that the same are free from all incumbrances, except installments of special assessments or assessments for special improvements which have not been certified to the County Auditor for collection,

and the above granted lands and premises in the quiet and peaceable possession of said grantee, against all persons lawfully claiming or to claim the whole or any part thereof, the said grantor will warrant and defend.

IN TESTIMONY WHEREOF, The said grantor has caused these presents to be executed in its corporate name by its and its and its corporate seal to be hereunto affixed.

FIRST BANK ROLLA

By Carl R. Bohm

Its President

By Daniel B. Willman

Its Vice President

In the presence of

STATE OF NORTH DAKOTA } ss. COUNTY OF ROLETTE

On this 29th day of December, 1986, before me, personally appeared and to me known to be the President and Vice President of the corporation that is described in, and that executed the foregoing instrument, and acknowledged to me that such corporation executed the same.

My commission expires: ARNE F. BOYUM, JR. Sept 25, 1990 September 25 1990

Arne F. Boyum, Jr. Notary Public County, N. D.

STATE OF NORTH DAKOTA } ss. COUNTY OF ROLETTE

I hereby certify that the within Deed was filed in this office for record on the 12th day of February, 1987, at 1:45 o'clock P.M. and was duly recorded as Document No. 33546 in Book "67" of Deeds, Page 321.



Table with 2 columns: Field Name and Value. Fields include DOC. NO., COPIED, GRANTOR, GRANTEE, COMPARED, TRACT, MARGINED.

Deeds and special assessments or installments of special assessments paid and transfer entered this 12th day of February, 1987.

Colleen J. Bertsch Register of Deeds

Judith H. Bopp County Auditor

By Deputy

By H.B. Deputy

17.0524.01001
 Title.
 Fiscal No. 1

Prepared by the Legislative Council staff for
 Senate Appropriations Committee
 February 15, 2017

SB 2016, 2-16-17

#1

p1

PROPOSED AMENDMENTS TO SENATE BILL NO. 2016

Page 1, replace lines 12 through 22 with:

"Salaries and wages	\$39,604,238	(\$12,416,615)	\$27,187,623
Operating expenses	13,479,157	(2,727,902)	10,751,255
Capital assets	20,000	0	20,000
Grants	5,404,326	54,245	5,458,571
Workforce 20/20	1,441,225	(938,818)	502,407
Reed Act - unemployment insurance	<u>12,407,000</u>	<u>(1,196,714)</u>	<u>11,210,286</u>
computer modernization			
Total all funds	\$72,355,946	(\$17,225,804)	\$55,130,142
Less estimated income	<u>70,467,866</u>	<u>(16,285,971)</u>	<u>54,181,895</u>
Total general fund	\$1,888,080	(\$939,833)	\$948,247
Full-time equivalent positions	237.76	(56.15)	181.61"

Page 2, line 9, replace "\$12,407,000" with "\$11,210,286"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2016 - Job Service North Dakota - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$39,604,238	(\$12,416,615)	\$27,187,623
Operating expenses	13,479,157	(2,727,902)	10,751,255
Capital assets	20,000		20,000
Grants	5,404,326	54,245	5,458,571
Workforce 20/20	1,441,225	(938,818)	502,407
Reed Act - Computer modernization	<u>12,407,000</u>	<u>(1,196,714)</u>	<u>11,210,286</u>
Total all funds	\$72,355,946	(\$17,225,804)	\$55,130,142
Less estimated income	<u>70,467,866</u>	<u>(16,285,971)</u>	<u>54,181,895</u>
General fund	\$1,888,080	(\$939,833)	\$948,247
FTE	237.76	(56.15)	181.61

Department No. 380 - Job Service North Dakota - Detail of Senate Changes

	Adjusts Funding for Base Payroll Changes ¹	Adds Funding for Health Insurance Increases ²	Adjusts Base Level Funding ³	Reduces Funding for Workforce 20/20 Program ⁴	Reduces Reed Act Funding ⁵	Total Senate Changes
Salaries and wages	(\$12,859,057)	\$442,442				(\$12,416,615)
Operating expenses			(2,727,902)			(2,727,902)
Capital assets						
Grants			54,245			54,245
Workforce 20/20	(11,142)	2,407		(930,083)		(938,818)
Reed Act - Computer modernization	253,784	10,062			(1,460,560)	(1,196,714)
Total all funds	(\$12,616,415)	\$454,911	(\$2,673,657)	(\$930,083)	(\$1,460,560)	(\$17,225,804)
Less estimated income	<u>(12,603,617)</u>	<u>451,863</u>	<u>(2,673,657)</u>	<u>0</u>	<u>(1,460,560)</u>	<u>(16,285,971)</u>
General fund	(\$12,798)	\$3,048	\$0	(\$930,083)	\$0	(\$939,833)
FTE	(56.15)	0.00	0.00	0.00	0.00	(56.15)

#1
p2

¹ Funding is adjusted for cost-to-continue 2015-17 biennium salaries and benefit increases and for other base payroll changes. Funding is removed for 56.15 FTE positions.

² Funding is added for increases in health insurance premiums from \$1,130 to \$1,249 per month.

³ Base level funding is adjusted as follows:

	Other Funds
Reduces funding for operating expenses, including reductions to information technology contractual services and repairs and information technology software	(\$2,727,902)
Increases federal funding for participant training contract grants	<u>54,245</u>
Total	(\$2,673,657)

⁴ Funding is reduced for the workforce 20/20 program to provide a total appropriation of \$502,407 for the program.

⁵ Funding for the unemployment insurance computer modernization project from the Reed Act is reduced to provide a total appropriation of \$11,210,286 for the project.

This amendment also amends Section 3 to identify special funds of \$11,210,286 included in Section 1 are from federal Reed Act funds.

Department 380 - Job Service North Dakota
Senate Bill No. 2016

Dalrymple Executive Budget Comparison to Prior Biennium Appropriations

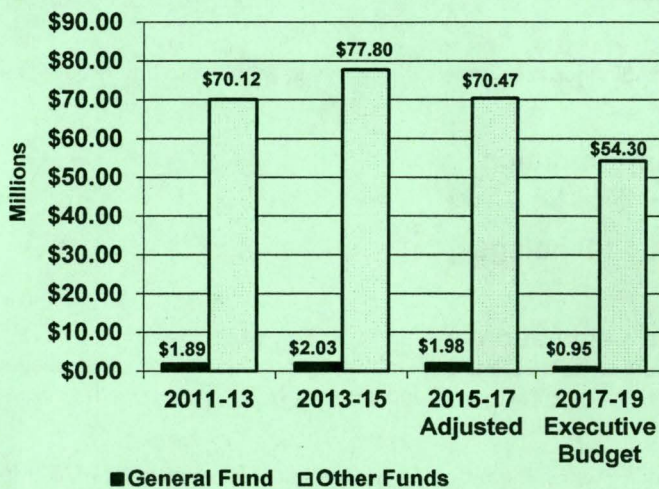
	FTE Positions	General Fund	Other Funds	Total
2017-19 Dalrymple Executive Budget	181.61	\$949,014	\$54,295,639	\$55,244,653
2015-17 Adjusted Legislative Appropriations ¹	237.76	1,977,580	70,467,866	72,445,446
Increase (Decrease)	(56.15)	(\$1,028,566)	(\$16,172,227)	(\$17,200,793)

¹The 2015-17 biennium agency appropriation amounts reflect general fund budget reductions made in August 2016.

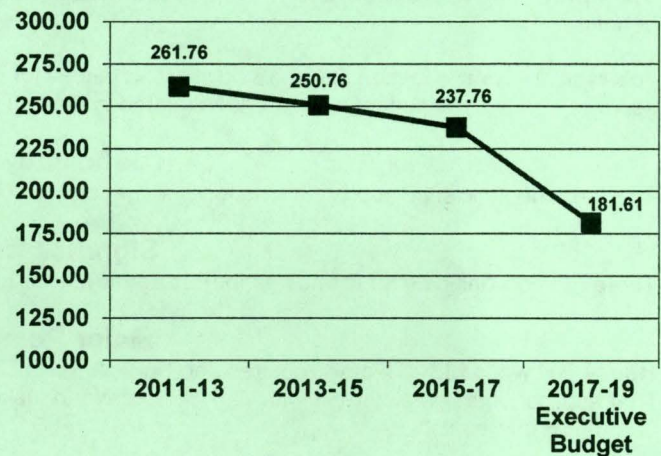
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2017-19 Dalrymple Executive Budget	\$949,014	\$0	\$949,014
2015-17 Adjusted Legislative Appropriations	1,888,080	89,500	1,977,580
Increase (Decrease)	(\$939,066)	(\$89,500)	(\$1,028,566)

Agency Funding



FTE Positions



Dalrymple Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2017-19 Dalrymple Executive Budget	\$949,014	\$54,295,639	\$55,244,653
2017-19 Base Level	1,888,080	70,467,866	72,355,946
Increase (Decrease)	(\$939,066)	(\$16,172,227)	(\$17,111,293)

First House Action

Attached is a comparison worksheet detailing first house changes to base level funding and the executive budget.

**Dalrymple and Burgum Executive Budget Highlights
(With First House Changes in Bold)**

	General Fund	Other Funds	Total
1. Adds funding for state employee salary and benefit increases, of which \$114,511 is for salary increases and \$454,911 is for health insurance increases. (The Burgum budget removed funding for salary increases and provided for employees to pay for a portion of health insurance.) The Senate removed funding for the salary increases.	\$3,815	\$565,607	\$569,422
2. Adjusts funding for base payroll changes, including a reduction of 56.15 FTE positions	(\$12,798)	(\$12,603,617)	(\$12,616,415)
3. Reduces funding for operating expenses, including reductions to information technology contractual services and repairs and information technology software	\$0	(\$2,727,902)	(\$2,727,902)

4. Increases federal funding for participant training contract grants	\$0	\$54,245	\$54,245
5. Reduces funding for the Workforce 20/20 program	(\$930,083)	\$0	(\$930,083)
6. Reduces Reed Act funding	\$0	(\$1,460,560)	(\$1,460,560)
7. (The Burgum budget eliminated the Workforce 20/20 program.) The Senate did not eliminate the Workforce 20/20 program.	(\$502,407)		(\$502,407)

Other Sections in Senate Bill No. 2016

Reed Act funds - Section 3 provides a special fund appropriation of \$11,210,286 in Section 1 from federal Reed Act funds made available to the state by the federal Reed Act distributions made in federal fiscal years 1957, 1958, 1999, and 2002, pursuant to section 903 of the federal Social Security Act for the purpose of developing a modernized unemployment insurance computer system.

Federal funds - Section 4 provides all federal funds received by Job Service North Dakota in excess of those funds appropriated in Section 1 are appropriated for the 2017-19 biennium.

Continuing Appropriations

Federal advance interest repayment fund - North Dakota Century Code Section 52-04-22 - Collection of penalty and interest on delinquent unemployment insurance contribution reports and payment of any interest due on federal and nonfederal obligations of the unemployment insurance trust fund.

Unemployment insurance tax fund - Section 52-03-04 - Collection of unemployment taxes and the payments of unemployment benefits.

Job task analysis - Section 52-08-13 - Collection of fees for providing job task analysis services to employers that request such services and the payment of the expenses related to the activity.

Deficiency Appropriation

There are no deficiency appropriations for this agency.

Significant Audit Findings

There are no significant audit findings for this agency.

Major Related Legislation

House Bill No. 1132 - This bill requires Job Service North Dakota to complete a criminal background check on all employees, final applicants for employment with Job Service North Dakota, and contractors of Job Service North Dakota with access to federal tax information.

House Bill No. 1196 - This bill expands the expense categories for which the federal advance interest repayment (FAIR) fund can be used. The revenue deposited in the fund consists of interest and penalty funds collected by the unemployment insurance program. Currently, funds are authorized for building and lease expenditures, state fleet charges, and renovation and maintenance costs. This bill would allow for additional administration costs for the unemployment insurance program to be paid through the FAIR fund.

Senate Bill No. 2104 - This bill requires a written agreement between Job Service North Dakota and the Information Technology Department for disclosure of any data identifying individual unemployment insurance wage data.

Senate Bill No. 2119 - This bill authorizes the state of North Dakota, acting through Job Service North Dakota, to sell certain property and to declare an emergency.

Senate Bill No. 2311 - This bill allows cities and counties to assign liability for employment insurance large construction projects to up to five general or prime contractors from the current level of one. Other project owners are limited to one bond assignment. An emergency clause is included to allow these changes to be effective during the 2015-17 biennium.

Department 380 - Job Service North Dakota

Appropriations Comparisons to the Original and Adjusted Base Budgets

General Fund Appropriations Adjustments (As a result of the August 2016 General Fund Budget Reductions)

	Ongoing	One-Time	Total
2015-17 original general fund appropriations	\$2,026,691	\$89,500	\$2,116,191
General fund reductions	(138,611)	0	(138,611)
Adjusted 2015-17 appropriations	\$1,888,080	\$89,500	\$1,977,580
Dalrymple Executive Budget changes	(939,066)	(89,500)	(1,028,566)
2017-19 Dalrymple Executive Budget	\$949,014	\$0	\$949,014

Summary of August 2016 General Fund Budget Reductions

	Ongoing	One-Time	Total
Reduced funding for Workforce 20/20 program	(\$138,611)	\$0	(\$138,611)
Total reductions	(\$138,611)	\$0	(\$138,611)
Percentage reduction to ongoing and one-time general fund appropriations	6.84%	0.00%	6.55%

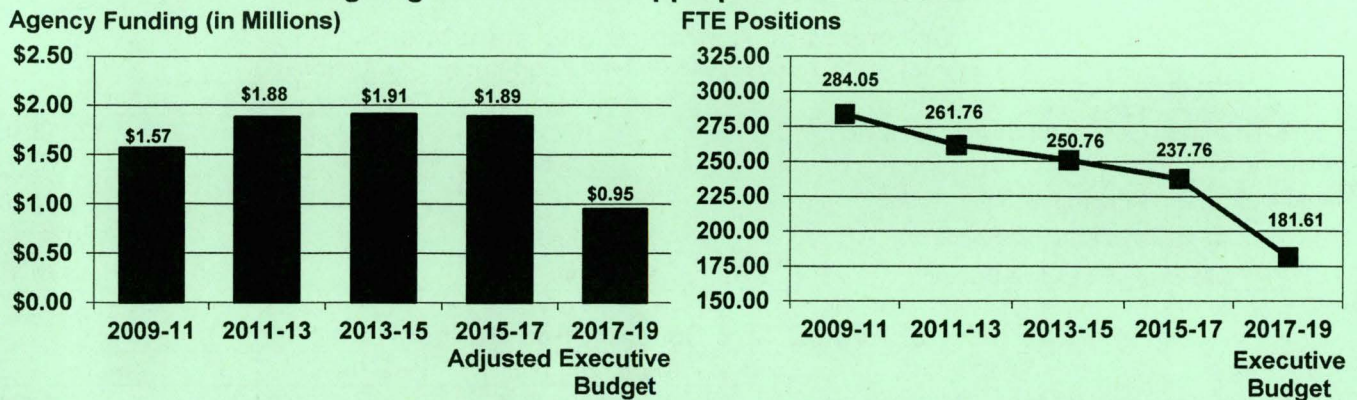
2017-19 Dalrymple Executive Budget Changes to the Original and Adjusted Base Budgets

	Changes to Original Budget	Budget Reduction Adjustments	Changes to Adjusted Budget
Adds funding for recommended salary and benefit increases	\$3,815	\$0	\$3,815
Adjusts funding for base payroll changes	(12,798)	0	(12,798)
Reduces funding for Workforce 20/20 program	(1,068,694)	138,611	(930,083)
Total	(\$1,077,677)	\$138,611	(\$939,066)

Department 380 - Job Service North Dakota

Historical Appropriations Information

Ongoing General Fund Appropriations Since 2009-11



Ongoing General Fund Appropriations					
	2009-11	2011-13	2013-15	2015-17 Adjusted	2017-19 Dalrymple Executive Budget
Ongoing general fund appropriations	\$1,565,442	\$1,879,892	\$1,910,235	\$1,888,080	\$949,014
Increase (decrease) from previous biennium	N/A	\$314,450	\$30,343	(\$22,155)	(\$939,066)
Percentage increase (decrease) from previous biennium	N/A	20.1%	1.6%	(1.2%)	(49.7%)
Cumulative percentage increase (decrease) from 2009-11 biennium	N/A	20.1%	22.0%	20.6%	(39.4%)

Major Increases (Decreases) in Ongoing General Fund Appropriations

2011-13 Biennium

- 1. Added funding to continue job spidering online employment tool \$300,000

2013-15 Biennium

- 1. No major changes identified

2015-17 Biennium

- 1. Added funding for Virtual OneStop application to allow access to Job Service North Dakota job listings \$100,000

2017-19 Biennium (Dalrymple and Burgum Executive Budget Recommendations)

- 1. Reduces funding for the Workforce 20/20 program (\$930,083)
- 2. The Burgum budget eliminated the Workforce 20/20 program. (The Senate did not eliminate the Workforce 20/20 program.) (\$502,407)

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

	Burgum Executive Budget Recommendation (Changes to Dalrymple Budget in Bold)				Senate Version			
	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total
2017-19 Biennium Base Level	237.76	\$1,888,080	\$70,467,866	\$72,355,946	237.76	\$1,888,080	\$70,467,866	\$72,355,946
2017-19 Ongoing Funding Changes								
Adjusts funding for base payroll changes	(56.15)	(\$12,798)	(\$12,603,617)	(\$12,616,415)	(56.15)	(\$12,798)	(\$12,603,617)	(\$12,616,415)
Salary increase - Performance				0				0
Health insurance increase		3,048	451,863	454,911		3,048	451,863	454,911
Employee portion of health insurance		(1,597)	(236,712)	(238,309)				0
Reduces funding for operating expenses			(2,727,902)	(2,727,902)			(2,727,902)	(2,727,902)
Increases funding for participant training contract grants			54,245	54,245			54,245	54,245
Reduces funding for Workforce 20/20 program		(930,083)		(930,083)		(930,083)		(930,083)
Eliminates funding for Workforce 20/20 program		(502,407)		(502,407)				0
Reduces Reed Act funding			(1,460,560)	(1,460,560)			(1,460,560)	(1,460,560)
Total ongoing funding changes	(56.15)	(\$1,443,837)	(\$16,522,683)	(\$17,966,520)	(56.15)	(\$939,833)	(\$16,285,971)	(\$17,225,804)
One-time funding items								
No one-time funding items				\$0				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	(56.15)	(\$1,443,837)	(\$16,522,683)	(\$17,966,520)	(56.15)	(\$939,833)	(\$16,285,971)	(\$17,225,804)
2017-19 Total Funding	181.61	\$444,243	\$53,945,183	\$54,389,426	181.61	\$948,247	\$54,181,895	\$55,130,142

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

	Burgum Executive Budget Recommendation (Changes to Dalrymple Budget in Bold)	Senate Version
Reed Act funds	Section 3 provides a special fund appropriation of \$11,210,286 in Section 1 from federal Reed Act funds made available to the state by the federal Reed Act distributions made in federal fiscal years 1957, 1958, 1999, and 2002, pursuant to section 903 of the federal Social Security Act for the purpose of developing a modernized unemployment insurance computer system. (The Burgum budget recommendation reduces this section.)	Section 3 provides a special fund appropriation of \$11,210,286 in Section 1 from federal Reed Act funds made available to the state by the federal Reed Act distributions made in federal fiscal years 1957, 1958, 1999, and 2002, pursuant to section 903 of the federal Social Security Act for the purpose of developing a modernized unemployment insurance computer system.
Federal funds	Section 4 provides all federal funds received by Job Service North Dakota in excess of those funds appropriated in Section 1 are appropriated for the 2017-19 biennium.	Section 4 provides all federal funds received by Job Service North Dakota in excess of those funds appropriated in Section 1 are appropriated for the 2017-19 biennium.

Job Service North Dakota Testimony SB2016

2017 House Appropriations
Education and Environment Division

Cheri Giesen
Executive Director



Agency Overview

Job Service North Dakota . . . Proud to be our state's workforce agency.

- Administer federal and state employment programs
- Administer the Unemployment Insurance program
- Provide critical labor market information
- Deliver workforce training and reemployment services
- Provide services to targeted workforce sectors

Vision:

Job Service North Dakota strengthens the economy of North Dakota as a strategic partner in the delivery of workforce services

Valued Partnerships



NORTH DAKOTA
GAME AND FISH DEPARTMENT

Veterans Service Organizations

Community Organizations



ND Dept. of Labor



Local Chambers of Commerce



Update on Job Service Operations

New Federal Regulations

Workforce Innovation and Opportunity Act (WIOA)

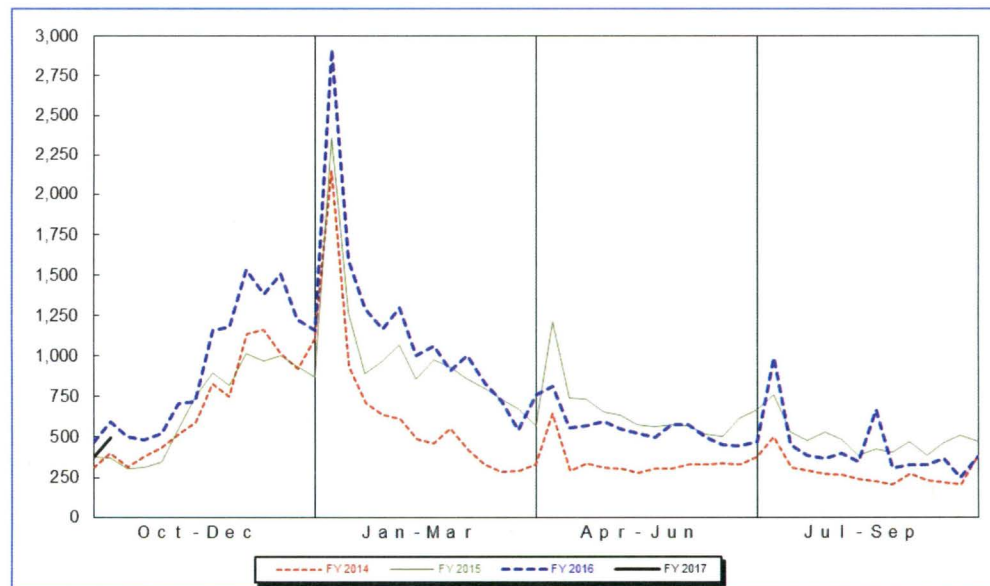
- Final regulations posted August 2016
- New reporting requirements and performance measures
- Created Eligible Training Provider list
- Developed In-Demand Occupation list (handout)

Increased Workload

- Over last 10 years
 - Unemployment Insurance program
 - Number of employers have grown by 34%
 - Covered wages have grown by 130%
 - Claims filed have grown by 37%
 - Appeals filed have grown by 159%
 - Benefits paid have grown by 345%

Unemployment Insurance Department

- Concerned with the increase number of claims in 2015
- Predicted 2016 claims would be higher but would peak
 - Expected claims in the 1st quarter of 2016 to be very high
 - Actual claim volumes exceeded our expectations of growth by a large margin, and remained high through much of 2016



What Actions Have We Taken?

