

House Bill 1278
Testimony of Darren Brostrom
Job Service North Dakota
Before the
House Industry Business & Labor Committee
Representative Mike Lefor, Chairman
January 19, 2021

Mr. Chairman, members of the committee, I am Darren Brostrom, Deputy Director of Job Service North Dakota. I am here today to provide information relating to House Bill 1278. Job Service is neutral on this bill.

The question of spouses qualifying for UI benefits when they quit a job to follow a military spouse is not something that comes up often in North Dakota. This is probably because information on the web notes that North Dakota does not have a good cause provision for this type of quit so many may not even file a claim.

Because of the varying and incomplete information relating to this topic on the web, information was gathered directly from United States Department of Labor (USDOL) sources. Following is what they have provided relating to how many states have specific statutory guidance on relocating military spouses who quit a job:

“Several states have provisions related to military spouses relocating, but state laws vary regarding the circumstances when the spouse of a service member is eligible for benefits. See a state’s law for specific eligibility factors.”

Most states that may provide eligibility in these situations have a provision that allows for eligibility to spouses, military or non-military, who quit a job to follow a moving spouse.

- 32 states have a good cause provision to perform marital, domestic, or family obligations. Of these:
 - 4 states have allowances for all spouses through regulation
 - 22 states have allowances for all spouses through law
 - 6 states have allowances for all spouses through interpretation

Understanding that a factor in any decision going forward is the financial impact of the bill, Job Service has completed research and is providing estimates as to the financial effects of this bill. Data was gathered from the two Air Force Bases in North Dakota, military support staff, and various military reports, publications, and data sources.

In looking at actual North Dakota claim data, we first reviewed how many quit to move issues arise in a year. These numbers are not specific to military spouses.

- 2019: 621
- 2020: 884
 - Less than 1% of these were from military spouses

We then utilized information gathered to estimate the number of military spouse claims would result from passage of this bill:

- Each Year: 571

As part of our research on any bill related to Unemployment Insurance, we must provide the language to the USDOL for conformity review. The USDOL has already provided a response on Section 1, finding this section to be conforming, but Section 2 remains under review. There are indications that Section 2 will be found non-conforming as it limits benefit amounts.

Given the fact that the USDOL may find Section 2 to be non-conforming, JSND is providing fiscal impacts for the bill including Section 1 & 2 as written and with Section 1 alone. If Section 2 is found non-conforming, it will have to be removed or altered to meet federal requirements.

It should be noted that the following calculations are based off the two primary active duty military bases in Minot and Grand Forks. If Guard and Reserve members are included for temporary or permanent assignments, the numbers provided will need to be adjusted.

BENEFIT CHARGES AND EMPLOYER TAX IMPACTS

Fiscal Impacts with Section 1 and Section 2 both conforming:

Example 1

Yearly Costs (Base provided numbers, 12 weeks duration, average WBA)	
Minot	\$2,062,944
Grand Forks	\$919,068
Total	\$2,982,012
Tax Rate Impact	0.0298%
Increase Tax per Employee	\$11.47
Cost for 10 Employee Employer	\$114.73

Example 2

Base Closure Cost (Base provided numbers, 12 weeks duration, average WBA)	
Minot	\$4,641,624
Grand Forks	\$2,067,903
Total	\$6,709,527
Tax Rate Impact	0.0671%
Increase Tax per Employee	\$25.83
Cost for 10 Employee Employer	\$258.30

Fiscal Impacts with Section 1 conforming and Section 2 removed:

Example 3

Yearly Costs if Section 2 is non-conforming (Base provided numbers, 19 weeks duration, average WBA)	
Minot	\$3,266,328
Grand Forks	\$1,455,191
Total	\$4,721,519
Tax Rate Impact	0.0472%
Increase Tax per Employee	\$18.17
Cost for 10 Employee Employer	\$181.72

Example 4

Base Closure Costs if Section 2 is non-conforming (Base provided numbers, 19 weeks duration, average WBA)	
Minot	\$7,349,238
Grand Forks	\$3,274,180
Total	\$10,623,418
Tax Rate Impact	0.1062%
Increase Tax per Employee	\$40.90
Cost for 10 Employee Employer	\$408.99

Example 5

Base Closure Costs if Section 2 is non-conforming Worst Case (Base provided numbers, 26 weeks duration, Max WBA)	
Minot	\$14,796,288
Grand Forks	\$6,591,936
Total	\$21,388,224
Tax Rate Impact	0.2139%
Increase Tax per Employee	\$82.34
Cost for 10 Employee Employer	\$823.45

DATA USED IN CALCULATIONS

- Expected yearly claims/costs under normal circumstances (does not include any Guard or Reserve claims):
 - Minot AFB – 395
 - Grand Forks AFB – 176
 - Total per Year from both bases combined: 571
 - Total if all Workers Filed due to Base Closure: 1285

- Average Weekly Benefit Amount (WBA): \$435
 - Minimum: \$43
 - Maximum: \$640

- Average duration (matches the Section 2 defined maximum): 12 weeks
 - For average duration with removal of section 2, duration was calculated to be 19 weeks due to higher unemployment rates in other states where individuals will more than likely be moving.

- 51.5% of military personnel are married
 - Dual military marriage with children – 2.5%
 - Dual military marriage without children – 4.2%
 - Married to civilian with children – 30.9%
 - Married to civilian without children – 13.9%

- Military Spouses who are employed (full or part time) – 57%
 - Military spouses who are employed part-time – 31.6%

- Average military member is reassigned every 2 to 3 years

If North Dakota should find that allowing benefits in these situations is desirable, Job Service would like to have further conversation and clarifications to ensure appropriate administration. The primary items needing clarification are:

- The party responsible for the benefit costs paid to military spouses in these situations.
 - Typically, when a claim is filed and an individual receives benefits, those benefits are charged to the employers in the individual's base period. However, in these cases, Job Service recommends that language be added to the bill to clarify that any resulting benefit charges not be charged to the individual's base period employers and instead charged to the entire pool of employers statewide.

- The eligibility of Guard and Reserve members.
 - In reviewing the language, there was some concern with terminology as it related to orders utilized by the various types of military entities.

That concludes my testimony, I would be happy to stand for any questions the committee may have.