- Requested short-term state funding to assist in staffing to process 1st quarter of 2016 claims increases
- Emergency Commission approved of the request, sending the request to the Budget Section
- Budget Section did not approve of request
 - Job Service understood the basis of the decision
 - State funding of a federally funded program is not desired
 - Subsidizing federal funds should be a decision which included all of the legislators
 - Limited state funds were available

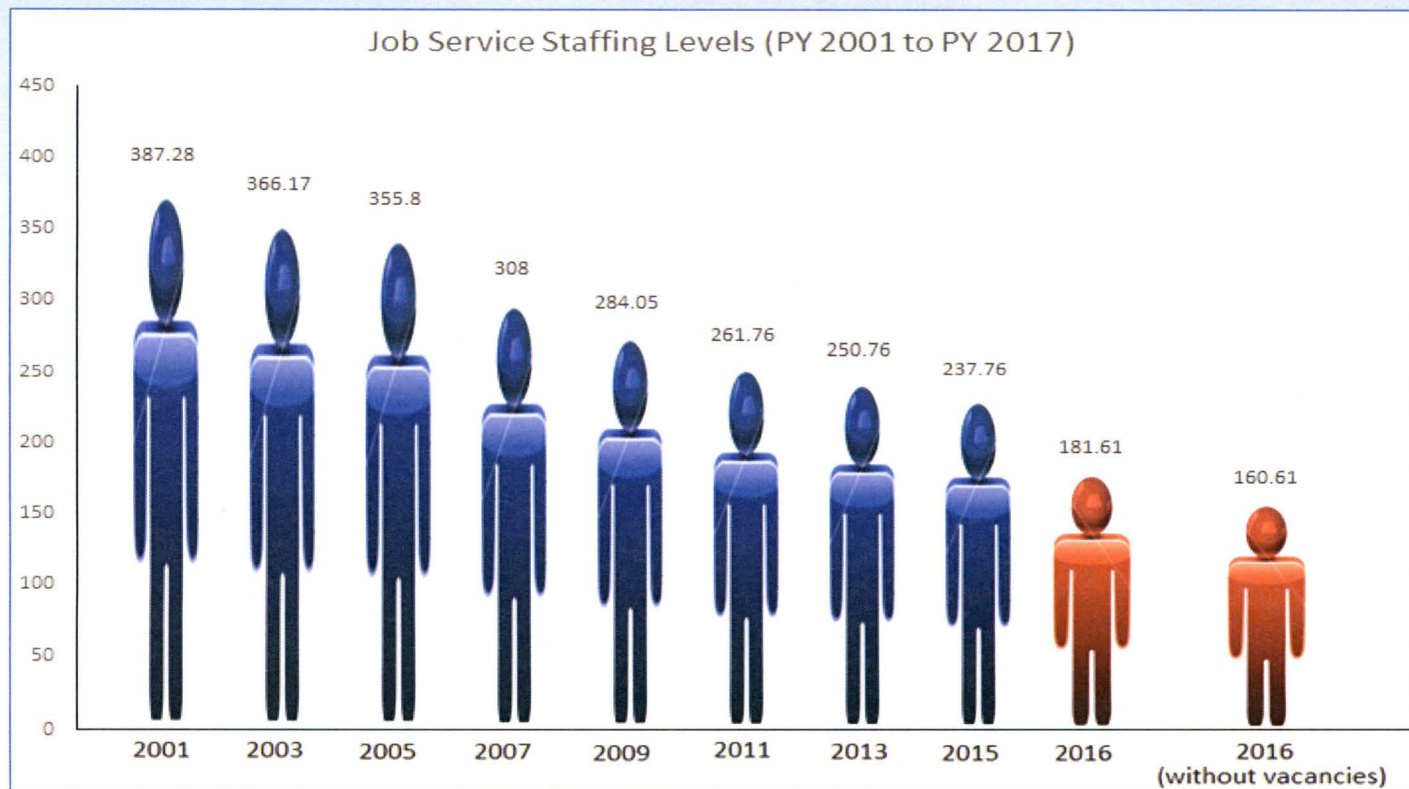
What Actions Have We Taken?

- Restructured agency
 - Focused changes on service delivery – not straight across the board cuts
 - Restructured UI claims area and reduced temporary staffing
 - Restructured administrative area and consolidated duties
 - Realigned our services to a sustainable format
 - Identified priority of service in line with specific federal funding source
 - Discontinued employer employment testing
 - Streamlined management
 - Consolidated leadership and reduced the number of directors
- Did not fill open positions
 - 16 positions were not filled
 - Did not receive funding for these positions

What Actions Have We Taken?

- Implemented a voluntary separation program
 - 20 people voluntarily separated
- Eliminated temporary staff
 - 13 temporary staff
- Reduction in force on January 7, 2016
 - 22 regular staff were laid off
- Net FTE count down 58 from 2015
 - 2015 – 238
 - 2016 – 180 (11 of these positions are currently unfilled)

What Actions Have We Taken?



What Actions Have We Taken?

- Analyzed customer traffic patterns to align staffing and facilities
- Regional model to deliver workforce services. Closed seven offices statewide
 - Grafton
 - Valley City
 - Rolla
 - Beulah
 - Oakes
 - New Town
 - Harvey
- Began an analysis of all locations to determine where cost savings could be realized
 - Potential to sell facilities and lease at a lower rate, etc.

What Actions Have We Taken?

- Business process modeling in each division to gain efficiencies
 - Years of flat funding has caused the agency to become very efficient out of necessity
 - Many further efficiencies have been identified but IT costs and limited funding prevent implementation
- Reduced already low operational costs
 - Analyzed internal print shop operations and moved those operations to OMB
 - Began encouraging customers to access materials online to reduce print charges and printing on demand for those items we continue to print
 - Reduced travel

What Actions Have We Taken?

- Increased Automation
 - Fall of 2015, changes to the existing internet-based system and IVR to complete automation of claim intake/filing
 - A projected 4 month IT project was completed in 1 ½ months
 - Eliminated much need for staff intervention in filing a claim
 - Minimized the number of temporary staff needed
 - Freed up staff to determine claimant eligibility for benefits

What Actions Have We Taken?

- Revised scheduling of appeals business processes
 - Only appeals involving single party are processed in new block scheduling format
 - Typical appeal takes 30 to 60 minutes to complete with an additional 30 to 60 minutes needed to write and process the referee's decision
 - Normal processing allows between 12 and 20 appeal hearings per day
 - Block scheduling allows between 50 and 100 appeals to be completed per day
 - Had over 1,400 appeals pending - now reduced to 308
- Different process than federal performance metrics which indicates first in – first out

Future Federal Funding and Expenditure Projections

Agency Funding

- Agency federal funding has decreased since 2007

Biennium	07-09		09-11		11-13		13-15		15-17	
<i>Wagner Peyser</i>	\$5,395,540	\$5,301,280	\$5,302,783	\$5,302,783	\$5,292,177	\$5,282,176	\$5,005,887	\$5,005,890	\$4,992,444	\$5,111,188
<i>Workforce Investment Act</i>	\$5,376,112	\$5,590,021	\$5,294,922	\$5,104,054	\$4,446,938	\$4,438,612	\$4,207,404	\$4,464,523	\$4,535,464	\$4,883,896
<i>Unemployment Insurance - Base</i>	\$6,380,666	\$6,422,801	\$6,117,771	\$6,316,983	\$6,729,310	\$6,372,004	\$6,534,481	\$5,975,768	\$6,413,040	\$6,585,016
<i>Unemployment Insurance - Above Base</i>	\$164,823	\$1,073,348	\$947,363	\$494,607	\$319,479	\$576,560	\$616,343	\$1,123,952	\$1,666,439	\$850,000
<i>Labor Market Information</i>	\$884,462	\$899,733	\$947,317	\$928,392	\$938,958	\$865,457	\$873,675	\$872,971	\$847,502	\$871,004
<i>Other Federal Program Funding</i>	\$5,409,061	\$2,027,159	\$8,877,015	\$5,724,745	\$5,972,136	\$4,497,699	\$4,107,466	\$2,373,978	\$6,106,596	\$1,674,559
Total Federal Funding	\$23,610,664	\$21,314,342	\$27,487,171	\$23,871,564	\$23,698,998	\$22,032,508	\$21,345,256	\$19,817,082	\$24,561,485	\$19,975,663
	\$44,925,006		\$51,358,735		\$45,731,506		\$41,162,338		\$44,537,148	

- Unemployment Insurance above base funding has kept North Dakota afloat
 - Quarterly federal funding distribution based upon state workload
 - Above base only provided when the USDOL has remaining federal funding
- Currently operating on federal continuing resolution (CR)
- Discussion about 5% reduction in Unemployment Insurance program
- Watching any changes with new presidential administration

Agency Forecast Five Year Budget

- Created a five year budget assuming flat funding and normal inflationary increase operational expenditure
 - Will modify budget each year with current information
- Four major federal funding pools
 - Labor Market Information
 - Wagner- Peyser – funds local office
 - Workforce Innovation and Opportunity Act - funds workforce training
 - Unemployment Insurance

Future Funding Projections

UI Grant Budget Projections	Total Expenditures	Total Resources	End of Year Funding Surplus (Shortage)
PY2016	8,124,195	9,186,927	1,062,732
PY2017	8,031,476	8,225,732	194,256
PY2018	8,272,421	7,357,256	(915,165)
PY2019	8,655,067	7,163,000	(1,492,067)
PY2020	8,914,719	7,163,000	(1,751,719)

Any "surplus" noted is carried over to the next year and is accounted for within the total resources column

- The UI program could be in a shortage situation as early as 2018 based upon the projection of flat federal funding

Options to Deal with Federal Funding Shortfall

- Federal Initiatives & Funding
 - Gain support of federal delegation to increase federal funding
 - Continue pressing for awareness that the USDOL needs to put priority on base operations funding rather than discretionary grants or supplemental budget requests
- Reduce Operating Expenditures
 - Require all employers to file their UI quarterly tax reports electronically
 - Complete an analysis of facility needs
- Expand use of the Federal Advance Interest Repayment (FAIR) Fund
 - Expand the allowed uses of this fund in state statute to provide for the option of additional administrative and technology expenditures by Job Service

Options to deal with Federal Funding Shortfall

- Take actions that other states have done with reduced budgets
 - Increase late filing/late payment fees
 - Cut hours of operation in UI call center
 - Receive state general funds
 - Establish a special fund for administrative purposes
 - 30 States have administrative fees that are used to supplement funding

Options to Deal with Federal Funding Shortfall

Neighboring & Small States	1	Montana	.13% to .18%	Fee generated \$17.1 million last fiscal year		
	2	South Dakota	.05% to .53%	\$500,000 per year of general funds		
	3	Wyoming	Varies	Fee generates \$9 million a biennium, also receives \$3 million per year in state general funds		
	4	Minnesota	0.10%			
	5	Rhode Island	0.03%			
Other States	6	Alaska	0.1% to 1.5%	19	Massachusetts	.056% to .36%
	7	Alabama	0.06%	20	Mississippi	0.16%
	8	Arizona	0.10%	21	Nevada	0.05%
	9	Arkansas	.1% to .8%	22	New Hampshire	0.20%
	10	California	0.10%	23	New Jersey	0.0175% to .025%
	11	Delaware	0.085%	24	New York	0.075%
	12	DC	0.20%	25	Oregon	.03% to .09%
	13	Georgia	0.08%	26	Puerto Rico	1%
	14	Hawaii	0.01%	27	South Carolina	0.06%
	15	Idaho	3.00%	28	Texas	0.10%
	16	Kentucky	0.30%	29	Washington	0.02%
	17	Louisiana	Varies	30	Wisconsin	0.20%
	18	Michigan	Varies			

- In ND, .01% fee would generate \$1 million/year

2017 Legislative Session

Job Service submitted the following bill:

1. SB 2119 Sale of Job Service owned offices
 - Rolla, Central Office, Minot
 - Requesting retention of General Fund proceeds from sale of property

Job Service supports the following bills:

1. Expand the use of the FAIR account
 - The FAIR Fund was established to pay interest obligations in the event that money is borrowed to supplement the Unemployment Insurance Trust Fund. The fund receives dollars via the collection of interest and penalties owed to Job Service
2. Employer electronic reporting requirement

SB 2119

Gain Authority to Sell Job Service Owned Facilities

- Restructuring of Job Service has resulted in differing infrastructure needs
 - Vacant buildings
 - Less staff lowers need for space
 - Cost of maintaining buildings
- Legislative approval is needed to sell the vacant Rolla office
- Completing an analysis of facility needs
 - Bismarck Central office and Minot office are initial focus
 - Central office is larger than currently needed
 - Opportunities exist to lease or sell Central office to another agency
 - Co-locate the Bismarck local office and Central office
- Request retention of General Fund proceeds

Expand use of FAIR Fund

- Forty other states utilize penalty and interest funds to supplement federal funding shortfalls
- Changes have been made in past to statute to allow for the use of FAIR funds for specific expenses:
 - Mortgage payments for Bismarck local office, rent, infrastructure repairs, etc.

	July 2012	July 2013	July 2014	July 2015	July 2016
Expenses	\$418,016	\$233,349	\$322,532	\$311,027	\$821,058
Balance	\$2,356,766	\$3,198,260	\$3,919,538	\$4,712,104	\$4,772,460

Expand Use of FAIR Fund

- Least impact to state, employers and claimants
 - State General funds are not a good option this biennium
 - Don't have to initiate an employer surcharge or administrative fee
 - Don't have to increase penalties/fees
- Recommendation is to expand the allowed uses of this fund to include technology and administrative expenditures
- Currently the fund is growing due to limited allowable expenditures
- Introduced bill includes minimum balance

Expand use of FAIR Fund

- The FAIR Account bill is the most important bill this session
 - Without passage, severe cuts will have to take place
 - The use of seasonal temporary staff will not be available
 - Program performance will drop significantly
 - Longer wait times for call center
 - Long waits for benefit payments
 - Lack of support to employers
 - Programs and initiatives meant to speed re-employment and positively impact the Trust Fund will have to end
- Short term solution to our funding needs
 - Five years of funding at current operational levels until deficit
 - No increase in level of service

Require all Employers File and Pay Quarterly Tax Reports Electronically

- Past legislation passed
 - 2005 – Employers with more than 99 employees required to file electronically
 - 2009 - lowered to employers with more than 24 employees
- Employer reporting methods for 4th quarter 2015
 - 60% or 15,636 employers report electronically
 - 40% or 10,578 employers reported via paper
- A savings of \$80,000 to \$100,000 per year if all employers were required
 - Reduces time of field staff to track employers and assist with report completion
 - Eliminates hiring temporary staff to process quarterly tax reports
 - Understand initial learning curve for employers
 - Strong educational efforts will be made by Job Service

2017 Unemployment Insurance Tax Rates

- Solvent unemployment insurance trust fund
- Tax rate setting process is defined in North Dakota century code
- 2017 rates range from 0.49 to 11.43 percent
2016 rates ranged from 0.28 to 10.72 percent
- Average tax rate – 1.79 percent
- Taxable wage base
 - 2016 – \$37,200
 - 2017 - \$35,100
- 71 percent of employers will receive the lowest rate – 0.49 percent

Job Service Successes and Initiatives

Diversifying Our Service Delivery

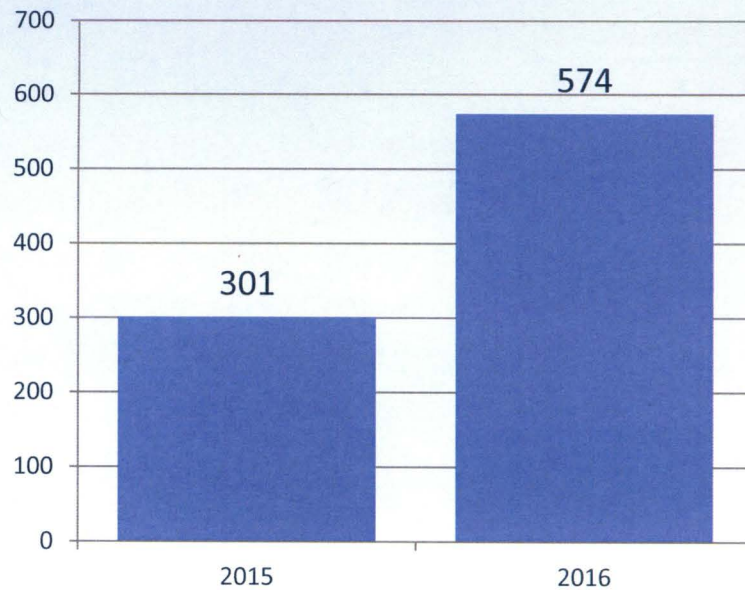
- Created more social media presence
 - Implemented Facebook May 2015
 - Increased our Facebook audience 257%
 - Reached more than 45,000 Facebook followers for job fairs and career program campaigns
 - Begin utilizing LinkedIn to promote North Dakota's workforce opportunities
 - Had an average monthly Twitter impression of 20,000

Job Service Successes

Onsite Hiring Events

• 90% increase since 2015

Yearly Total



Training Services: Workforce Investment Act

Job Service provides training services for adults, dislocated workers, and youth

Individuals Enrolled in WIA Training

	PY 15	PY 16
Adults	167	191
Dislocated Workers	23	39
Youth	108	127
Total	298	357

PY = Program Year which runs from July 1 to June 30 of the following year.

Job Service Successes

Workforce Investment Act Training

PY 16	Total Training	
	No. Trained	%
Energy	60	17
Advanced Mftg.	47	13
Value-Added Ag.	0	0
Technology	17	5
Healthcare	131	37
Transportation	66	18
Support Occupations	17	5
Other	19	5
Total	357	100

Job Service Initiatives

Career Awareness

- Career Fairs in Grand Forks, Fargo, and Jamestown
 - 8,000 students, 456 employers and local colleges
- Developing Career Hub
 - A statewide network designed to help communities create career awareness event to students and parents
- Job Shadow Events in Grand Forks and Bismarck
 - 213 participants over 611 employer opportunities
- Develop Boot Camps and Pre-Apprenticeships
 - Partner with Career Technical Education (CTE) to promote energy, health, information technology, and manufacturing industries

Job Service Initiatives

Workforce Initiatives

- Received grant to expand Registered Apprenticeship and Credentialing
 - Partner with Department of Commerce
- Coordinate the creation of apprenticeships and credentialing for industries that have traditionally not had these programs: health care, energy, manufacturing and information technology
- Research other states apprenticeships, credentialing and models for sustainability into the future
- Facilitate sector strategy meetings with employers of North Dakota
- Work with Higher Education to develop curriculum and ND Office of Apprenticeship to develop standards
- Create promotional material of programs

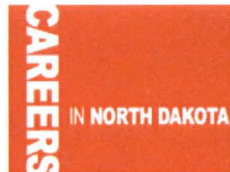
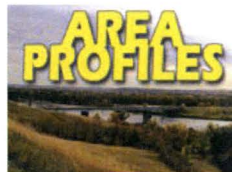
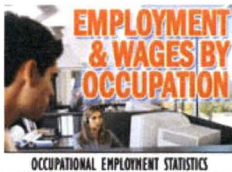
Other Workforce Activities

- Pilot project with Department of Corrections – Parole and Probation in Minot
 - Send unemployed parolees to local office for orientation on our employment services available
- Second Chance Job Fairs in Fargo and Grand Forks
 - Only available to individuals with a criminal background
 - 33 employers and 567 job seekers
- Re-employment outreach to unemployment insurance in-state claimants after receiving four weeks of benefits

Labor Market Information (LMI)

Job Service provides a wealth of labor market tools and information on jobsnd.com

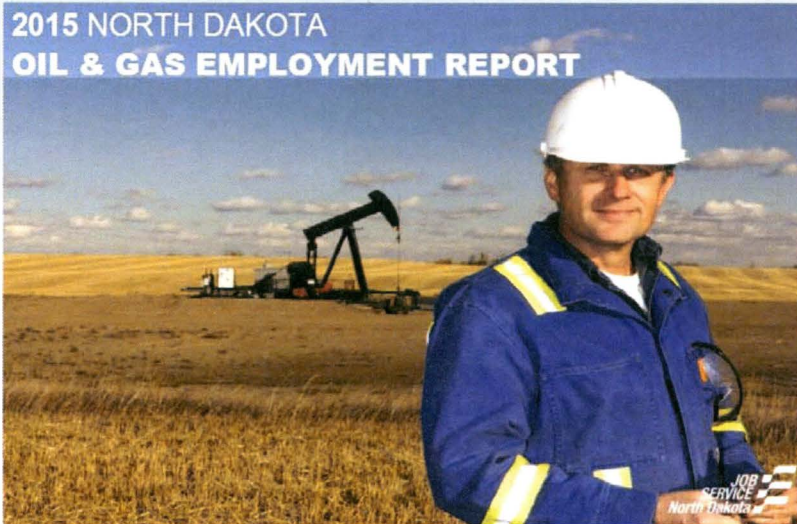
- LMI initiatives are to provide employers and state and local leaders with data driven information
 - Cost of living
 - Retention of ND graduates with Statewide Longitudinal Data System (SLDS) committee
 - Expansion of workforce supply with SLDS committee



Oil and Gas Employment Study

(Not part of 17-19 Biennium budget request)

2015 NORTH DAKOTA
OIL & GAS EMPLOYMENT REPORT



Comprehensive Data:

- Examines all employers in the state rather than taking a sample
- Information is available down to the worksite level
- Information is available for all geographies and industries in the state

2015-17 Appropriation Update

Requested Information

- No major general funding increases or decreases were approved by the legislature during the 2013 legislative session
- During the 2015 legislative session, \$100,000 was approved for implementation of the Virtual OneStop Mobile application
- Job Service has no audit findings to report

2015-17 At-a-Glance

		Appropriation	Projected Expenditures	Variance
Source:				
General Fund	2.7%	1,989,232	1,989,232	0
Federal Funds	96.3%	69,777,470	43,312,657	(26,464,813)
Special Funds	1.0%	<u>690,396</u>	<u>220,209</u>	<u>(470,187)</u>
Total Funds		72,457,098	45,522,098	(26,935,000)
Expenditures:				
Salaries/Wages		39,671,890	29,239,172	(10,432,718)
Operating Exp.		13,512,657	10,525,405	(2,987,252)
Capital Assets		20,000	20,000	0
Grants/Benefits/Claims		5,404,326	3,102,723	(2,301,603)
Workforce 20/20		1,441,225	1,441,225	0
Reed Act*		<u>12,407,000</u>	<u>1,193,573</u>	<u>(11,213,427)</u>
Total		72,457,098	45,522,098	(26,935,000)

*One-time funding.

Reed Act

Appropriation	\$12,407,000
Projected Expenditure	(<u>1,193,573</u>)
Variance	\$ 11,213,427

Reed Act funds were awarded by USDOL for an unemployment insurance technology modernization project

Issued Request for Information (RFI) for cost proposal from vendors and ITD on replacement system. Concerned about project cost and ongoing expenses

We are requesting that these funds be appropriated in the 2017-19 biennium

**2017- 2019
Appropriations Request**

Special Fund Request

New Jobs Training

Special Fund appropriation request: \$1,047,238

- Helps new or expanding primary-sector businesses secure funding for worker education and training
- Employers may qualify if they create new, high-wage jobs by relocating to or expanding current operations in North Dakota
- State income tax withholdings are captured to repay loans, grants, or self-financing
- 630 – New positions filled in 2014-15
- \$32,808 – Avg. annual pre-New Jobs training salary.
- \$47,695 – Avg. annual salary 1 year after training (45% increase)
- Economic developers promote New Jobs program as an incentive to prospective new employers

Base General Fund Request

Job Spidering

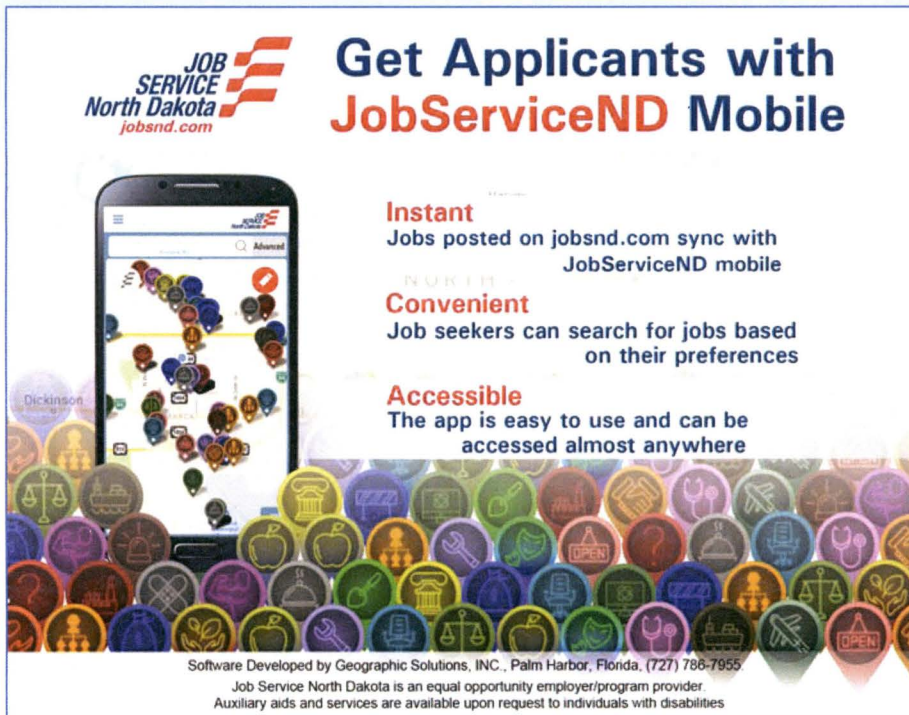
General Fund appropriation request: \$300,000

- Job spidering is an online tool that searches the Internet for job postings and automatically posts them to jobsnd.com
- Job postings are captured from several sites including:
 - Monster
 - Indeed
 - Employer job boards
 - Government job boards
- 75% of jobs posted on jobsnd.com are “spidered” jobs
- 8.1 million total page views on jobsnd.com
- No charge to jobseekers and employers
- Provides monthly number of job openings throughout the state and local communities

Base General Fund Request

Making Searching for Jobs and Applicants More Mobile Device Friendly

General Fund Appropriation Request: \$100,000



JOB SERVICE North Dakota
jobsnd.com

Get Applicants with JobServiceND Mobile

Instant
Jobs posted on jobsnd.com sync with JobServiceND mobile

Convenient
Job seekers can search for jobs based on their preferences

Accessible
The app is easy to use and can be accessed almost anywhere

Software Developed by Geographic Solutions, INC., Palm Harbor, Florida, (727) 786-7955
Job Service North Dakota is an equal opportunity employer/program provider.
Auxiliary aids and services are available upon request to individuals with disabilities

The advertisement features a smartphone displaying a map of North Dakota with various job location pins. Below the phone is a large, colorful grid of circular icons representing different professions and services, such as a scale of justice, a graduation cap, a medical cross, a gear, and a person icon. The background of the ad is a light blue gradient.

40,000 Job Searches
80,000 Detail Requests

Base General Fund Request

Workforce 20/20

General Fund appropriation request:

SB2016: \$502,407

- State-funded training program which helps employers keep up with technological advances, global competition, and new work methods
- 2013-15 biennium
 - \$1,261,449 spent on training and 5% administrative costs
 - 142 training contracts - trained 1,290 employees
 - The state recovers program investment in 14 months due to the average \$2.33/hr increase in employee wages after 1 year
- 95% of trainees stay in North Dakota
- Economic Developers promote Workforce 20/20 program as an incentive to prospective new employers

2016 Special Session Update

- Workforce 20/20 2015-2017 biennium
 - Initial appropriation \$1,579,836
 - First allotment reduction \$85,706
 - Second allotment reduction of \$52,905
 - Available for obligation to employers \$1,230,074
 - Great utilization by employers
 - Streamlined application process
 - 96 contracts
 - Obligated \$1,230,005
 - Hold on new applications
 - June 1, 2016 to Nov. 1, 2016
 - Nov. 11, 2016 to June 30, 2017

Requested Information

- A listing of agency proposed budget reductions to meet Governor's 90% budget request guideline
 - Requested - Workforce 20/20 \$1,381,046
- Comparison of the optional adjustment requests included in the Executive Recommendations
 - Reduce Workforce 20/20
 - Governor Dalrymple \$ 502,909
 - Governor Burgum \$ 0
 - Senate passed \$ 502,407
- Itemized listing of any changes to Executive Recommendation
 - None
- No one-time funding requests for 2017-2019 Biennium

2017-19 Appropriation

	2017-19 Base Level <u>(SB2016)</u>	Senate Adjustments or <u>Change Packages</u>	Senate 2017-19 <u>Appropriation</u>
Salaries/Wages	\$39,604,238	\$(12,416,615)	\$27,187,623
Operating Expenses	13,479,157	(2,727,902)	10,751,255
Capital Assets	20,000	0	20,000
Grants	5,404,326	54,245	5,458,571
Workforce 20/20	1,441,225	(938,818)	502,407
Reed Act	<u>12,407,000</u>	<u>(1,196,714)</u>	<u>11,210,286</u>
Total	\$72,355,946	(\$17,225,804)	\$55,130,142
Less Est. Income	<u>70,467,866</u>	<u>(16,285,971)</u>	<u>54,181,895</u>
Total Gen. Fund	\$1,888,080	\$(939,833)	\$948,247
FTEs	237.76	(56.15)	181.61

Success Stories

A job seeker came into a Job Service office and wanted to know who could assist him with unemployment. His family was about to lose their housing and he was distraught.

Job Service staff worked with him, called a local building company that needed a carpenter with certain skills. The job seeker fit those skills and the staff connected them.

The building company hired the job seeker full time and gave him family housing.

The job seeker came in a few days later and said it was a “Christmas miracle” and said, “Yes you are the employment office”.

He thanked staff several times and went to finish moving and working.

Success Stories

Leora,
I will never forget the day I met you. I wasn't expecting the opportunity to continue with my education, but because of you & Job Service of ND I was able to finally get my Accountancy Degree. Thank you for opening a door I thought was closed! Your help support and encouragement has meant so much to me.

Thank you.

IN DEMAND^{AND} EMERGING OCCUPATIONS



EMERGING OCCUPATIONS

Operations Research Analysts
Data Processing System Analysts
Statisticians
Aircraft Pilots and Flight Engineers
Aerospace Engineers
Aircraft Structure, Surfaces, Rigging and
Systems Assemblers
Chemical and Process Plant Operators and
Technicians



HEALTHCARE

*Licensed Practical and Vocational Nurses
*Nursing Assistants
Pharmacists
Physician Assistants
Occupational Therapists
Physical Therapists
Respiratory Therapists
Speech-Language Pathologists
Veterinarians
Registered Nurses
Nurse Practitioners
Medical and Clinical Laboratory Technicians
Radiologic Technologists
Pharmacy Technicians
Surgical Technologists
Medical Records and Health Information
Technicians
Opticians
Occupational Health and Safety Technicians
Phlebotomists
Medical Secretaries



SOCIAL SERVICES

Substance Abuse and Behavioral Disorder
Counselors
Child, Family, and School Social Workers
Healthcare Social Workers
Mental Health and Substance Abuse Social
Workers
Community Health Workers



ENGINEERING AND ARCHITECTURE

Architects
Surveyors
Civil Engineers
Electrical Engineers
Electronics Engineers
Industrial Engineers
Mechanical Engineers
Mechanical Drafters
Civil Engineering Technicians
Surveying and Mapping Technicians



LEGAL

Paralegals and Legal Assistants
Title Examiners and Abstractors
Court, Municipal, and License Clerks



FINANCIAL

Wholesale and Retail Buyers
Purchasing Agents
Claims Adjusters, Examiners, and
Investigators
Cost Estimators
Management Analysts
Meeting, Convention, and Event Planners
Training and Development Specialists
Market Research Analysts and Marketing
Specialists
Accountants and Auditors
Financial Analysts
Loan Officers
Bill Collectors and Clerks
Bookkeeping and Accounting Clerks
Payroll Clerks
Loan Interviewers
Cargo and Freight Agents



EDUCATION

*Secondary School Teachers
*Teacher Assistants
Biological Science Teacher, Postsecondary
Nursing Instructors and Teachers,
Postsecondary
Elementary and Middle School Teachers
Coaches



INFORMATION TECHNOLOGY

Software Developers, Applications
Software Developers, Systems Software
Network and Computer Systems Administrators
Computer User Support Specialists
Computer Network Support Specialists



MANAGEMENT

*Farm and Ranch Managers
Chief Executives
General Managers
Marketing Managers
Sales Managers
Administrative Services Managers
Computer and Information Systems Managers
Financial Managers
Transportation, Storage, and Distribution Managers
Architectural and Engineering Managers
Medical and Health Services Managers
Property Managers
Social and Community Service Managers
Public Relations Specialists



SERVICE

*Childcare Workers
Interior Designers
Security Guards
Food Preparation and Serving Supervisors
Housekeeping and Janitorial Supervisors
Pesticide Handlers and Applicators
Retail Sales Supervisors
Insurance Sales Agents
Sales Representatives
Office and Administrative Support Supervisors
Customer Service Representatives
Eligibility Interviewers
Secretaries and Administrative Assistants
Insurance Claims and Policy Processing Clerks
Brewmasters

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TRANSPORTATION

*Automotive Service Technicians and Mechanics
*Bus and Truck Mechanics and Diesel Engine Specialists
*Heavy and Tractor-Trailer Truck Drivers
*Light Truck or Delivery Services Drivers
Mobile Heavy Equipment Mechanics
Tire Repairers and Changers
Automotive Body Repairers



SKILLED TRADE

*Service Unit Operators	Aircraft Mechanics and Service Technicians
*Rotary Drill Operators	Farm Equipment Mechanics and Service Technicians
*Derrick Operators	Heating, Air Conditioning, and Refrigeration Mechanics and Installers
*Supervisors of Construction Trades and Extraction Workers	Industrial Machinery Mechanics
Environmental Scientists and Specialists	Maintenance Workers, Machinery
Environmental Science and Protection Technicians, Including Health	Millwrights
Production Schedulers	Electrical Power-Line Installers and Repairers
Weigh Station Operators	Telecommunications Line Installers and Repairers
Agricultural Inspectors	Electrical and Electronics Installers and Repairers
Carpenters	Medical Equipment Repairers
Electricians	Maintenance and Repair Workers
Glaziers	Production Supervisor
Insulation Workers, Mechanical	Structural Metal Fabricators and Fitters
Plumbers, Pipefitters, Steamfitters and helpers	Team Assemblers
Sheet Metal Workers	Machinists
Structural Iron and Steel Workers	Welders
Construction and Building Inspectors	Cabinetmakers
Operating Engineers and Other Construction Equipment Operators	Power Plant Operators
Supervisors of Mechanics, Installers, and Repairers	Water and Wastewater Treatment Plant Operators
	Gas Plant Operators
	Crane and Tower Operators
	Excavating Machine Operators

The list of in demand occupations was derived using the Short-Term Employment Projections 2014-2016 publication created annually by the Job Service North Dakota Labor Market information department. The factors considered in creating the list are below:

- Education requiring a high school equivalent or higher
- Exceptional or high growth
- Replacement opening of five or more
- Growth opening of nine or more
- Wages higher than \$13.41/hr (aggregate of the LMI average hourly entry wages for all occupations)

*The top 35 occupations with the highest replacement openings



Featured Jobs in Unmanned Aerial Systems



JOB TITLE	EMPLOYER	LOCATION	Web Site
Manager Project Management 2	Northrop Grumman	Grand Forks AFB, ND	www.northropgrumman.com/careers
Product Trainer 4	Northrop Grumman	Grand Forks AFB, ND	www.northropgrumman.com/careers
UAV Pilot - Instructor	General Atomics	Grand Forks AFB, ND	www.ga.com
Sensor Operator - Instructor	General Atomics	Grand Forks AFB, ND	www.ga.com
Pipeline Professional Technical - All Levels	Northrop Grumman	Grand Forks AFB, ND	www.northropgrumman.com/careers
UAS Research Scientist	University of North Dakota	Grand Forks, ND	http://www.und.edu/
Facilities Engineer 3	Northrop Grumman	Grand Forks AFB, ND	www.northropgrumman.com/careers
Supervisor Aircraft Maintenance 1	Northrop Grumman	Grand Forks AFB, ND	www.northropgrumman.com/careers
Engineer Guidance Nav Ctrl 3	Northrop Grumman	Grand Forks AFB, ND	www.northropgrumman.com/careers
Laboratory Technician 4	Northrop Grumman	Grand Forks AFB, ND	www.northropgrumman.com/careers
Sensor Operator/Imagery Analyst 3	Northrop Grumman	Grand Forks AFB, ND	www.northropgrumman.com/careers
Ground Visual Observer - Part Time	Organizational Strategies, Inc	Grand Forks, ND	http://ipc.us/t/9CDB70984E564814



To see all posted jobs in North Dakota click here:





ND New Jobs Training Program Reported Through 2015

North Dakota New Jobs Training Program Overview

The North Dakota New Jobs Training Program was enacted into law in 1993 by the North Dakota Legislative Assembly. The purpose of this state-funded workforce training program is to provide a mechanism for primary-sector businesses to secure funding to help offset the cost of creating new employment opportunities through business expansion or relocation to North Dakota.

Under the New Jobs Training Program, the business obtains funds in the form of a loan, grant, or self-financing option. The loan may be obtained from a commercial lender, a local development corporation, the Bank of North Dakota, or other qualified lender. A grant may be obtained from a state, a city, or local economic development corporation.

Funds under the New Jobs Training Program are made available through the capture of the state income tax withholding generated from the permanent, full-time new positions that are created. Reimbursements to repay the loan (plus interest) are made directly to the lender. Reimbursements for a grant are made directly to the granting community or local economic development corporation. Under the self-financing option, 60 percent of the allowable state income tax withholding can be reimbursed directly to the participating business. State income tax withholding can be captured for up to a ten year period or until the loan is repaid, or the self-financing or grant obligations have been met, whichever comes first.

To qualify, the business must be in a primary-sector industry, either locating to the state or expanding employment in the state. A "primary sector business" is an individual, corporation, limited liability company, partnership, or association which through the employment or labor adds value to a product, process, or service that results in the creation of new wealth. The term includes tourism, but does not include production agriculture or the oil industry.

Other qualifying criteria include:

- 1.) A new employer locating in North Dakota must create a minimum of five new jobs;
- 2.) An existing business must increase its base employment level by a minimum of one new job;
- 3.) A business must not be closing or reducing its operation in one area of the state and relocating substantially the same operation to another area of the state;
- 4.) Employees in the eligible new positions must be paid a minimum of \$10.00 per hour plus benefits by the end of the first year of employment in the new position created.

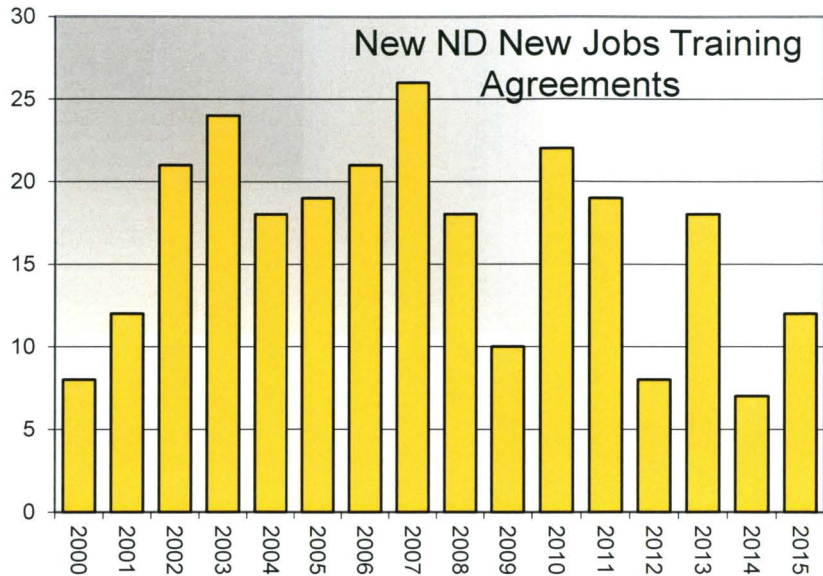
The amount of state income tax withholding credit available to an employer is based on the following criteria:

- The number of permanent, full-time new positions created.
- The wage rate paid to individuals filling the new positions.
- A withholding formula provided by the North Dakota State Tax Department is applied to the actual annual salary of the new jobs being created. The formula is applied to the annual gross wages of the new jobs created, and is then multiplied by the number of new positions in each pay category. This figure is then multiplied by 10 (the maximum number of years under the program) to establish the maximum state income tax withholding credit available under a ND New Jobs Training Program.

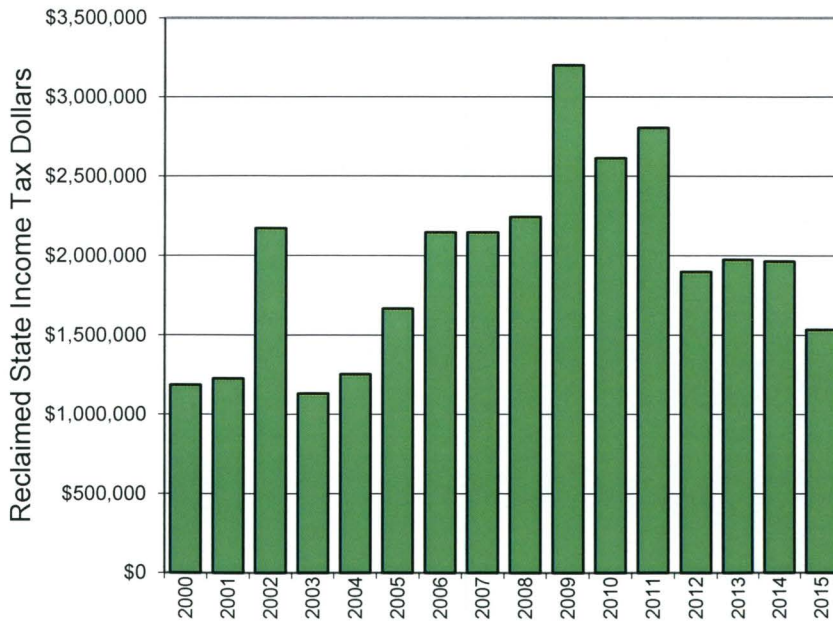
New Jobs Training Program, New Agreements By year; 2000 - 2015

The chart to the right shows the number of new agreements finalized each year. Agreements can be finalized in a year following the actual hiring date year due to the usage of the preliminary agreement.

Employers claim their income tax withholding credits through filing quarterly reports with the ND State Tax Department. An employer has up to 10 years from the effective date of the agreement to claim the North Dakota income tax withholding credit. An increase in North Dakota New Jobs Agreements will not be seen as increased collection for at least a year.



New Jobs Training Program, Tax Credits By year; 2000 - 2015



ND New Jobs Training collections have been less and agreements are running longer due to hiring freezes and the legislative reduction of Individual ND Income Tax amounts in June of 2013. Individual Income Tax percentages decreased between 0.06% and 0.77% for all ND residents. Any further individual Income Tax reductions will further affect new and open agreements as the calculation does not change once an agreement is finalized.

2014 and 2015 agreements could show increased claims in future reports as all employers have the right to claim reimbursements up to 3 years after the quarter the taxes were paid.

Through December 31, 2015, the ND State Tax Department has issued tax credits totaling \$32,178,615.46. At this time, North Dakota income tax credits totaling an additional approximately \$20.1 million are available to 76 actively collecting agreements over the next ten years. Based on a review of completed and closed agreements, employers are claiming 91% of the projected credits available to them.

North Dakota New Jobs Tax Credit Activity

By the end of 2015, Job Service North Dakota had completed and closed 74%, 283 of 380, of all North Dakota New Jobs Training Program agreements. The closed agreements projected 17,089 new jobs in North Dakota and were used to review the current job creation performance and average investment per new job created.

Job Creation Performance and Investment Summary on completed agreements from 1998-2015					
Closed Agreements	Reported New Jobs	Projected New Jobs	Job Creation Rate	Tax Credits Claimed	Average Investment per New Job
283	14,092	17,089	82.5%	\$32.1 million	\$2,283.47

If the business creates the number of new jobs identified in the North Dakota New Jobs Training Program agreement at the wage rates projected, most loans, grants, or self-financing options will be reimbursed in less than the ten year program period. Early reimbursement takes place when:

- Average tax liabilities are used to calculate the amount of state income tax withholding credit available, but the actual withholding reported is used to credit reimbursements.
- Most individuals have more state income tax withheld than their actual tax liability.
- The agreement does not build in salary increases during the ten year period, resulting in larger withholdings.

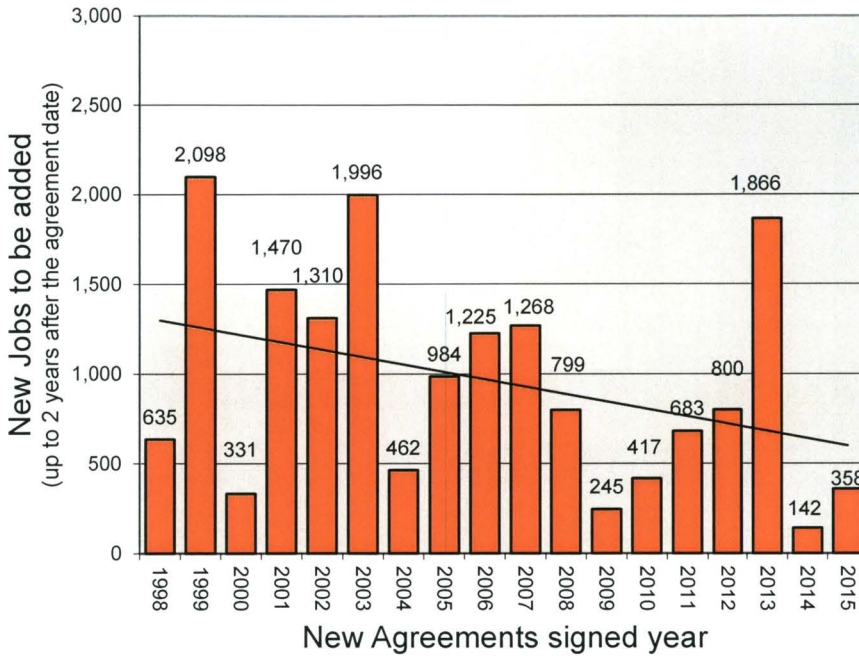
While tax credits will cause a reduction in state revenues, this reduction is offset by the positive economic impacts the new jobs create in North Dakota. Other states have job creation tax credit programs, but historical data from other states is limited for doing state to state comparisons.

Many states have set caps on the amount of tax credits that can be claimed for each new job position, some reimburse on a percentage of actual training expenditures, or states have complex calculations based on the number of employees, employee state income tax withholding, and longevity with the company. Caps ranges have remained constant across other states from \$1,500 in Maryland, \$5,000 in Rhode Island, to \$6,500 in North Carolina. North Dakota's average investment of \$2,283.47 is aligned with other states.

New Jobs Training Program, Projected New Positions by Calendar Years 1998 - 2015

The figures below are a projection of new positions that will be created in ND over two years following the date of the agreement. Agreements written in 2015, will show job creations in the years of 2016 and 2017. Agreements are based on an estimation of new jobs being created by the employer during the calendar year stated.

The projected number of new positions to be created can fluctuate from year to year due to agreement amendments for unexpected business events.



The actual number of new positions created is not fully known until the employer files their final quarterly statement and the agreement is closed.

An agreement is closed as it meets its ten year period, the loan is repaid, or the self-financing or grant obligations have been met, whichever comes first. Closed agreements in 2013-2015 had an average life of 9.5 years.

Since North Dakota state income tax is not withheld from the payroll of out-of-state residents, employers are not allowed to claim a credit for positions filled by out-of-state residents.

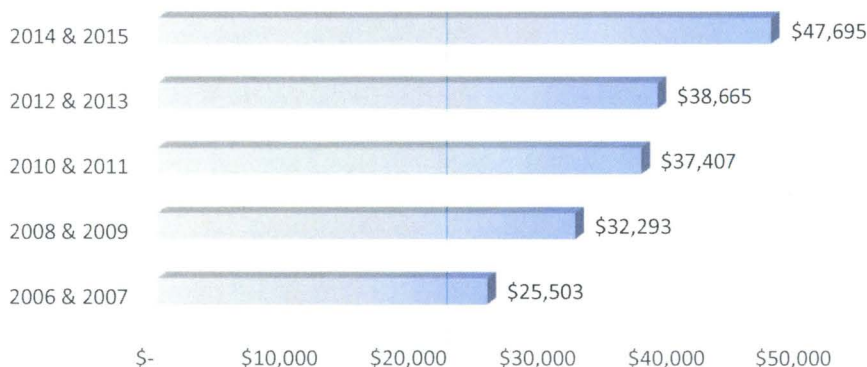
North Dakota New Jobs Training Program Biennium Performance

The most recent time for which North Dakota Century Code Section 54-60-19 accountability measures are available are the years of 2014 and 2015. During 2014 and 2015, Employers hired 630 employees into the newly created positions listed in ND New Jobs Training open agreements.

ND New Jobs Training Program Accountability Measures (2014 & 2015)			
	Pre-Training	1 Year After Training	
New Positions Filled in ND	Average Annual Salary	Average Annual Salary	Average Annual ND Income Tax Paid Per Participant
630	\$32,808	\$47,695	\$ 603.81

After one year of being hired into a newly created position, employees showed an average wage increase of 45%. North Dakota's unemployment wage records for these individuals generated an aggregate annual payroll of \$30 million.

Average Wage 1 Year into a New ND New Jobs Position



The primary sector business employees within ND New Jobs Training positions have shown an average wage increase of 87% in the 10 years shown.

Job Service North Dakota
 North Dakota New Jobs Training Program
 1000 E. Divide Avenue
 PO Box 5507
 Bismarck, North Dakota 58506-5507
 Telephone: (701) 328-3358
 Fax: (701) 328-4894
 TTY: (800) 366-6888

Job Service North Dakota is an equal opportunity employer/program provider. Auxiliary aids and services are available upon request to individuals with disabilities.

● Workforce 20/20 Report 2013-2015 Biennium



Helping train today's workers for new technologies.



Workforce 20/20 Training Program Background

The North Dakota legislative assembly enacted the Workforce 2000 Training Program in 1991 to help North Dakota employers train and upgrade their workers' skills. This state-funded training program was renamed Workforce 20/20 in 2005 and is designed to fill gaps left by federally-funded training programs.

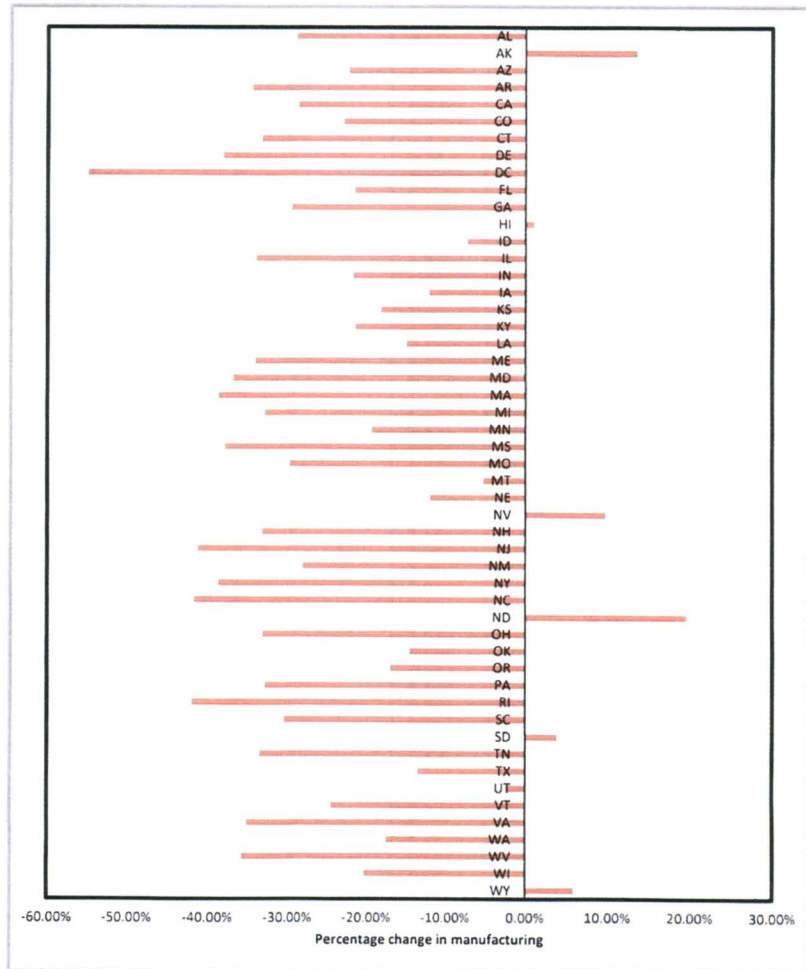
Over the past thirty years, rapid advances in technology, global competition, and the introduction of new work methods have placed an ever-increasing burden on North Dakota's employers to employ highly-skilled workers. Workforce 20/20 funding gives the employer access to training funds that can keep their businesses competitive in today's technologically advanced and global economy. Workforce 20/20 funding is available to assist with upgrading current workers' skills by reimbursing a portion of the cost for new technologies and production methods.

North Dakota's Economy

When most states were experiencing weakened economies, North Dakota's economy enjoyed unprecedented growth with contributions made by the energy, manufacturing, value-added agriculture, wholesale trade, and professional and technical service sectors. Some western North Dakota counties progressed into the oil industry at record speeds. High paying jobs in the oil fields caused pay rates and living costs to increase across the state.

Today, North Dakota's challenge is finding people to fill positions with a low unemployment rate and a high labor force participation rate. In order to support the increased demand for a skilled workforce and the growing number of businesses, the Workforce 20/20 program gives North Dakota a valuable tool to attract and retain employers and employees. The North Dakota Legislature's appropriation to the Workforce 20/20 program for the 2013-2015 biennium enabled Job Service to award \$1,110,745.37 in Workforce 20/20 funds to employers to train 1,290 ND participants.

As shown in the chart to the right; ND has been able to grow manufacturing while other states had significant losses in the industry, in part, due to funding assistance from the Workforce 20/20 program. North Dakota grew state manufacturing by adding over 3,400 jobs at a growth percentage of 19.53% between the years of 1998 and 2014.

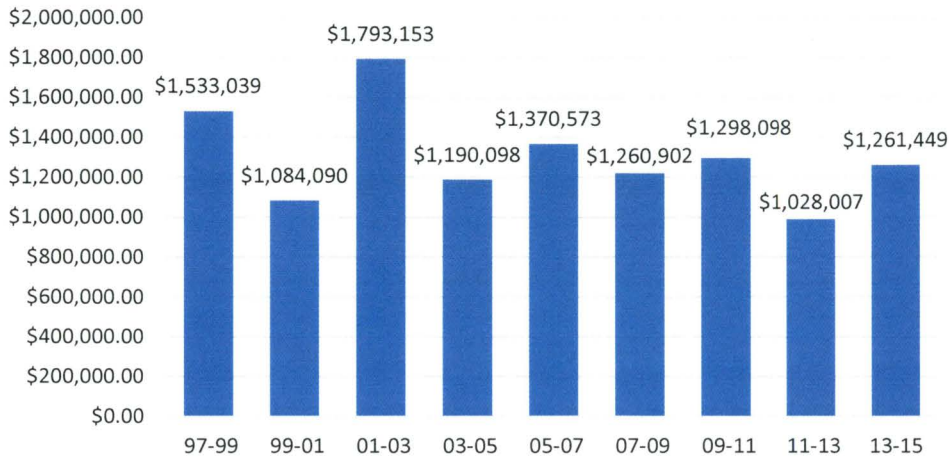


Bureau of Economic Analysis Table SA25N Employment & Wage Trends in Mfg., GSU

Workforce 20/20, Funds Expended; Historical Overview 1997 – 2015

The North Dakota Legislative Assembly appropriates Workforce 20/20 program funds and returns unspent funds to the General Fund at the end of each biennium.

Workforce 20/20 Expended



During the 2013-15 biennium, \$1,541,924.00 was allocated. Final biennium spending was \$1,110,745.37 on training and \$150,703.98 on administrative costs at a total of \$1,261,449.35.

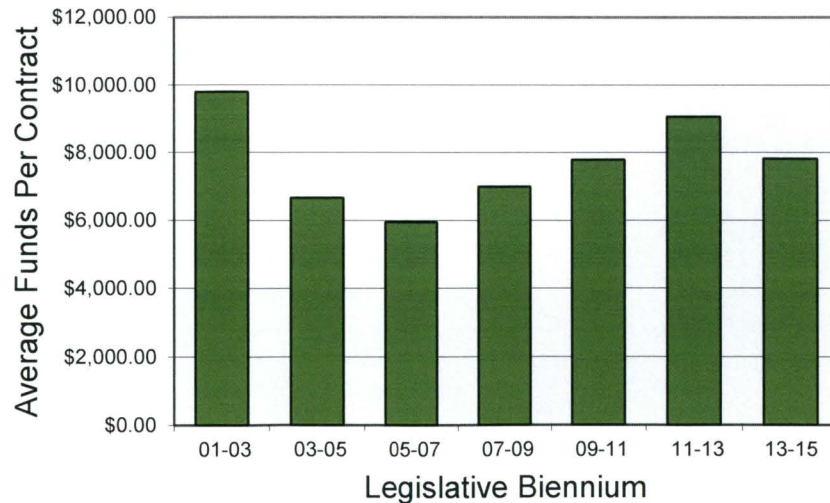
Job Service North Dakota operates within the administrative fee guidelines. The process is to re-obligate training funds as agreements come back with unspent obligations. This

biennium closed with \$140,728.94 returned to the General Fund due to insufficient time for re-obligation in the biennium.

Workforce 20/20, Average Contract Reimbursement Awarded 2001 – 2015

The average cost was lower during this biennium compared to the last biennium due to increased agreements for efficiency training, such as Lean concepts.

Funding for the 2013-15 biennium allowed the program to invest in 142 training contracts with an average investment of \$7,822.15 per contract.



Workforce 20/20, Expenditures on New and Expanding Industry 2013 - 2015

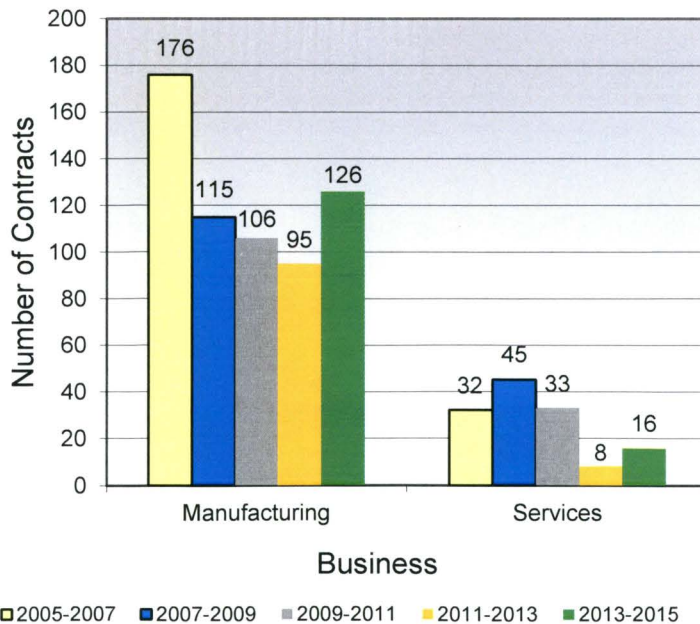
In an effort to enhance the growth potential of existing companies and expand the overall economic growth and development in North Dakota, the Workforce 20/20 program focuses on new and expanding businesses. During the 2013-15 biennium, 45%, or 586 of the 1,290 workers trained met this priority. 19% of the biennium's agreements went to rural businesses, another program focus.

Type of Business	Contracts Awarded	Workers [†] Trained	Expenditures Total	Percent of Total Expenditure
Expanding	73 <i>10 Rural</i>	537	\$415,979.55	37.57%
New	8 <i>5 Rural</i>	49	\$113,936.60	10.59%
<i>Subtotal New/Expanding</i>	<i>81</i>	<i>586</i>	<i>\$529,916.15</i>	<i>48.16%</i>
Existing	61 <i>12 Rural</i>	704	\$580,829.22	51.84%
Total	142	1,290	\$1,110,745.37	100.00%

[†] "Workers Trained" may include instances of the same employee receiving more than one training.

Workforce 20/20, Contracts by Business Type 2005 - 2015

By statute, the funding priority for Workforce 20/20 is applicants/employers who;



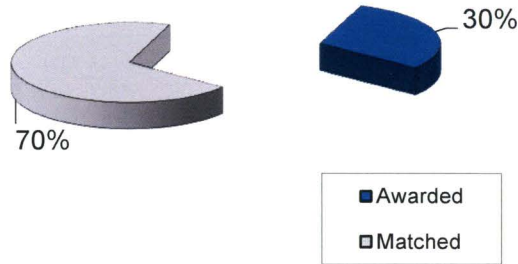
- (1) Are compatible with statewide economic development strategies,
- (2) Demonstrate business and community financial support and participation,
- (3) Coordinate activities and resources with other training programs,
- (4) Provide program follow-up and evaluation,
- (5) Provide training in occupations that pay not less than 200 percent of the federal and state minimum wage,
- (6) Provide training for unemployed and employed North Dakota residents for new and expanding businesses.

As shown to the left, the business sector with the most potential for promoting statewide economic development and growth during the last five biennium has been the manufacturing sector. High-tech service sector training was approximately 11% of the funded training during the 2013-2015 biennium. This sector showed an increase due to focus on the energy industry. Energy industry training was approximately 14% of the total biennium funding or \$159,347.36.

Workforce 20/20, Value of Matching Contributions from Employers 2013 – 2015

North Dakota Century Code Section 52-08.1-03 requires companies to participate with in-kind contributions. Examples of matching funds are employees' wages and portions of the training fees not covered by Workforce 20/20 reimbursements. During the 2013-15 biennium, the Workforce 20/20 program invested an average of **\$978** per trainee and the employer's in-kind contribution averaged \$2,012 per trainee. Employers matched an average of \$2.33 for every reimbursement dollar received from Workforce 20/20. This was a slight decrease from the \$2.95 per funded dollar the previous biennium.

Source	Funds
Workforce 20/20 Funds	\$1,110,745.37
Employer In-kind Match	\$2,595,769.57
Total Training Costs	\$3,706,514.94

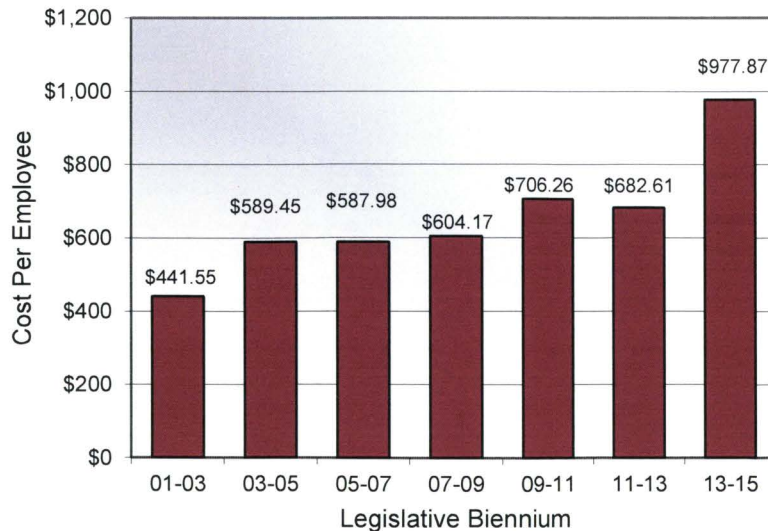


Workforce 20/20, Financial Impact for North Dakota

Using the North Dakota income tax withholding calculator and the average hourly wage rate of \$27.60 earned by the trainees one year after training, it takes North Dakota approximately **14 months, to recover the \$978 Workforce 20/20 investment** through state income tax withholdings from employees who received training. However, due to overtime pay, commissions, and bonuses, the recovery period through state income taxes can be much shorter. Also, the return on investment calculation does not consider increased collections of state sales taxes, motor vehicle excise taxes, fuel taxes, property taxes, or other excise taxes trainees may pay as a result of earning higher wages.

Workforce 20/20, Cost per Employee; Historical Overview 2001– 2015

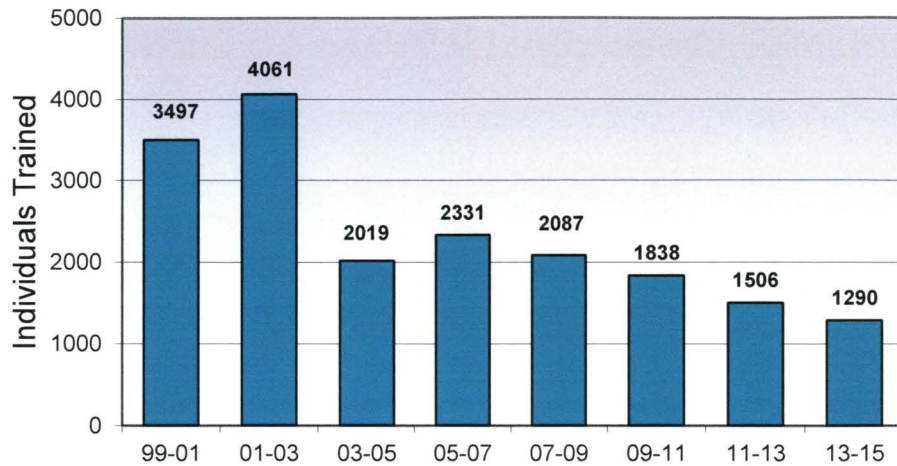
Workforce 20/20 cost per employee varies from year to year based on the amount of funds expended, the number of employees trained, and the cost of training.



Workforce 20/20, Individuals Trained each Biennium 1999 – 2015

Since inception of the program, employers have used Workforce 20/20 funding to train 28,076 employees. The chart to the right shows unduplicated training participants for each biennium. The number of employees trained with Workforce 20/20 funds each biennium is dependent on the funding available and the economic viability of the employers' proposals.

The selection of training and employers who will receive reimbursements goes beyond just training a large volume of employees. The overall economic impact is also considered, such as wages, generation of out-of-state revenue, and other economic benefits to the community or state.

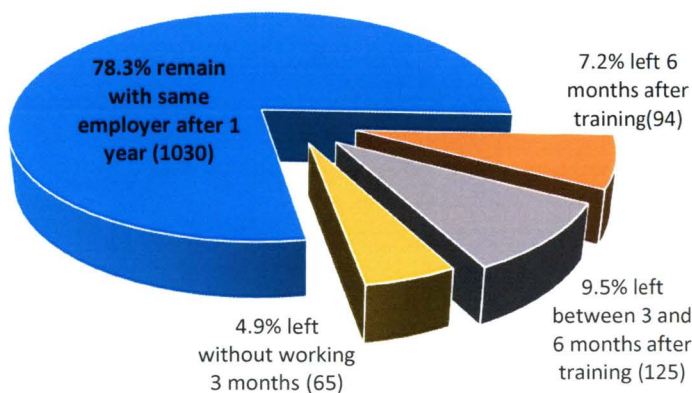


The Workforce 20/20 training program is an excellent asset to North Dakota. Employees who receive training through the program stay in North Dakota, earn increased incomes, and gain skills our state's employers need to remain competitive.

Workforce 20/20, Trained Employees with the Same Employer After 1 Year

A major goal of Workforce 20/20 is to help an employer retain their valued employees.

Participant trained with some Workforce 20/20 funding:



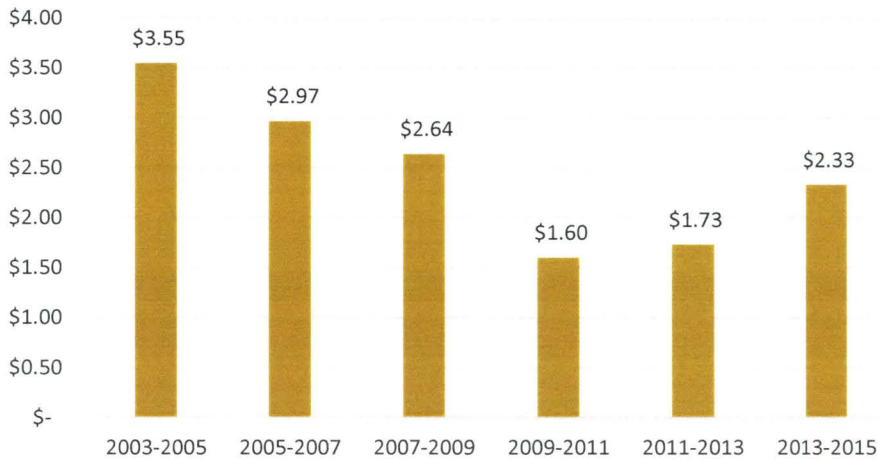
As finding replacement workers remained difficult; it became critical for employers to train for the needs of the employee and the business alike. Improved compensation also helps to retain employees.

Of the 1,315 trainings during the 2013-2015 biennium, 350 individuals were trained once, and 593 participants took more than one class. Overall, an average of 1.36 trainings per participant was funded and only 13 participants that left before 1 year of employment had more than 1 training.

Workforce 20/20, Average Hourly Wage Rate Increases 2003 – 2015

Wages of Workforce 20/20 trained individuals increased an average of \$2.33 per hour for the employees one year after they received training. Under the Workforce 20/20 program, North Dakota Century Code Section 52.08.1-02 gives priority to customized training, retraining, and upgrade training in occupations that pay not less than 200 percent of the federal and state minimum wage.

Average wage raise 1 year after training



During the 2013-15 biennium, 200 percent of the federal and state minimum wage was \$14.50 per hour. Hourly wage rates are collected prior to training and then again at 90-day, 180-day, and 1-year intervals after training completion.

Some of the companies seeking Workforce 20/20 funding were entering into contracts for efficiency training (e.g., Lean Manufacturing/productivity) again this biennium.

As a retention strategy, employers were focused on cross-training employees and improving efficiency. Employers invested in training their valued employees in an effort to retain the employee.

Other Indicators Relating to the Effectiveness of the Workforce 20/20 Program

The effectiveness of a program goes beyond just measuring the increased numbers of businesses and employees benefiting from the program. A program can also be gauged by comments of those customers using the program. A survey is sent with every 90 Day Wage Request. Employers indicated they were "satisfied" in 100% of the surveys received. (86% were actually VERY satisfied.) The following employer comments attest to the success of the Workforce 20/20 Program during the 2013 – 2015 Biennium.

Improved Efficiency from training:

WF-032: "This training provided a greater understand on how to read blueprints. This has increased our quality and cut down on defects and rework."

WF-056: "More utilization of CAD techniques for better manufacturing"

WF-062: "The training for our employees has shown improvement in their mechanical trouble shooting skills. Quicker turn around on repairs."

WF-127: "We have maintenance employees that can now machine parts that we were unable to machine onsite before the training."

WF-141: "We were able to decrease our defect rate by having this training done"

Employment benefits:

WF-008: "Trained community- non welders - in welding. No new products but 10 ND residents learned a new skill."

WF-023: "It is difficult to say that new positions were created as a direct result of this funding. But our company is growing and adding new positions all the time. This funding helps us move employees into key, productive positions faster-fueling our growth"

WF-047: "Now, We can weld a 3G weld. We are trained to weld pressure vessels. This resulted in new products that we can build then sell."

WF-067: "Our main focus was retention of current employees w/ the shortage of applicants. Training has helped."

Program Comments:

WF-019: "Provides a great incentive to train workers"

WF-025: "We are thankful for the program and look forward to continuing it in the future"

WF-035: "Fast turnaround time, helpful with answering questions"

WF-048: "The assistance provided was exceptional"

WF-072: "We have always found the program as a great benefit"

WF-088: "The application process, documentation and final paperwork was very user friendly."

WF-098: "I highly recommend this program to keep business' in top technical form. Your support (Karyn) is very knowledgeable and prompt."

WF-104: "Excellent resource for developing employees"

WF-110: "Really appreciate the program"

WF-123: "Very happy to have this program available to us"

Equipment Upgraded:

WF-051: "We expanded our CNC Lathe operations and added new machinery to our inventory"

WF-063: "Participants received a better understanding of how to use the CNC Lathe. They are able to do more projects on that machine."

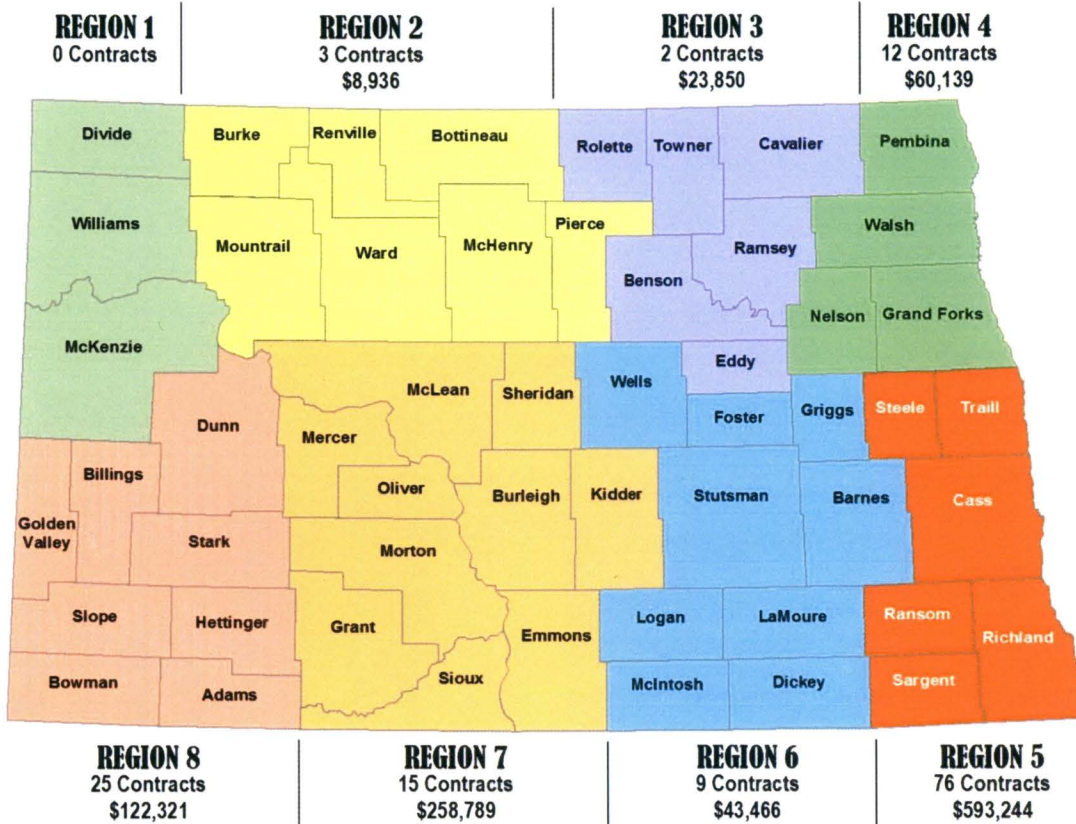
WF-091: "We were able to purchase and implement an automated machine that cuts, drills, etc. our structural steel"

Geographical Distribution Workforce 20/20 Grants; 2013 - 2015

This map depicts the geographical distribution of Workforce 20/20 funds for the 2013 - 2015 biennium.

WORKFORCE 20/20 PROGRAM

Funds Spent by Service Region During the '13 - '15 Biennium



Source: Job Service North Dakota, Workforce Programs



WORKFORCE PROGRAMS
WF2020 Biennium Report 1-17

Job Service North Dakota is an equal opportunity employer/program provider.
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att: 2

3-2-2017

SB 2016

ECONOMIC DEVELOPMENT ASSOCIATION OF NORTH DAKOTA



PO BOX 1091 • BISMARCK, NORTH DAKOTA 58502

March 2, 2017

Dear Chairman Monson and members of the House Appropriations Education and Environment Division:

The Economic Development Association of North Dakota (EDND) represents more than 80 state economic development organizations on the front line of economic development efforts throughout North Dakota. The primary purpose of the organization is to support the creation of new wealth and the diversification of North Dakota's economy. It is for these reasons our organization and its members want to express support for SB 2016, the Job Service North Dakota appropriation bill.

EDND recognizes the importance of connecting businesses and education through expanded career counseling, career and technical education, and post-secondary education and training programs that support the state's most critical occupational needs. Job Service North Dakota serves as the conduit between job seekers and employers, and EDND supports additional funding and greater flexibility for Workforce 20/20 and New Jobs Training included in this bill.

Job Service provides many essential services for economic developers, including regional and company-specific job fairs, and is also a great resource for wage-related information for economic developers and businesses. We see the agency as the state's premier job source organization. Workforce 20/20 helps North Dakota's employers keep up with technical advances, global competition and new work methods, and is a valuable tool in retaining employees. Statistics show 95 percent of Workforce 20/20 trainees stay in North Dakota. New Jobs Training provides worker education and training specifically required for jobs in new and expanding primary-sector businesses, and encourages employers to create new, high-wage jobs in our state. Both of these programs provide a strong incentive in attracting new employers and employees to North Dakota.

Workforce availability is one of the most significant challenges facing North Dakota businesses, impacting the growth potential of the state's economy. EDND supports the development of workforce attraction, development and training strategies that address the needs of the state's companies. The investments included in this bill will continue to help grow and diversify our state's economy.

Thank you for this opportunity to address your committee and express our support for SB 2016.

Sincerely,

A handwritten signature in black ink, appearing to read 'Connie Ova', written in a cursive style.

Connie Ova
President

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

	Burgum Executive Budget Recommendation (Changes to Dalrymple Budget in Bold)				Senate Version				Senate Changes to Revised Executive Budget Increase (Decrease) - Executive Budget				House Version				House Changes to Senate Version Increase (Decrease) - Senate Version			
	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2017-19 Biennium Base Level	237.76	\$1,888,080	\$70,467,866	\$72,355,946	237.76	\$1,888,080	\$70,467,866	\$72,355,946	0.00	\$0	\$0	\$0	237.76	\$1,888,080	\$70,467,866	\$72,355,946	0.00	\$0	\$0	\$0
2017-19 Ongoing Funding Changes																				
Adjusts funding for base payroll changes	(56.15)	(\$12,798)	(\$12,603,617)	(\$12,616,415)	(56.15)	(\$12,798)	(\$12,603,617)	(\$12,616,415)				\$0	(56.15)	(\$12,798)	(\$12,603,617)	(\$12,616,415)				\$0
Salary increase - Performance				0				0				0				0				0
Health insurance increase		3,048	451,863	454,911		3,048	451,863	454,911				0		2,827	419,124	421,951		(221)	(32,739)	(32,960)
Employee portion of health insurance		(1,597)	(236,712)	(238,309)				0		1,597	236,712	238,309				0				0
Reduces funding for operating expenses			(2,727,902)	(2,727,902)			(2,727,902)	(2,727,902)				0			(2,727,902)	(2,727,902)				0
Increases funding for participant training contract grants			54,245	54,245			54,245	54,245				0			54,245	54,245				0
Reduces funding for Workforce 20/20 program		(930,083)		(930,083)		(930,083)		(930,083)				0		(930,083)		(930,083)				0
Eliminates funding for Workforce 20/20 program		(502,407)		(502,407)				0		502,407		502,407		(502,407)		(502,407)				(502,407)
Reduces Reed Act funding			(1,460,560)	(1,460,560)			(1,460,560)	(1,460,560)				0			(1,460,560)	(1,460,560)				0
Total ongoing funding changes	(56.15)	(\$1,443,837)	(\$16,522,683)	(\$17,966,520)	(56.15)	(\$939,833)	(\$16,285,971)	(\$17,225,804)	0.00	\$504,004	\$236,712	\$740,716	(56.15)	(\$1,442,461)	(\$16,318,710)	(\$17,761,171)	0.00	(\$502,628)	(\$32,739)	(\$535,367)
One-time funding items				\$0				\$0				\$0				\$0				\$0
No one-time funding items				\$0				\$0				\$0				\$0				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	(56.15)	(\$1,443,837)	(\$16,522,683)	(\$17,966,520)	(56.15)	(\$939,833)	(\$16,285,971)	(\$17,225,804)	0.00	\$504,004	\$236,712	\$740,716	(56.15)	(\$1,442,461)	(\$16,318,710)	(\$17,761,171)	0.00	(\$502,628)	(\$32,739)	(\$535,367)
2017-19 Total Funding	181.61	\$444,243	\$53,945,183	\$54,389,426	181.61	\$948,247	\$54,181,895	\$55,130,142	0.00	\$504,004	\$236,712	\$740,716	181.61	\$445,619	\$54,149,156	\$54,594,775	0.00	(\$502,628)	(\$32,739)	(\$535,367)
										113.5%	0.4%	1.4%								

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

	Burgum Executive Budget Recommendation (Changes to Dalrymple Budget in Bold)	Senate Version	House Version
Reed Act funds	Section 3 provides a special fund appropriation of \$11,210,286 in Section 1 from federal Reed Act funds made available to the state by the federal Reed Act distributions made in federal fiscal years 1957, 1958, 1999, and 2002, pursuant to section 903 of the federal Social Security Act for the purpose of developing a modernized unemployment insurance computer system. (The Burgum budget recommendation reduces this section.)	Section 3 provides a special fund appropriation of \$11,210,286 in Section 1 from federal Reed Act funds made available to the state by the federal Reed Act distributions made in federal fiscal years 1957, 1958, 1999, and 2002, pursuant to section 903 of the federal Social Security Act for the purpose of developing a modernized unemployment insurance computer system.	
Federal funds	Section 4 provides all federal funds received by Job Service North Dakota in excess of those funds appropriated in Section 1 are appropriated for the 2017-19 biennium.	Section 4 provides all federal funds received by Job Service North Dakota in excess of those funds appropriated in Section 1 are appropriated for the 2017-19 biennium.	



North Dakota New Jobs Training

The purpose of ND New Jobs Training program is to provide a mechanism for primary-sector businesses to secure funding to help offset the cost of creating new employment opportunities through business expansion or relocation to North Dakota.

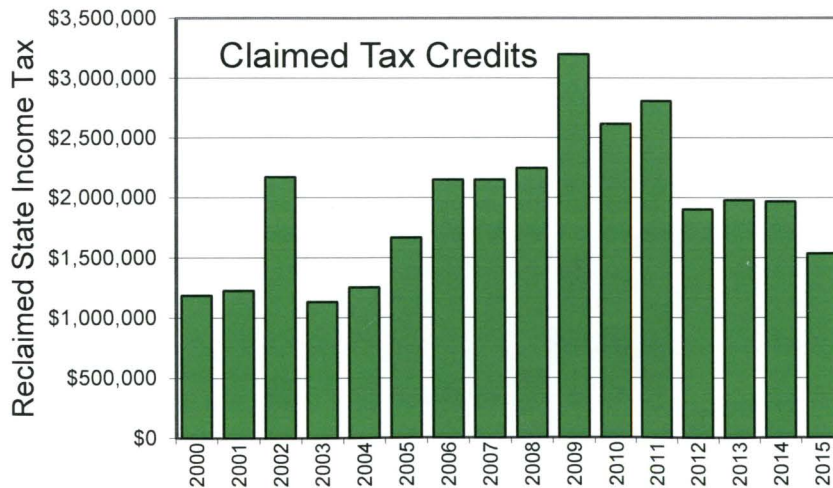
- Helps new or expanding primary-sector businesses secure funding for worker education and training
- Employers may qualify if they create new, high-wage jobs by relocating to or expanding current operations in North Dakota
 - ❖ State income tax withholdings are captured to repay loans, grants, or self-financing
 - ❖ 630 – New positions filled in 2014-15
 - ❖ \$32,808 – Avg. annual pre-New Jobs training salary.
 - ❖ \$47,695 – Avg. annual salary 1 year after training (45% increase)

Information requested:

Administrative Fees Received by Employers

- The State Treasurer's office keeps the 5% administrative fee which is defined as a special revenue fund.
- 1st year of 15-17 biennium received \$80,933.32
- 2nd year of 15-17 biennium to date received \$181,746.08
- Fund balance June 30, 2016 was \$1,032,930
- In our 17-19 submitted agency budget under Special Funds, there is \$224,160 budgeted in 38010 Salaries and Wages and \$823,078 in 38030 Operating expenses.

ND New Jobs Training history



**CHAPTER 52-02.1
NEW JOBS TRAINING**

52-02.1-01. Definitions.

When used in this chapter, unless the context otherwise requires:

1. "Agreement" is the agreement between an employer and job service North Dakota concerning a project.
2. "Base employment level" means the number of full-time jobs an employer employs prior to the date of the commencement of the project.
3. "Community" means the city or county in which an eligible primary sector business is or will be located or a local development corporation, community organization, institution of higher education that is assigned primary responsibility for workforce training under section 52-08-08, or any other group the interest of which is in the economic growth of the area.
4. "Date of commencement of the project" means the date of the agreement.
5. "Department" means the department of commerce.
6. "Employee" means the individual employed in a new job.
7. "Employer" means the individual, corporation, partnership, or association providing new jobs and entering into an agreement.
8. "New job" means a job in a new or expanding primary sector business. The term does not include recalled workers returning to positions they previously held, replacement workers, including workers newly hired as a result of a labor dispute, or other jobs that formerly existed within the employment of the employer in the state.
9. "New jobs credit from withholding" means the credit as provided in section 52-02.1-03.
10. "New jobs training program" or "program" means the project or projects established by job service North Dakota to provide workers with education and training required for jobs in new or expanding primary sector businesses in the state.
11. "Primary sector business" means an employer engaged in locating to or in this state which previously had no presence in this state, or in expanding its operations within this state, which through the employment of knowledge or labor, adds value to a product, process, or export service that results in the creation of new wealth, excluding production agriculture, if it meets the following eligibility criteria:
 - a. An employer entering into an agreement, and increasing its base employment level by at least one employee, or in the case of an employer without an established base employment level in this state creating at least five employees, within the time set in the agreement, is entitled to the new jobs credit from withholding.
 - b. An employer must have an economically productive and socially desirable purpose within the state.
 - c. An employer must not be closing or reducing its operation in one area of the state and relocating substantially the same operation in another area.
12. "Program costs" means all necessary and incidental costs of providing program services. The term does not include the cost of purchase of equipment to be owned or utilized by the training or educational institution or service.
13. "Program services" means training and education specifically directed to the new jobs, including the following:
 - a. All direct training costs, such as:
 - (1) Program promotion;
 - (2) Instructor wages, per diem, and travel;
 - (3) Curriculum development and training materials;
 - (4) Lease of training equipment and training space;
 - (5) Miscellaneous direct training costs;
 - (6) Administrative costs; and
 - (7) Assessment and testing.
 - b. In-house or on-the-job training.

- c. Subcontracted services with institutions governed by the state board of higher education, private colleges or universities, federal, state, or local agencies, or other private training or educational services.
14. "Project" means a training arrangement that is the subject of an agreement entered into between job service North Dakota and an employer to provide program services.

52-02.1-02. Job service North Dakota - Agreements.

Program services developed and coordinated by job service North Dakota must be provided to primary sector businesses found eligible for loans or grants under this chapter. Job service North Dakota may enter into an agreement to establish a project with an employer which meets the following conditions:

1. Sets a date of commencement of the project.
2. Identifies program costs, including deferred costs, which are to be paid from available sources including new jobs credit from withholding to be received or derived from new jobs resulting from the project.
3. Provides for a guarantee by the employer of payment for program costs.
4. Provides that any deferral of program cost payments may not exceed ten years from the date of commencement of the project.
5. Provides that on-the-job training costs for employees may not exceed fifty percent of the annual gross payroll costs of the new jobs in the first full year after the date of commencement of the project. For purposes of this subsection, "gross payroll" is the gross wages and salaries for the new jobs.
6. Provides the maximum amount of new jobs credit from withholding or tuition and fee payments allowed for a project.
7. Provides that every employee participating in the new jobs training program must be paid an income of at least ten dollars per hour, plus benefits, by the end of the first year of employment under the project and for the remaining life of the loan.

A project requiring a loan from the department or a community may not be approved, and an agreement may not be executed by job service North Dakota, until notification from the department or community that the employer has qualified for a loan. Upon execution of the agreement, job service North Dakota shall notify the state tax commissioner of the agreement and the identity of the employer. Job service North Dakota may adopt rules to implement this chapter. Job service North Dakota shall prepare an annual report for the governor and the legislative assembly with respect to the new jobs training program.

52-02.1-03. New jobs credit from income tax withholding - Continuing appropriation.

Loans made under section 52-02.1-04 for program costs must be repaid by receipt of new jobs credit from withholding as follows:

1. New jobs credit from withholding must be based upon the wages paid to the new employees.
2. The North Dakota income tax withholding on wages paid by the employer to each new employee participating in a project must be credited from the withholding payments made by the employer pursuant to section 57-38-60. The tax commissioner shall transmit the equivalent credit payment amount to the state treasurer to be allocated to a special fund for payment to the department, community, or both, as the case may be, of principal and interest on loans issued pursuant to section 52-02.1-04, or for reimbursing employers participating in the cost reimbursement option provided in section 52-02.1-06. All moneys deposited in the fund are hereby appropriated for the purposes of this section. When the principal and interest on the loans have been repaid or the employer's self-financed training costs have been reimbursed, the employer credits must cease and any money received after the loans have been repaid must be remitted by the tax commissioner to the general fund of the state.
3. The employer shall provide such other information the tax commissioner may require.
4. A new employee participating in a project must receive full credit for the amount withheld as provided in section 57-38-59.

5. The tax commissioner and state treasurer shall administer this section and may adopt rules consistent with and necessary for the administration of this section.
6. The provisions of chapter 57-38 pertaining to the administration of the income tax withholding, including provisions for refund or credit, not in conflict with the provisions of this chapter, shall govern the administration of the credit provided by this chapter.

52-02.1-04. Fund - Administration.

Funding for programs must be through loans or grants as stated under this section. Loans may be made by the department from the North Dakota development fund, incorporated, a community, or the department and a community cooperatively. A community may provide loans directly or through any financial institution currently qualified to participate in a loan with the Bank of North Dakota. The Bank of North Dakota may participate in loans under such credit standards and lending policies it determines are necessary and applicable. A community may alternatively fund a program through a grant without use of new jobs credit from withholding.

1. Loans must be secured and payable from a sufficient portion of the future receipts of payments authorized by the agreement, with such other security as the lender may determine is justified. The state treasurer shall transfer the moneys from the special fund created in section 52-02.1-03 to a special fund set up for this purpose by the department or community. The receipts must be pledged to the payment of principal of and interest on the loan.
2. The department may adopt rules to implement this chapter.

52-02.1-05. Reports to legislative council budget section.

Repealed by S.L. 1997, ch. 445, § 4.

52-02.1-06. Cost reimbursement option.

Program services developed and coordinated by job service North Dakota provided to primary sector businesses found eligible for loans or grants under section 52-02.1-02 must also be provided to primary sector businesses that provide self-financing as funding for new jobs training programs. Under this option, employers may be reimbursed an amount up to sixty percent of the allowable state income tax withholding generated from the new jobs positions and identified in the final agreement. Reimbursement under this option is to be made over the ten-year period of the project. The agreement requirements set forth in section 52-02.1-02 and the provisions of section 52-02.1-03 apply to this section.

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

	Burgum Executive Budget Recommendation (Changes to Dalrymple Budget in Bold)				Senate Version				Senate Changes to Revised Executive Budget Increase (Decrease) - Executive Budget			
	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2017-19 Biennium Base Level	237.76	\$1,888,080	\$70,467,866	\$72,355,946	237.76	\$1,888,080	\$70,467,866	\$72,355,946	0.00	\$0	\$0	\$0
2017-19 Ongoing Funding Changes												
Adjusts funding for base payroll changes	(56.15)	(\$12,798)	(\$12,603,617)	(\$12,616,415)	(56.15)	(\$12,798)	(\$12,603,617)	(\$12,616,415)				\$0
Salary increase - Performance				0				0				0
Health insurance increase		3,048	451,863	454,911		3,048	451,863	454,911				0
Employee portion of health insurance		(1,597)	(236,712)	(238,309)				0		1,597	236,712	238,309
Reduces funding for operating expenses			(2,727,902)	(2,727,902)			(2,727,902)	(2,727,902)				0
Increases funding for participant training contract grants			54,245	54,245			54,245	54,245				0
Reduces funding for Workforce 20/20 program		(930,083)		(930,083)		(930,083)		(930,083)				0
Eliminates funding for Workforce 20/20 program		(502,407)		(502,407)				0		502,407		502,407
Reduces Reed Act funding			(1,460,560)	(1,460,560)			(1,460,560)	(1,460,560)				0
Eliminates funding for New Jobs Training program				0				0				0
Total ongoing funding changes	(56.15)	(\$1,443,837)	(\$16,522,683)	(\$17,966,520)	(56.15)	(\$939,833)	(\$16,285,971)	(\$17,225,804)	0.00	\$504,004	\$236,712	\$740,716
One-time funding items				\$0				\$0				\$0
No one-time funding items				\$0				\$0				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	(56.15)	(\$1,443,837)	(\$16,522,683)	(\$17,966,520)	(56.15)	(\$939,833)	(\$16,285,971)	(\$17,225,804)	0.00	\$504,004	\$236,712	\$740,716
2017-19 Total Funding	181.61	\$444,243	\$53,945,183	\$54,389,426	181.61	\$948,247	\$54,181,895	\$55,130,142	0.00	\$504,004	\$236,712	\$740,716
										113.5%	0.4%	1.4%

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

	Burgum Executive Budget Recommendation (Changes to Dalrymple Budget in Bold)	Senate Version
Health insurance increases		
Reed Act funds	Section 3 provides a special fund appropriation of \$11,210,286 in Section 1 from federal Reed Act funds made available to the state by the federal Reed Act distributions made in federal fiscal years 1957, 1958, 1999, and 2002, pursuant to section 903 of the federal Social Security Act for the purpose of developing a modernized unemployment insurance computer system. (The Burgum budget recommendation reduces this section.)	Section 3 provides a special fund appropriation of \$11,210,286 in Section 1 from federal Reed Act funds made available to the state by the federal Reed Act distributions made in federal fiscal years 1957, 1958, 1999, and 2002, pursuant to section 903 of the federal Social Security Act for the purpose of developing a modernized unemployment insurance computer system.
Federal funds	Section 4 provides all federal funds received by Job Service North Dakota in excess of those funds appropriated in Section 1 are appropriated for the 2017-19 biennium.	Section 4 provides all federal funds received by Job Service North Dakota in excess of those funds appropriated in Section 1 are appropriated for the 2017-19 biennium.

House Version			
FTE Position	General Fund	Other Funds	Total
237.76	\$1,888,080	\$70,467,866	\$72,355,946
(56.15)	(\$12,798)	(\$12,603,617)	(\$12,616,415)
	2,827	419,124	421,951
		(2,727,902)	(2,727,902)
		54,245	54,245
	(930,083)		(930,083)
	(502,407)		(502,407)
		(1,460,560)	(1,460,560)
		(1,047,238)	(1,047,238)
(56.15)	(\$1,442,461)	(\$17,365,948)	(\$18,808,409)
			\$0
0.00	\$0	\$0	\$0
(56.15)	(\$1,442,461)	(\$17,365,948)	(\$18,808,409)
181.61	\$445,619	\$53,101,918	\$53,547,537

House Changes to Senate Version Increase (Decrease) - Senate Version			
FTE Positions	General Fund	Other Funds	Total
0.00	\$0	\$0	\$0
			\$0
			0
	(221)	(32,739)	(32,960)
			0
			0
			0
	(502,407)		(502,407)
			0
		(1,047,238)	(1,047,238)
0.00	(\$502,628)	(\$1,079,977)	(\$1,582,605)
			\$0
0.00	\$0	\$0	\$0
0.00	(\$502,628)	(\$1,079,977)	(\$1,582,605)
0.00	(\$502,628)	(\$1,079,977)	(\$1,582,605)

House Version

Section 2 identifies the funding increase for health insurance premium increases included in the agency's appropriation.

Section 4 provides a special fund appropriation of \$11,210,286 in Section 1 from federal Reed Act funds made available to the state by the federal Reed Act distributions made in federal fiscal years 1957, 1958, 1999, and 2002, pursuant to section 903 of the federal Social Security Act for the purpose of developing a modernized unemployment insurance computer system.

Section 5 provides all federal funds received by Job Service North Dakota in excess of those funds appropriated in Section 1 are appropriated for the 2017-19 biennium.



North Dakota New Jobs Training

Return on Investment

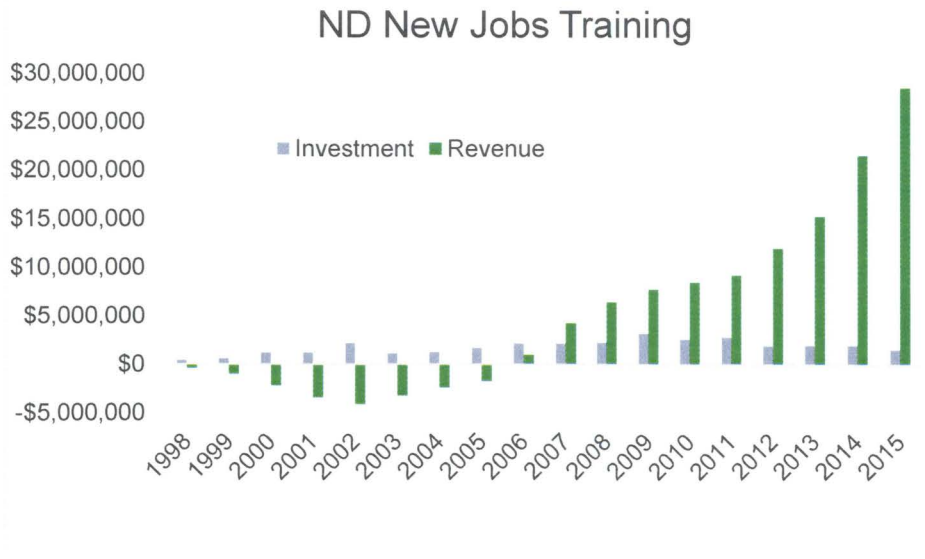
Average Annual State Income Tax Paid Per Position in 2014-2015	\$603.81
Average Investment Per New Job Since 1998	\$2,283
Return on Investment in Years	3.8

252 total businesses (since 1993) who used the Program more than once

- 85% out of the total contracts used by employer once
- 12% out of the total contracts used by employer twice
- 3% out of the total contracts used by employer 3 or 4 times

Additional State Income Tax Revenue from 1998 to 2015

\$28.5 million state income tax revenue after collecting the \$2,283 investment per job



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

	Burgum Executive Budget Recommendation (Changes to Dalrymple Budget in Bold)				Senate Version				House Version				House Changes to Senate Version Increase (Decrease) - Senate Version			
	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2017-19 Biennium Base Level	237.76	\$1,888,080	\$70,467,866	\$72,355,946	237.76	\$1,888,080	\$70,467,866	\$72,355,946	237.76	\$1,888,080	\$70,467,866	\$72,355,946	0.00	\$0	\$0	\$0
2017-19 Ongoing Funding Changes																
Adjusts funding for base payroll changes	(56.15)	(\$12,798)	(\$12,603,617)	(\$12,616,415)	(56.15)	(\$12,798)	(\$12,603,617)	(\$12,616,415)	(56.15)	(\$12,798)	(\$12,603,617)	(\$12,616,415)				\$0
Salary increase - Performance				0				0				0				0
Health insurance increase		3,048	451,863	454,911		3,048	451,863	454,911		2,827	419,124	421,951		(221)	(32,739)	(32,960)
Employee portion of health insurance		(1,597)	(236,712)	(238,309)				0				0				0
Reduces funding for operating expenses			(2,727,902)	(2,727,902)			(2,727,902)	(2,727,902)			(2,727,902)	(2,727,902)				0
Increases funding for participant training contract grants			54,245	54,245			54,245	54,245			54,245	54,245				0
Reduces funding for Workforce 20/20 program		(930,083)		(930,083)		(930,083)		(930,083)		(930,083)		(930,083)				0
Eliminates funding for Workforce 20/20 program		(502,407)		(502,407)				0		(502,407)		(502,407)		(502,407)		(502,407)
Reduces Reed Act funding			(1,460,560)	(1,460,560)			(1,460,560)	(1,460,560)			(1,460,560)	(1,460,560)				0
Total ongoing funding changes	(56.15)	(\$1,443,837)	(\$16,522,683)	(\$17,966,520)	(56.15)	(\$939,833)	(\$16,285,971)	(\$17,225,804)	(56.15)	(\$1,442,461)	(\$16,318,710)	(\$17,761,171)	0.00	(\$502,628)	(\$32,739)	(\$535,367)
One-time funding items																
No one-time funding items				\$0				\$0				\$0				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	(56.15)	(\$1,443,837)	(\$16,522,683)	(\$17,966,520)	(56.15)	(\$939,833)	(\$16,285,971)	(\$17,225,804)	(56.15)	(\$1,442,461)	(\$16,318,710)	(\$17,761,171)	0.00	(\$502,628)	(\$32,739)	(\$535,367)
2017-19 Total Funding	181.61	\$444,243	\$53,945,183	\$54,389,426	181.61	\$948,247	\$54,181,895	\$55,130,142	181.61	\$445,619	\$54,149,156	\$54,594,775	0.00	(\$502,628)	(\$32,739)	(\$535,367)

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

	Burgum Executive Budget Recommendation (Changes to Dalrymple Budget in Bold)	Senate Version	House Version
Health insurance increases			Section 2 identifies the funding increase for health insurance premium increases included in the agency's appropriation.
Reed Act funds	Section 3 provides a special fund appropriation of \$11,210,286 in Section 1 from federal Reed Act funds made available to the state by the federal Reed Act distributions made in federal fiscal years 1957, 1958, 1999, and 2002, pursuant to section 903 of the federal Social Security Act for the purpose of developing a modernized unemployment insurance computer system. (The Burgum budget recommendation reduces this section.)	Section 3 provides a special fund appropriation of \$11,210,286 in Section 1 from federal Reed Act funds made available to the state by the federal Reed Act distributions made in federal fiscal years 1957, 1958, 1999, and 2002, pursuant to section 903 of the federal Social Security Act for the purpose of developing a modernized unemployment insurance computer system.	Section 4 provides a special fund appropriation of \$11,210,286 in Section 1 from federal Reed Act funds made available to the state by the federal Reed Act distributions made in federal fiscal years 1957, 1958, 1999, and 2002, pursuant to section 903 of the federal Social Security Act for the purpose of developing a modernized unemployment insurance computer system.
Federal funds	Section 4 provides all federal funds received by Job Service North Dakota in excess of those funds appropriated in Section 1 are appropriated for the 2017-19 biennium.	Section 4 provides all federal funds received by Job Service North Dakota in excess of those funds appropriated in Section 1 are appropriated for the 2017-19 biennium.	Section 5 provides all federal funds received by Job Service North Dakota in excess of those funds appropriated in Section 1 are appropriated for the 2017-19 biennium.
New Jobs Training program			Sections 6, 7, and 8 repeal Chapter 52-02.1 related to the New Jobs Training program and allow for Job Service North Dakota to carry out any current obligations of the program.

3-29-2017

SB 2016

att 1

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

	Senate Version				House Version				House Changes to Senate Version Increase (Decrease) - Senate Version			
	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
	2017-19 Biennium Base Level	237.76	\$1,888,080	\$70,467,866	\$72,355,946	237.76	\$1,888,080	\$70,467,866	\$72,355,946	0.00	\$0	\$0
2017-19 Ongoing Funding Changes												
Adjusts funding for base payroll changes	(56.15)	(\$12,798)	(\$12,603,617)	(\$12,616,415)	(56.15)	(\$12,798)	(\$12,603,617)	(\$12,616,415)				\$0
Salary increase - Performance				0				0				0
Health insurance increase		3,048	451,863	454,911		2,827	419,124	421,951		(221)	(32,739)	(32,960)
Employee portion of health insurance				0				0				0
Reduces funding for operating expenses			(2,727,902)	(2,727,902)			(2,727,902)	(2,727,902)				0
Increases funding for participant training contract grants			54,245	54,245			54,245	54,245				0
Reduces funding for Workforce 20/20 program		(930,083)		(930,083)		(930,083)		(930,083)				0
<i>Eliminates funding for Workforce 20/20 program</i>				0		(502,233)		(502,233)		(502,233)		(502,233)
Reduces Reed Act funding			(1,460,560)	(1,460,560)			(1,460,560)	(1,460,560)				0
Adds funding for estimated rent revenue				0			750,000	750,000			750,000	750,000
Total ongoing funding changes	(56.15)	(\$939,833)	(\$16,285,971)	(\$17,225,804)	(56.15)	(\$1,442,287)	(\$15,568,710)	(\$17,010,997)	0.00	(\$502,454)	\$717,261	\$214,807
One-time funding items												
No one-time funding items				\$0				\$0				\$0
Adds funding for renovation of Bismarck regional office				0		100,000		100,000		100,000		100,000
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$100,000	\$0	\$100,000	0.00	\$100,000	\$0	\$100,000
Total Changes to Base Level Funding	(56.15)	(\$939,833)	(\$16,285,971)	(\$17,225,804)	(56.15)	(\$1,342,287)	(\$15,568,710)	(\$16,910,997)	0.00	(\$402,454)	\$717,261	\$314,807
2017-19 Total Funding	181.61	\$948,247	\$54,181,895	\$55,130,142	181.61	\$545,793	\$54,899,156	\$55,444,949	0.00	(\$402,454)	\$717,261	\$314,807

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

	Senate Version	House Version
Health insurance increases		Section 2 identifies the funding increase for health insurance premium increases included in the agency's appropriation.
Reed Act funds	Section 3 provides a special fund appropriation of \$11,210,286 in Section 1 from federal Reed Act funds made available to the state by the federal Reed Act distributions made in federal fiscal years 1957, 1958, 1999, and 2002, pursuant to section 903 of the federal Social Security Act for the purpose of developing a modernized unemployment insurance computer system.	Section 4 provides a special fund appropriation of \$11,209,557 in Section 1 from federal Reed Act funds made available to the state by the federal Reed Act distributions made in federal fiscal years 1957, 1958, 1999, and 2002, pursuant to section 903 of the federal Social Security Act for the purpose of developing a modernized unemployment insurance computer system.
Federal funds	Section 4 provides all federal funds received by Job Service North Dakota in excess of those funds appropriated in Section 1 are appropriated for the 2017-19 biennium.	Section 5 provides all federal funds received by Job Service North Dakota in excess of those funds appropriated in Section 1 are appropriated for the 2017-19 biennium.

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

Senate Version

House Version

New Jobs Training program

Sections 6, 7, and 8 amend Section 52-08-10 and repeal Chapter 52-02.1 related to the New Jobs Training program and allow for Job Service North Dakota to honor any current obligations of the program.

Rent revenue

Section 9 provides \$750,000 of special fund spending authority for estimated rent revenue to be received from the leasing of properties in Minot and Bismarck.

Bismarck regional office

Section 10 provides one-time funding from the general fund to defray the expenses of Job Service North Dakota relocating from the Bismarck central office to the Bismarck regional office and for costs associated with renovations of the Bismarck regional office necessary for normal business operations.

att 2
3/29/2017
SB2016

Fiscal No. 1

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2016

Page 1, line 2, after "Dakota" insert "; to amend and reenact section 52-08-10 of the North Dakota Century Code, relating to the preparation of a business plan for workforce training; to repeal chapter 52-02.1 of the North Dakota Century Code, relating to new jobs training; and to provide for application"

Page 1, replace lines 12 through 21 with:

"Salaries and wages	\$39,604,238	(\$12,448,672)	\$27,155,566
Operating expenses	13,479,157	(1,977,902)	11,501,255
Capital assets	20,000	100,000	120,000
Grants	5,404,326	54,245	5,458,571
Workforce 20/20	1,441,225	(1,441,225)	0
Reed Act - unemployment insurance	<u>12,407,000</u>	<u>(1,197,443)</u>	<u>11,209,557</u>
computer modernization			
Total all funds	\$72,355,946	(\$16,910,997)	\$55,444,949
Less estimated income	<u>70,467,866</u>	<u>(15,568,710)</u>	<u>54,899,156</u>
Total general fund	\$1,888,080	(\$1,342,287)	\$545,793"

Page 1, after line 22, insert:

"SECTION 2. HEALTH INSURANCE INCREASES. The salaries and wages line item in section 1 of this Act includes the sum of \$421,951, of which \$2,827 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month."

Page 1, line 23, after "FUNDING" insert "- EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SIXTH LEGISLATIVE ASSEMBLY"

Page 1, line 24, after "biennium" insert "and the 2017-19 biennium one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 2 through 6 with:

"Oil and gas employment study	\$80,000	\$0
Virtual OneStop application	9,500	0
Renovation of Bismarck regional office	0	<u>100,000</u>
Total all funds	\$89,500	\$100,000
Total special funds	0	0
Total general fund	\$89,500	\$100,000

The 2017-19 biennium one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. Job service North Dakota shall report to the appropriations committees of the sixty-sixth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 2, line 9, replace "\$11,210,286" with "\$11,209,557"

Page 2, after line 16, insert:

"SECTION 6. AMENDMENT. Section 52-08-10 of the North Dakota Century Code is amended and reenacted as follows:

52-08-10. Preparation of business plan - Revolving loans.

Subject to state board of higher education policies, the president of an institution of higher education that is assigned primary responsibility for workforce training shall prepare an annual business plan that must include provisions for use of the training capacity of the tribal colleges within the designated region, in consultation with the workforce training board. ~~The business plan may include participation as a community under the new jobs training program under chapter 52-02.1.~~ The workforce training board shall approve the business plan and make recommendations for funding of the business plan to the state board of higher education. Any state funds received under this program by the institutions of higher education assigned primary responsibility for workforce training must be used for business and customized training activities. The state board of higher education may establish for each institution of higher education assigned primary responsibility for workforce training a revolving loan fund for workforce training program startups using the borrowing authority provided in section 15-10-16.1.

SECTION 7. REPEAL. Chapter 52-02.1 of the North Dakota Century Code is repealed.

SECTION 8. APPLICATION. Job service North Dakota shall honor contractual obligations under the new jobs training program in chapter 52-02.1 which were in effect before the effective date of this Act, until the terms of the contracts have been fulfilled.

SECTION 9. ESTIMATED INCOME - RENT REVENUE. The estimated income line item in section 1 of this Act includes \$750,000 of estimated rent revenue as a result of job service North Dakota leasing the Minot regional office and a portion of the Bismarck central office to other state agencies. Any revenue collected must be deposited in the job service North Dakota operating fund for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 10. ONE-TIME FUNDING - BISMARCK REGIONAL OFFICE RENOVATION - RELOCATION COSTS. Section 1 of this Act includes \$100,000 of one-time funding from the general fund, for defraying the expenses of job service North Dakota relocating from the Bismarck central office to the Bismarck regional office and for costs associated with renovations of the Bismarck regional office necessary for normal business operations for the biennium beginning July 1, 2017, and ending June 30, 2019."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2016 - Job Service North Dakota - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$39,604,238	\$27,187,623	(\$32,057)	\$27,155,566
Operating expenses	13,479,157	10,751,255	750,000	11,501,255
Capital assets	20,000	20,000	100,000	120,000
Grants	5,404,326	5,458,571		5,458,571
Workforce 20/20	1,441,225	502,407	(502,407)	
Reed Act - Computer modernization	12,407,000	11,210,286	(729)	11,209,557
	<u>\$72,355,946</u>	<u>\$55,130,142</u>	<u>\$314,807</u>	<u>\$55,444,949</u>

Total all funds				
Less estimated income	70,467,866	54,181,895	717,261	54,899,156
General fund	\$1,888,080	\$948,247	(\$402,454)	\$545,793
FTE	237.76	181.61	0.00	181.61

Department No. 380 - Job Service North Dakota - Detail of House Changes

	Adjusts Funding for Health Insurance ¹	Eliminates Funding Workforce 20/20 Program ²	Adds Funding for Estimated Rent Revenue ³	Adds One-Time Funding for Relocating and Office Renovations ⁴	Total House Changes
Salaries and wages	(\$32,057)				(\$32,057)
Operating expenses			750,000		750,000
Capital assets				100,000	100,000
Grants					
Workforce 20/20	(174)	(502,233)			(502,407)
Reed Act - Computer modernization	(729)				(729)
Total all funds	(\$32,960)	(\$502,233)	\$750,000	\$100,000	\$314,807
Less estimated income	(32,739)	0	750,000	0	717,261
General fund	(\$221)	(\$502,233)	\$0	\$100,000	(\$402,454)
FTE	0.00	0.00	0.00	0.00	0.00

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month.

² Funding is eliminated for the Workforce 20/20 program. The Senate provided \$502,407 from the general fund for the program.

³ Funding for operating expenses is increased by \$750,000 of revenue to be collected as a result of Job Service North Dakota leasing the Minot regional office and Bismarck central office to other state agencies. Revenue collected will be deposited in the Job Service North Dakota operating fund.

⁴ One-time funding is added from the general fund for costs associated with Job Service North Dakota relocating from the Bismarck central office to the Bismarck regional office and for any related renovations of the Bismarck regional office necessary for normal business operations.

This amendment also:

- Adds a section to identify the amount of funding included in the bill for the increase in employee health insurance premiums.
- Adjusts the amount of funding for Reed Act funds in Section 4 of the bill.
- Repeals North Dakota Century Code Chapter 52-02.1 related to the new jobs training program and amends Section 52-08-10 to eliminate reference to Chapter 52-02.1.
- Adds a section providing an application clause related to the new jobs training program, allowing Job Service North Dakota to honor current contractual obligations under the program.
- Adds a section to identify an increase in special fund spending authority of \$750,000 due to estimated rent revenue to be collected as a result of leasing the Job Service North Dakota Minot regional office and Bismarck central office.
- Adds a section to identify \$100,000 of one-time funding from the general fund for costs associated with Job Service North Dakota relocating to the Bismarck regional office and for related renovation costs of the property.

17.0524.02003
Title.

Prepared by the Legislative Council staff for
House Appropriations - Education and
Environment Division Committee
March 30, 2017

Fiscal No. 2

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2016

Page 1, line 2, after "Dakota" insert "; to amend and reenact section 52-08-10 of the North Dakota Century Code, relating to the preparation of a business plan for workforce training; to repeal chapter 52-02.1 of the North Dakota Century Code, relating to new jobs training; to provide a statement of legislative intent; to provide for a legislative management study; and to provide for application"

Page 1, replace lines 12 through 21 with:

"Salaries and wages	\$39,604,238	(\$12,448,672)	\$27,155,566
Operating expenses	13,479,157	(1,977,902)	11,501,255
Capital assets	20,000	100,000	120,000
Grants	5,404,326	54,245	5,458,571
Workforce 20/20	1,441,225	(1,441,225)	0
Reed Act - unemployment insurance	12,407,000	(1,197,443)	11,209,557
computer modernization			
Total all funds	\$72,355,946	(\$16,910,997)	\$55,444,949
Less estimated income	70,467,866	(15,568,710)	54,899,156
Total general fund	\$1,888,080	(\$1,342,287)	\$545,793"

Page 1, after line 22, insert:

"SECTION 2. HEALTH INSURANCE INCREASES. The salaries and wages line item in section 1 of this Act includes the sum of \$421,951, of which \$2,827 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month."

Page 1, line 23, after "FUNDING" insert "- EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SIXTH LEGISLATIVE ASSEMBLY"

Page 1, line 24, after "biennium" insert "and the 2017-19 biennium one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 2 through 6 with:

"Oil and gas employment study	\$80,000	\$0
Virtual OneStop application	9,500	0
Renovation of Bismarck regional office	0	100,000
Total all funds	\$89,500	\$100,000
Total special funds	0	0
Total general fund	\$89,500	\$100,000

The 2017-19 biennium one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. Job service North Dakota shall report to the appropriations committees of the sixty-sixth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 2, line 9, replace "\$11,210,286" with "\$11,209,557"

Page 2, after line 16, insert:

"SECTION 6. AMENDMENT. Section 52-08-10 of the North Dakota Century Code is amended and reenacted as follows:

52-08-10. Preparation of business plan - Revolving loans.

Subject to state board of higher education policies, the president of an institution of higher education that is assigned primary responsibility for workforce training shall prepare an annual business plan that must include provisions for use of the training capacity of the tribal colleges within the designated region, in consultation with the workforce training board. ~~The business plan may include participation as a community under the new jobs training program under chapter 52-02.1.~~ The workforce training board shall approve the business plan and make recommendations for funding of the business plan to the state board of higher education. Any state funds received under this program by the institutions of higher education assigned primary responsibility for workforce training must be used for business and customized training activities. The state board of higher education may establish for each institution of higher education assigned primary responsibility for workforce training a revolving loan fund for workforce training program startups using the borrowing authority provided in section 15-10-16.1.

SECTION 7. REPEAL. Chapter 52-02.1 of the North Dakota Century Code is repealed.

SECTION 8. APPLICATION. Job service North Dakota shall honor contractual obligations under the new jobs training program in chapter 52-02.1 which were in effect before the effective date of this Act, until the terms of the contracts have been fulfilled.

SECTION 9. ESTIMATED INCOME - RENT REVENUE. The estimated income line item in section 1 of this Act includes \$750,000 of estimated rent revenue as a result of job service North Dakota leasing the Minot regional office and a portion of the Bismarck central office to other state agencies. Any revenue collected must be deposited in the job service North Dakota operating fund for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 10. ONE-TIME FUNDING - BISMARCK REGIONAL OFFICE RENOVATION - RELOCATION COSTS. Section 1 of this Act includes \$100,000 of one-time funding from the general fund, for defraying the expenses of job service North Dakota relocating from the Bismarck central office to the Bismarck regional office and for costs associated with renovations of the Bismarck regional office necessary for normal business operations for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 11. LEGISLATIVE INTENT- JOB SERVICE NORTH DAKOTA PROPERTIES. It is the intent of the sixty-fifth legislative assembly that, as a result of the study provided for in section 11 of this Act, job service North Dakota enter into a long-term lease or sell the property determined most valuable and continue to occupy the property with the lowest cost for office space.

SECTION 12. LEGISLATIVE MANAGEMENT STUDY - JOB SERVICE NORTH DAKOTA PROPERTIES. During the 2017-18 interim, the legislative management shall consider studying office space cost and value of properties owned by job service North Dakota in Fargo, Rolla, Minot, and Bismarck. If job service North Dakota sells or leases any property identified in this section prior to July 1, 2017, the property must not be included in the study. The legislative management shall report its

findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-sixth legislative assembly."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2016 - Job Service North Dakota - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$39,604,238	\$27,187,623	(\$32,057)	\$27,155,566
Operating expenses	13,479,157	10,751,255	750,000	11,501,255
Capital assets	20,000	20,000	100,000	120,000
Grants	5,404,326	5,458,571		5,458,571
Workforce 20/20	1,441,225	502,407	(502,407)	
Reed Act - Computer modernization	12,407,000	11,210,286	(729)	11,209,557
	<u>\$72,355,946</u>	<u>\$55,130,142</u>	<u>\$314,807</u>	<u>\$55,444,949</u>
Total all funds				
Less estimated income	<u>70,467,866</u>	<u>54,181,895</u>	<u>717,261</u>	<u>54,899,156</u>
	<u>\$1,888,080</u>	<u>\$948,247</u>	<u>(\$402,454)</u>	<u>\$545,793</u>
General fund				
	237.76	181.61	0.00	181.61
FTE				

Department No. 380 - Job Service North Dakota - Detail of House Changes

	Adjusts Funding for Health Insurance ¹	Eliminates Funding Workforce 20/20 Program ²	Adds Funding for Estimated Rent Revenue ³	Adds One-Time Funding for Relocating and Office Renovations ⁴	Total House Changes
Salaries and wages	(\$32,057)				(\$32,057)
Operating expenses			750,000		750,000
Capital assets				100,000	100,000
Grants					
Workforce 20/20	(174)	(502,233)			(502,407)
Reed Act - Computer modernization	(729)				(729)
	<u>(\$32,960)</u>	<u>(\$502,233)</u>	<u>\$750,000</u>	<u>\$100,000</u>	<u>\$314,807</u>
Total all funds					
Less estimated income	<u>(32,739)</u>	<u>0</u>	<u>750,000</u>	<u>0</u>	<u>717,261</u>
General fund	(\$221)	(\$502,233)	\$0	\$100,000	(\$402,454)
FTE	0.00	0.00	0.00	0.00	0.00

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month.

² Funding is eliminated for the Workforce 20/20 program. The Senate provided \$502,407 from the general fund for the program.

³ Funding for operating expenses is increased by \$750,000 of revenue to be collected as a result of Job Service North Dakota leasing the Minot regional office and Bismarck central office to other state agencies. Revenue collected will be deposited in the Job Service North Dakota operating fund.

⁴ One-time funding is added from the general fund for costs associated with Job Service North Dakota relocating from the Bismarck central office to the Bismarck regional office and for any related renovations of the Bismarck regional office necessary for normal business operations.

This amendment also:

- Adds a section to identify the amount of funding included in the bill for the increase in employee health insurance premiums.
- Adjusts the amount of funding for Reed Act funds in Section 4 of the bill.
- Repeals North Dakota Century Code Chapter 52-02.1 related to the new jobs training program and amends Section 52-08-10 to eliminate reference to Chapter 52-02.1.
- Adds a section providing an application clause related to the new jobs training program, allowing Job Service North Dakota to honor current contractual obligations under the program.
- Adds a section to identify an increase in special fund spending authority of \$750,000 due to estimated rent revenue to be collected as a result of leasing the Job Service North Dakota Minot regional office and Bismarck central office.
- Adds a section to identify \$100,000 of one-time funding from the general fund for costs associated with Job Service North Dakota relocating to the Bismarck regional office and for related renovation costs of the property.
- Adds a section providing legislative intent regarding the study of Job Service North Dakota properties in Fargo, Rolla, Minot, and Bismarck.
- Adds a section providing for a legislative management study related to Job Service North Dakota properties in Fargo, Rolla, Minot, and Bismarck.

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

SB 2016
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	Senate Version				House Version				House Changes to Senate Version Increase (Decrease) - Senate Version			
	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2017-19 Biennium Base Level	237.76	\$1,888,080	\$70,467,866	\$72,355,946	237.76	\$1,888,080	\$70,467,866	\$72,355,946	0.00	\$0	\$0	\$0
2017-19 Ongoing Funding Changes												
Adjusts funding for base payroll changes	(56.15)	(\$12,798)	(\$12,603,617)	(\$12,616,415)	(56.15)	(\$12,798)	(\$12,603,617)	(\$12,616,415)				\$0
Health insurance increase		3,048	451,863	454,911		2,827	419,124	421,951		(221)	(32,739)	(32,960)
<i>Employee portion of health insurance</i>				0				0				0
Reduces funding for operating expenses			(2,727,902)	(2,727,902)			(2,727,902)	(2,727,902)				0
Increases funding for participant training contract grants			54,245	54,245			54,245	54,245				0
Reduces funding for Workforce 20/20 program		(930,083)		(930,083)		(930,083)		(930,083)				0
Eliminates funding for Workforce 20/20 program				0		(502,233)		(502,233)		(502,233)		(502,233)
Reduces Reed Act funding			(1,460,560)	(1,460,560)			(1,460,560)	(1,460,560)				0
Adds funding for estimated rent revenue				0			750,000	750,000			750,000	750,000
Total ongoing funding changes	(56.15)	(\$939,833)	(\$16,285,971)	(\$17,225,804)	(56.15)	(\$1,442,287)	(\$15,568,710)	(\$17,010,997)	0.00	(\$502,454)	\$717,261	\$214,807
One-time funding items												
Adds funding for renovation of Bismarck regional office				\$0		\$100,000		\$100,000		\$100,000		\$100,000
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$100,000	\$0	\$100,000	0.00	\$100,000	\$0	\$100,000
Total Changes to Base Level Funding	(56.15)	(\$939,833)	(\$16,285,971)	(\$17,225,804)	(56.15)	(\$1,342,287)	(\$15,568,710)	(\$16,910,997)	0.00	(\$402,454)	\$717,261	\$314,807
2017-19 Total Funding	181.61	\$948,247	\$54,181,895	\$55,130,142	181.61	\$545,793	\$54,899,156	\$55,444,949	0.00	(\$402,454)	\$717,261	\$314,807

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

	Senate Version	House Version
Health insurance increases		Section 2 identifies the funding increase for health insurance premium increases included in the agency's appropriation.
Reed Act funds	Section 3 provides a special fund appropriation of \$11,210,286 in Section 1 from federal Reed Act funds made available to the state by the federal Reed Act distributions made in federal fiscal years 1957, 1958, 1999, and 2002, pursuant to section 903 of the federal Social Security Act for the purpose of developing a modernized unemployment insurance computer system.	Section 4 provides a special fund appropriation of \$11,209,557 in Section 1 from federal Reed Act funds made available to the state by the federal Reed Act distributions made in federal fiscal years 1957, 1958, 1999, and 2002, pursuant to section 903 of the federal Social Security Act for the purpose of developing a modernized unemployment insurance computer system.
Federal funds	Section 4 provides all federal funds received by Job Service North Dakota in excess of those funds appropriated in Section 1 are appropriated for the 2017-19 biennium.	Section 5 provides all federal funds received by Job Service North Dakota in excess of those funds appropriated in Section 1 are appropriated for the 2017-19 biennium.

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

	<u>Senate Version</u>	<u>House Version</u>
New Jobs Training program		Sections 6, 7, and 8 amend Section 52-08-10 and repeal Chapter 52-02.1 related to the New Jobs Training program and allow for Job Service North Dakota to honor any current obligations of the program.
Rent revenue		Section 9 provides \$750,000 of special fund spending authority for estimated rent revenue to be received from the leasing of properties in Minot and Bismarck.
Bismarck regional office		Section 10 provides one-time funding from the general fund to defray the expenses of Job Service North Dakota relocating from the Bismarck central office to the Bismarck regional office and for costs associated with renovations of the Bismarck regional office necessary for normal business operations.
Legislative intent		Section 11 provides legislative intent regarding the study in section 12, requiring Job Service North Dakota to sell or lease the most valuable property listed in the study and to occupy the property with the lowest cost for office space.
Legislative Management study		Section 12 provides for a Legislative Management study regarding properties owned by Job Service North Dakota in Fargo, Rolla, Minot, and Bismarck.



SB 2016
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**DEPARTMENT OF COMMERCE TESTIMONY ON SB 2016
APRIL 12, 2017, 4:00 P.M.
SB 2016 CONFERENCE COMMITTEE
SENATOR KAREN KREBSBACH, CHAIRMAN**

JUSTIN DEVER – CO-DEPUTY COMMISSIONER, ND DEPARTMENT OF COMMERCE

Good afternoon, Madam Chairman and members of the committee, my name is Justin Dever and I serve as a Co-Deputy Commissioner for the North Dakota Department of Commerce. I am here today to speak in favor of keeping the New Jobs Training Program.

North Dakota has one of the lowest unemployment rates in the nation, and has for some time. While low unemployment is good for the citizens of North Dakota, it can pose challenges for businesses looking to relocate and expand within the state.

The New Jobs Training Program is a significant program to address the state's workforce challenges. It assists companies by providing upfront dollars to aid in the training of new employees at a new location or expansion within the state. These dollars are paid back through income tax withholdings of the new employees over a period of 10 years.

To illustrate what this programs means to prospective project, I have a couple recent examples including a proposed project with 76 jobs in eastern North Dakota and another project with 13 jobs in western North Dakota. The project with 76 jobs would have an estimated 10 year withholding amount of \$1,121,360. The project with 13 jobs would have an estimated 10 year withholding amount of \$226,499. These are significant dollar amounts that would help offset the costs of training new employees.

In case it's helpful, I've also provided a spreadsheet that outlines the status of the workforce training funding in the various budget bills. You will notice that the appropriation for the 2015-17 biennium was \$14.1 million and the current funding is \$2.85 million. Overall this is an 80% reduction.

At a time of low agricultural and energy commodity prices, we are once again reminded of the need to grow and diversify the state's economy. Workforce issues remain a critical challenge to overcome and the New Jobs Training Program is a key tool to do so.

Madam Chairman and members of the committee, thank you for allowing me to visit with you today. That concludes my testimony and I am happy to entertain any questions.

SB 2016
4-12-17
Conf. comm.

Workforce
Training
2
p 1

JOB SERVICE NORTH DAKOTA
WORKFORCE TRAINING PROPOSAL
Proposal # = WTP-017-10-06 (76 Jobs)
October 21, 2016

This proposal is in response to the workforce related start up and training costs associated with those costs. This start up funding can come from any of 3 sources.

1. A state funded program titled Workforce 20/20
 2. A state funded program titled North Dakota New Jobs Training
 3. A federal tax incentive program titled Work Opportunity Tax Credit (WOTC).
- **Workforce 20/20 Program:** The Workforce 20/20 Program provides matching funding to employers to offset cost of training incumbent workers and new employees. Training funded under the Workforce 20/20 Program is limited to North Dakota residents.

The Workforce 20/20 Program can reimburse employers for direct training costs provided by third party training providers. Eligible training costs can include:

- Instructor wages, per diem and travel;
- Tuition and registration fees;
- Curriculum development and training materials;
- Lease of training equipment and training space;
- Travel for participants to attend training;
- Miscellaneous direct training costs.

Workforce 20/20 funds cannot be used to reimburse employee salaries, fund in-house trainers, purchase equipment, software, non-expendable supplies or use of in-house training space. *Although the Workforce 20/20 funds have been completely obligated for the July 1, 2015- June 30, 2017 biennium; new funds may be allocated for usage by mid-2017.*

- **North Dakota New Jobs Training Program:** The North Dakota New Jobs Training Program provides incentives to businesses that are creating new employment in primary sector industries. The program provides a means for businesses to obtain no-cost funding to offset workforce related cost associated with start up and training of new employees.

The North Dakota New Jobs Training Program captures the North Dakota state income tax withholding generated from individuals filling new job positions, identified in a New Jobs Training Agreement, for up to a ten-year period starting from the effective date of the Agreement.

Funding can be accessed in one of two ways: **First**, the business can obtain a loan or repayable grant to cover the workforce related expansion and training costs. 100% of the allowable state income tax withholding credit reported each quarter is applied toward repayment of the principle and interest on the loan or repayable grant. **Second**, the business can elect to receive reimbursements of the ND State Income Tax that is paid in on the newly created positions.

Under the self-finance options 60% of the allowable state income tax withholding reported each quarter would be returned to the employer by the North Dakota State Tax Department.

OR by using a local Grantor, the business can receive over 95% of the state income tax withholding reimbursed quarterly.

- **Work Opportunity Tax Credits:** The Work Opportunity Tax Credit (WOTC) provides businesses an incentive to hire individuals from groups that have special employment needs, veterans or individuals residing in qualifying counties as seen on the map below.

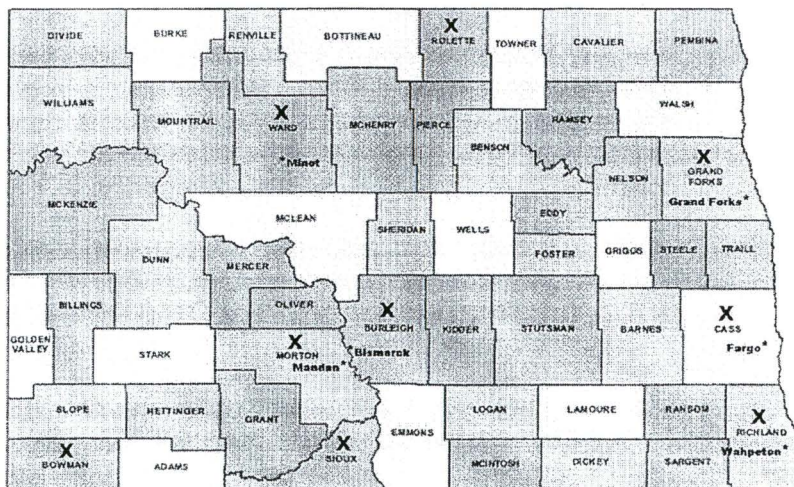
WOTC provides a two-tiered system for the tax credit including:

- A total of twenty-five percent credit for employees who work at least 120 hours for a maximum credit of \$1,500.
- A total of forty percent credit on the first year's wages, for employees working at least four hundred hours. This can reduce an employer's federal tax liability by as much as \$2,400 per qualifying individual hired. (The qualifying wages are capped at \$6,000).

WOTC Target Groups include; recipients of Food Stamps/SNAP, TANF, SSI benefits, VR services. A past felon, a veteran, someone that has been unemployed a long period of time or lives in a DCR/RRC county:

Designated Community Resident Target Group
- Rural Renewal County (RRC) -

Those counties indicated with an "X" are **not** part of the RRC area.



#2
P3

ASSUMPTIONS:

WTP-017-10-16: 76 new full time jobs will be created in North Dakota as a result of the expansion. The projected number of new positions and starting salaries are as follows:

Total Number	Position or Title	Annual Salary	Ave 10 year Withhold
7	Sales	\$142,000.00	\$ 255,802.82
15	Service Sales	\$ 88,000.00	\$ 271,519.01
16	Sales2	\$ 80,000.00	\$ 248,870.10
15	Administration	\$ 64,000.00	\$ 155,626.61
13	Customer Service	\$ 63,000.00	\$ 130,789.48
10	Production Sales	\$ 47,000.00	\$ 58,752.95
			\$1,121,360.97

Based on the assumptions above, the following resources are available:

- I. Workforce 20/20,
- II. North Dakota New Jobs Training and

If federal guidelines have been met, these fund sources might also be available:

- III. Work Opportunity Tax Credit.

Program	Calculations	Total Funding for the Proposal
Workforce 20/20 assuming 76 people hired		
	76 hires times \$1,000 training cost/employee	\$ 0
<i>No new applications are being accepted but new allocations of funds are expected for July 2017</i>		
North Dakota New Jobs Training		
	76 positions @ Ave 10 Yr Total Withholding	\$ 1,121,360.97
Work Opportunity Tax Credit		
	4 employee times \$2,400.00	\$ 9,600.00
Total		\$ 1,130,960.97

The resources identified above are based on the assumptions provided. Any changes in wage rates and or the number of new jobs created would affect total resources available.

1. The total amount identified as a resource under Workforce 20/20 could increase/decrease depending upon the identified workforce training needs and resources available from the North Dakota New Jobs Training and federally funded work force training programs.
2. The total resources identified under the North Dakota New Jobs Training Program will depend upon the actual number of new jobs created and the actual entry wage/taxable wage for each position.

#2
#4

3. Total resources identified under the federally-funded Work Opportunity Tax Credit Program could increase/decrease depending upon the number of individuals hired who meet one of the target groups in the Work Opportunity Tax Credit Program.
4. The workforce training funds identified in the proposal would be available contingent upon the assumptions stated in the proposal, meeting the applicable statutory and regulatory requirements, and availability of funds for each of the training resources. For all programs, training agreements and contracts must be signed and in place prior to the hiring of staff to be trained and or the start of any training for which reimbursement is being requested.

Since Job Service North Dakota administers both the federal and state-funded workforce training programs, Job Service is able to offer one-stop access to training resources to assist with the project expansion.

If the recruitment of the workforce for the project is coordinated through Job Service North Dakota, staff could identify eligibility of individuals hired to participate in the federal-funded programs. Through the effective integration of all available resources and programs, funding availability can be maximized for the project.

Job Service North Dakota would be the contact point for all of the above reference state and federal funded programs.

Contact: Karyn Paul, Assistant Program Administrator
Job Service North Dakota
P.O. Box 5507
Bismarck, North Dakota 58505-5507

Phone: 701-328-3358
Fax: 701-328-4894
Email: klpaul@nd.gov

SB 2016
4-12-17
Conf Comm.

Workforce
training
#3
P1

JOB SERVICE NORTH DAKOTA
WORKFORCE TRAINING PROPOSAL
Proposal # = WTP-018-12-16 (13 Jobs)
December 14, 2016

This proposal is in response to the workforce related start up and training costs associated with those costs. This start up funding can come from any of 3 sources.

1. A state funded program titled Workforce 20/20
2. A state funded program titled North Dakota New Jobs Training
3. A federal tax incentive program titled Work Opportunity Tax Credit (WOTC).

- **Workforce 20/20 Program:** The Workforce 20/20 Program provides matching funding to employers to offset cost of training incumbent workers and new employees. Training funded under the Workforce 20/20 Program is limited to North Dakota residents.

The Workforce 20/20 Program can reimburse employers for direct training costs provided by third party training providers. Eligible training costs can include:

- Instructor wages, per diem and travel;
- Tuition and registration fees;
- Curriculum development and training materials;
- Lease of training equipment and training space;
- Travel for participants to attend training;
- Miscellaneous direct training costs.

Workforce 20/20 funds cannot be used to reimburse employee salaries, fund in-house trainers, purchase equipment, software, non-expendable supplies or use of in-house training space. *Although the Workforce 20/20 funds have been completely obligated for the July 1, 2015- June 30, 2017 biennium; new funds may be allocated for usage by mid-2017.*

- **North Dakota New Jobs Training Program:** The North Dakota New Jobs Training Program provides incentives to businesses that are creating new employment in primary sector industries. The program provides a means for businesses to obtain no-cost funding to offset workforce related cost associated with start up and training of new employees.

The North Dakota New Jobs Training Program captures the North Dakota state income tax withholding generated from individuals filling new job positions, identified in a New Jobs Training Agreement, for up to a ten-year period starting from the effective date of the Agreement.

Funding can be accessed in one of two ways: **First**, the business can obtain a loan or repayable grant to cover the workforce related expansion and training costs. 100% of the allowable state income tax withholding credit reported each quarter is applied toward repayment of the principle and interest on the loan or repayable grant. **Second**, the business can elect to receive reimbursements of the ND State Income Tax that is paid in on the newly created positions.

Under the self-finance options 60% of the allowable state income tax withholding reported each quarter would be returned to the employer by the North Dakota State Tax Department.

OR by using a local Grantor, the business can receive over 95% of the state income tax withholding reimbursed quarterly.

- **Work Opportunity Tax Credits:** The Work Opportunity Tax Credit (WOTC) provides businesses an incentive to hire individuals from groups that have special employment needs, veterans or individuals residing in qualifying counties as seen on the map below.

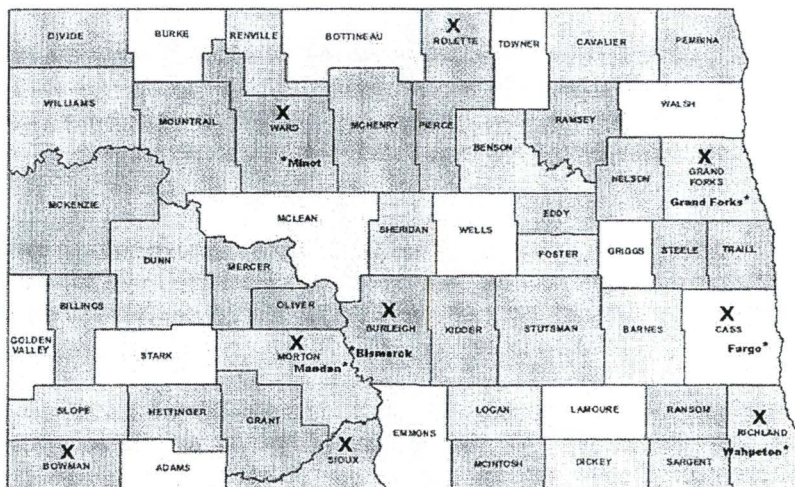
WOTC provides a two-tiered system for the tax credit including:

- A total of twenty-five percent credit for employees who work at least 120 hours for a maximum credit of \$1,500.
- A total of forty percent credit on the first year's wages, for employees working at least four hundred hours. This can reduce an employer's federal tax liability by as much as \$2,400 per qualifying individual hired. (The qualifying wages are capped at \$6,000).

WOTC Target Groups include; recipients of Food Stamps/SNAP, TANF, SSI benefits, VR services. A past felon, a veteran, someone that has been unemployed a long period of time or lives in a DCR/RRC county:

**Designated Community Resident Target Group
- Rural Renewal County (RRC) -**

Those counties indicated with an "X" are not part of the RRC area.



3
P 3

ASSUMPTIONS:

WTP-018-12-16: 13 new full time jobs will be created in North Dakota as a result of the expansion. The projected number of new positions and starting salaries are as follows:

Total Number	Position or Title	Annual Salary	Ave 10 year Withhold
1		\$250,000.00	\$ 68,809.30
2		\$150,000.00	\$ 79,421.89
3		\$ 80,000.00	\$ 46,663.14
7		\$ 40,000.00	\$ 31,605.14
			\$ 226,499.47

Based on the assumptions above, the following resources are available:

- I. Workforce 20/20,
- II. North Dakota New Jobs Training and

If federal guidelines have been met, these fund sources might also be available:

- III. Work Opportunity Tax Credit.

Program	Calculations	Total Funding for the Proposal
Workforce 20/20 assuming #13 people hired		
	13 hires times \$1,000 training cost/employee	\$ 0
<i>No new applications are being accepted but new allocations of funds are expected for July 2017</i>		
North Dakota New Jobs Training		
	13 positions @ Ave 10 Year Total Withholding	\$ 226,499.47
Work Opportunity Tax Credit		
	2 employee times \$2,400.00	\$ 4,800.00
Total		\$ 231,299.47

The resources identified above are based on the assumptions provided. Any changes in wage rates and or the number of new jobs created would affect total resources available.

1. The total amount identified as a resource under Workforce 20/20 could increase/decrease depending upon the identified workforce training needs and resources available from the North Dakota New Jobs Training and federally funded work force training programs.
2. The total resources identified under the North Dakota New Jobs Training Program will depend upon the actual number of new jobs created and the actual entry wage/taxable wage for each position.

3
p 2

3. Total resources identified under the federally-funded Work Opportunity Tax Credit Program could increase/decrease depending upon the number of individuals hired who meet one of the target groups in the Work Opportunity Tax Credit Program.
4. The workforce training funds identified in the proposal would be available contingent upon the assumptions stated in the proposal, meeting the applicable statutory and regulatory requirements, and availability of funds for each of the training resources. For all programs, training agreements and contracts must be signed and in place prior to the hiring of staff to be trained and or the start of any training for which reimbursement is being requested.

Since Job Service North Dakota administers both the federal and state-funded workforce training programs, Job Service is able to offer one-stop access to training resources to assist with the project expansion.

If the recruitment of the workforce for the project is coordinated through Job Service North Dakota, staff could identify eligibility of individuals hired to participate in the federal-funded programs. Through the effective integration of all available resources and programs, funding availability can be maximized for the project.

Job Service North Dakota would be the contact point for all of the above reference state and federal funded programs.

Contact: Karyn Paul, Assistant Program Administrator
Job Service North Dakota
P.O. Box 5507
Bismarck, North Dakota 58505-5507

Phone: 701-328-3358
Fax: 701-328-4894
Email: klpaul@nd.gov

North Dakota Workforce Training Program Funding

H-12-17
 Conf Comm.
 # 4
 SB 2016
 P1

Bill #	Program Name	Administrator	2015-17 Appropriation	Dalrymple Budget	Burgum Budget	Senate Budget	House Budget	Type
SB 2016	New Jobs Training	Job Service ND	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000		\$0 F
SB 2016	Workforce 20/20	Job Service ND	\$1,579,836	\$502,407	\$0	\$502,407		\$0 F
SB 2018	Workforce Enhancement Grant	Commerce	\$1,000,000	\$0	\$0	\$0		\$0 F D
SB 2144	Tribal College Grant	Commerce	\$3,000,000	\$0	\$0	\$1,500,000	\$500,000	D
SB 2018	Operation Intern	Commerce	\$1,550,000	\$1,500,000	\$1,275,000	\$1,275,000	\$750,000	D
SB 2018	Statewide Workforce Recruiting Campaign (Find the Good Life)	Commerce	\$300,000	\$0	\$0	\$0		\$0 E R
SB 2018	Area Health Education Center (AHEC)	Commerce	\$200,000	\$200,000	\$200,000	\$200,000		\$0 E D R
SB 2019	TrainND	CTE	\$3,000,000	\$2,600,000	\$2,600,000	\$2,600,000	\$1,600,000	T
Total			\$14,129,836	\$8,302,407	\$7,575,000	\$9,577,407	\$2,850,000	

Program Goal Type Basic Definitions

- T - Training: Refers to providers offering training to incumbent workers, currently or previously engaged in workforce
- F - Training Funds: Refers to programs designed to provide dollars for skillset training
- D - Development: Refers to students, typically applicable for credit
- E - Employment: Refers to situations of connecting job seekers with available employment options
- R - Recruiting: Refers to situations where workforce from out-of-state are approached regarding in-state opportunities
- I - Incentive: Refers to workforce options rewarding individuals or employers

17.0524.02006
Title.
Fiscal No. 1

4-20-17 Conf com
Prepared by the Legislative Council staff for
Conference Committee
April 19, 2017

SB 2016
#1
P1

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2016

That the House recede from its amendments as printed on pages 508-509 of the Senate Journal and pages 1344-1347 of the House Journal and that Engrossed Senate Bill No. 2016 be amended as follows:

Page 1, line 2, after "Dakota" insert "; to provide a statement of legislative intent; and to provide for a legislative management study"

Page 1, replace lines 12 through 21 with:

"Salaries and wages	\$39,604,238	(\$12,448,672)	\$27,155,566
Operating expenses	13,479,157	(1,977,902)	11,501,255
Capital assets	20,000	100,000	120,000
Grants	5,404,326	54,245	5,458,571
Workforce 20/20	1,441,225	(1,441,225)	0
Reed Act - unemployment insurance	<u>12,407,000</u>	<u>(1,197,443)</u>	<u>11,209,557</u>
computer modernization			
Total all funds	\$72,355,946	(\$16,910,997)	\$55,444,949
Less estimated income	<u>70,467,866</u>	<u>(15,568,710)</u>	<u>54,899,156</u>
Total general fund	\$1,888,080	(\$1,342,287)	\$545,793"

Page 1, after line 22, insert:

"SECTION 2. HEALTH INSURANCE INCREASES. The salaries and wages line item in section 1 of this Act includes the sum of \$421,951, of which \$2,827 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month."

Page 1, line 23, after "FUNDING" insert "- EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SIXTH LEGISLATIVE ASSEMBLY"

Page 1, line 24, after "biennium" insert "and the 2017-19 biennium one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 2 through 6 with:

"Oil and gas employment study	\$80,000	\$0
Virtual OneStop application	9,500	0
Renovation of Bismarck regional office	<u>0</u>	<u>100,000</u>
Total all funds	\$89,500	\$100,000
Total special funds	<u>0</u>	<u>0</u>
Total general fund	\$89,500	\$100,000

The 2017-19 biennium one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. Job service North Dakota shall report to the appropriations committees of the sixty-sixth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 2, line 9, replace "\$11,210,286" with "\$11,209,557"

Page 2, after line 16, insert:

#1
P2

"SECTION 6. ESTIMATED INCOME - RENT REVENUE. The estimated income line item in section 1 of this Act includes \$750,000 of estimated rent revenue as a result of job service North Dakota leasing the Minot regional office and a portion of the Bismarck central office to other state agencies. Any revenue collected must be deposited in the job service North Dakota operating fund for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 7. ONE-TIME FUNDING - BISMARCK REGIONAL OFFICE RENOVATION - RELOCATION COSTS. Section 1 of this Act includes \$100,000 of one-time funding from the general fund, for defraying the expenses of job service North Dakota relocating from the Bismarck central office to the Bismarck regional office and for costs associated with renovations of the Bismarck regional office necessary for normal business operations for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 8. NEW JOBS TRAINING. During the biennium beginning July 1, 2017 and ending June 30, 2019, job service North Dakota may not award more than \$2,500,000 for new agreements related to the new jobs training program under chapter 52-02.1.

SECTION 9. LEGISLATIVE INTENT - JOB SERVICE NORTH DAKOTA PROPERTIES. It is the intent of the sixty-fifth legislative assembly that, as a result of the study provided for in section 12 of this Act, job service North Dakota enter a long-term lease or sell the property determined most valuable and continue to occupy the property with the lowest cost for office space.

SECTION 10. LEGISLATIVE MANAGEMENT STUDY - JOB SERVICE NORTH DAKOTA PROPERTIES. During the 2017-18 interim, the legislative management shall consider studying office space cost and value of properties owned by job service North Dakota in Fargo, Rolla, Minot, and Bismarck with input from the office of management and budget. If job service North Dakota sells or leases any property identified in this section before July 1, 2017, the property may not be included in the study. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-sixth legislative assembly."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2016 - Job Service North Dakota - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$39,604,238	\$27,187,623	(\$32,057)	\$27,155,566	\$27,155,566	
Operating expenses	13,479,157	10,751,255	750,000	11,501,255	11,501,255	
Capital assets	20,000	20,000	100,000	120,000	120,000	
Grants	5,404,326	5,458,571		5,458,571	5,458,571	
Workforce 20/20	1,441,225	502,407	(502,407)			
Reed Act - Computer modernization	12,407,000	11,210,286	(729)	11,209,557	11,209,557	
Total all funds	\$72,355,946	\$55,130,142	\$314,807	\$55,444,949	\$55,444,949	\$0
Less estimated income	70,467,866	54,181,895	717,261	54,899,156	54,899,156	0
General fund	\$1,888,080	\$948,247	(\$402,454)	\$545,793	\$545,793	\$0
FTE	237.76	181.61	0.00	181.61	181.61	0.00

Department No. 380 - Job Service North Dakota - Detail of Conference Committee Changes

#1
P3

	Adjusts Funding for Health Insurance ¹	Eliminates Funding For Workforce 20/20 Program ²	Adds Funding for Estimated Rent Revenue ³	Adds One-Time Funding for Relocating and Office Renovations ⁴	Total Conference Committee Changes
Salaries and wages	(\$32,057)				(\$32,057)
Operating expenses			750,000		750,000
Capital assets				100,000	100,000
Grants					
Workforce 20/20	(174)	(502,233)			(502,407)
Reed Act - Computer modernization	(729)				(729)
Total all funds	(\$32,960)	(\$502,233)	\$750,000	\$100,000	\$314,807
Less estimated income	(32,739)	0	750,000	0	717,261
General fund	(\$221)	(\$502,233)	\$0	\$100,000	(\$402,454)
FTE	0.00	0.00	0.00	0.00	0.00

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month.

² Funding is eliminated for the Workforce 20/20 program, the same as the House version. The Senate provided \$502,407 from the general fund for the program.

³ Funding for operating expenses is increased by \$750,000 of revenue to be collected as a result of Job Service North Dakota leasing the Minot regional office and Bismarck central office to other state agencies, the same as the House version. Revenue collected will be deposited in the Job Service North Dakota operating fund. The House also included these provisions.

⁴ One-time funding is added from the general fund for costs associated with Job Service North Dakota relocating from the Bismarck central office to the Bismarck regional office and for any related renovations of the Bismarck regional office necessary for normal business operations, the same as the House version.

This amendment also:

- Adds a section to identify the amount of funding included in the bill for the increase in employee health insurance premiums, the same as the House version.
- Adjusts the amount of funding for Reed Act funds in Section 4 of the bill, the same as the House version.
- Adds a section to identify an increase in special fund spending authority of \$750,000 due to estimated rent revenue to be collected as a result of leasing the Job Service North Dakota Minot regional office and Bismarck central office, the same as the House version.
- Adds a section to identify \$100,000 of one-time funding from the general fund for costs associated with Job Service North Dakota relocating to the Bismarck regional office and for related renovation costs of the property, the same as the House version.
- Adds a section limiting the amount Job Service North Dakota may award for new agreements under the new jobs training program to \$2.5 million during the 2017-19 biennium. The House repealed North Dakota Century Code Chapter 52-02.1, related to the new jobs training program and allowed Job Service North Dakota to honor any current obligations of the program. The conference committee did not repeal the chapter.
- Adds a section providing legislative intent regarding the study of Job Service North Dakota properties in Fargo, Rolla, Minot, and Bismarck, the same as the House version.
- Adds a section providing for a legislative management study, in conjunction with the Office of Management and Budget, related to Job Service North Dakota properties in Fargo, Rolla, Minot, and Bismarck, the same as the House version.

17.0524.02007
Title.
Fiscal No. 2

SB2016 Conf com 4-24-17
Prepared by the Legislative Council staff for
Senator Krebsbach
April 24, 2017

#1
P1

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2016

That the House recede from its amendments as printed on pages 508 and 509 of the Senate Journal and pages 1344-1347 of the House Journal and that Engrossed Senate Bill No. 2016 be amended as follows:

Page 1, line 2, after "Dakota" insert "; to provide a statement of legislative intent; to provide for a legislative management study; to provide for a study to be directed by the office of management and budget; and to declare an emergency"

Page 1, replace lines 12 through 21 with:

"Salaries and wages	\$39,604,238	(\$12,448,672)	\$27,155,566
Operating expenses	13,479,157	(1,977,902)	11,501,255
Capital assets	20,000	100,000	120,000
Grants	5,404,326	54,245	5,458,571
Workforce 20/20	1,441,225	(1,441,225)	0
Reed Act - unemployment insurance	<u>12,407,000</u>	<u>(1,197,443)</u>	<u>11,209,557</u>
computer modernization			
Total all funds	\$72,355,946	(\$16,910,997)	\$55,444,949
Less estimated income	<u>70,467,866</u>	<u>(15,568,710)</u>	<u>54,899,156</u>
Total general fund	\$1,888,080	(\$1,342,287)	\$545,793"

Page 1, after line 22, insert:

"SECTION 2. HEALTH INSURANCE INCREASES. The salaries and wages line item in section 1 of this Act includes the sum of \$421,951, of which \$2,827 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month."

Page 1, line 23, after "FUNDING" insert "- EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SIXTH LEGISLATIVE ASSEMBLY"

Page 1, line 24, after "biennium" insert "and the 2017-19 biennium one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 2 through 6 with:

"Oil and gas employment study	\$80,000	\$0
Virtual OneStop application	9,500	0
Renovation of Bismarck regional office	0	<u>100,000</u>
Total all funds	\$89,500	\$100,000
Total special funds	0	0
Total general fund	\$89,500	\$100,000

The 2017-19 biennium one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. Job service North Dakota shall report to the appropriations committees of the sixty-sixth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 2, line 9, replace "\$11,210,286" with "\$11,209,557"

Page 2, after line 16, insert:

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P2

"SECTION 6. ESTIMATED INCOME - RENT REVENUE. The estimated income line item in section 1 of this Act includes \$750,000 of estimated rent revenue as a result of job service North Dakota leasing the Minot regional office and a portion of the Bismarck central office to other state agencies. Any revenue collected must be deposited in the job service North Dakota operating fund for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 7. ONE-TIME FUNDING - BISMARCK REGIONAL OFFICE RENOVATION - RELOCATION COSTS. Section 1 of this Act includes \$100,000 of one-time funding from the general fund, for defraying the expenses of job service North Dakota relocating from the Bismarck central office to the Bismarck regional office and for costs associated with renovations of the Bismarck regional office necessary for normal business operations for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 8. NEW JOBS TRAINING. During the biennium beginning July 1, 2017, and ending June 30, 2019, job service North Dakota may not award more than \$2,500,000 for new agreements related to the new jobs training program under chapter 52-02.1.

SECTION 9. LEGISLATIVE MANAGEMENT STUDY - JOB SERVICE NORTH DAKOTA PROPERTIES. During the 2017-18 interim, the legislative management shall consider studying office space cost and value of properties owned by job service North Dakota in Fargo, Rolla, Minot, and Bismarck with input from the office of management and budget. If job service North Dakota sells or leases any property identified in this section before July 1, 2017, the property may not be included in the study. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 10. STUDY AND LEASE OF JOB SERVICE NORTH DAKOTA BISMARCK PROPERTY - JOB SERVICE NORTH DAKOTA RELOCATION - BUDGET SECTION REPORT. The office of management and budget shall contract with a qualified consultant by June 30, 2017, to conduct a study of the most cost-effective use for the job service North Dakota property Parcel# 0485-010-045; Lot# N.50; of L 3, ALL 4-6, ALL L 17-19; Block# 10; Addition - TIBESAR's first in the city of Bismarck, Burleigh County, North Dakota. The office of management and budget, in consultation with the attorney general, shall determine the most cost-effective use of the property described in this section. The term "cost-effective" means savings to the general fund, including any costs associated with relocation and remodeling of office space for job service North Dakota and the attorney general's office. The office of management and budget shall complete its study by September 30, 2017. If the office of management and budget determines it is more cost-effective for the attorney general's office to lease a portion of the property described in this section, job service North Dakota shall lease the number of square feet that is determined the most cost-effective, up to seventy-five percent of the building, to the attorney general, no later than March 31, 2018. Job service North Dakota shall continue to occupy at least twenty-five percent of the building. As a result of the study provided for in this section and upon the lease of a portion of the property described in this section, job service North Dakota may reallocate a portion of its central office operations to another suitable location. The office of management and budget shall report the findings and results of its study to the budget section prior to the lease of the job service North Dakota central office building and subsequent relocation of job service North Dakota to the Bismarck regional office or other office space.

SECTION 11. LEGISLATIVE INTENT. If the attorney general's office relocates a portion of its operations to the job service North Dakota central office, it is the intent of the sixty-fifth legislative assembly any funds appropriated to lease office space it is vacating are no longer appropriated for said purpose.

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SECTION 12. EMERGENCY. Section 10 of this Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2016 - Job Service North Dakota - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$39,604,238	\$27,187,623	(\$32,057)	\$27,155,566	\$27,155,566	
Operating expenses	13,479,157	10,751,255	750,000	11,501,255	11,501,255	
Capital assets	20,000	20,000	100,000	120,000	120,000	
Grants	5,404,326	5,458,571		5,458,571	5,458,571	
Workforce 20/20	1,441,225	502,407	(502,407)			
Reed Act - Computer modernization	12,407,000	11,210,286	(729)	11,209,557	11,209,557	
Total all funds	\$72,355,946	\$55,130,142	\$314,807	\$55,444,949	\$55,444,949	\$0
Less estimated income	70,467,866	54,181,895	717,261	54,899,156	54,899,156	0
General fund	\$1,888,080	\$948,247	(\$402,454)	\$545,793	\$545,793	\$0
FTE	237.76	181.61	0.00	181.61	181.61	0.00

Department No. 380 - Job Service North Dakota - Detail of Conference Committee Changes

	Adjusts Funding for Health Insurance ¹	Eliminates Funding For Workforce 20/20 Program ²	Adds Funding for Estimated Rent Revenue ³	Adds One-Time Funding for Relocating and Office Renovations ⁴	Total Conference Committee Changes
Salaries and wages	(\$32,057)				(\$32,057)
Operating expenses			750,000		750,000
Capital assets				100,000	100,000
Grants					
Workforce 20/20	(174)	(502,233)			(502,407)
Reed Act - Computer modernization	(729)				(729)
Total all funds	(\$32,960)	(\$502,233)	\$750,000	\$100,000	\$314,807
Less estimated income	(32,739)	0	750,000	0	717,261
General fund	(\$221)	(\$502,233)	\$0	\$100,000	(\$402,454)
FTE	0.00	0.00	0.00	0.00	0.00

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month. Section 2 of the bill is also adjusted to reflect the revised premium rate.

² Funding is eliminated for the Workforce 20/20 program, the same as the House version. The Senate provided \$502,407 from the general fund for the program.

³ Funding for operating expenses is increased by \$750,000 of revenue to be collected as a result of Job Service North Dakota leasing the Minot regional office and Bismarck central office to other state agencies, the same as the House version. Revenue collected will be deposited in the Job Service North Dakota operating fund. The House also included these provisions.

⁴ One-time funding is added from the general fund for costs associated with Job Service North Dakota relocating from the Bismarck central office to the Bismarck regional office and for any related renovations of the Bismarck regional office necessary for normal business operations, the same as the House version.

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This amendment also:

- Adjusts the amount of funding for Reed Act funds in Section 4 of the bill, the same as the House version.
- Adds a section to identify an increase in special fund spending authority of \$750,000 due to estimated rent revenue to be collected as a result of leasing the Job Service North Dakota Minot regional office and Bismarck central office, the same as the House version.
- Adds a section to identify \$100,000 of one-time funding from the general fund for costs associated with Job Service North Dakota relocating to the Bismarck regional office and for related renovation costs of the property, the same as the House version.
- Adds a section limiting the amount Job Service North Dakota may award for new agreements under the new jobs training program to \$2.5 million during the 2017-19 biennium. The House repealed North Dakota Century Code Chapter 52-02.1, related to the new jobs training program and allowed Job Service North Dakota to honor any current obligations of the program. The Conference Committee did not repeal the chapter.
- Removes a section approved by the House to provide legislative intent regarding the study of Job Service North Dakota properties in Fargo, Rolla, Minot, and Bismarck, the same as the House version.
- Adds a section providing for a Legislative Management study, in conjunction with the Office of Management and Budget, related to Job Service North Dakota properties in Fargo, Rolla, Minot, and Bismarck, the same as the House version.
- Adds a section providing for a study by the Office of Management and Budget regarding the potential lease of the Job Service North Dakota central office in Bismarck. This section is declared to be an emergency measure.
- Adds a section providing legislative intent that upon the Attorney General's potential relocation to the Job Service North Dakota central office, funds appropriated to the Attorney General to lease office space in the 2017-19 biennium is no longer appropriated for that purpose.