

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

	FTE Positions	General Fund	Other Funds	Total
2017-19 legislative appropriations	181.61	\$545,793	\$54,899,156	\$55,444,949
2017-19 base budget	237.76	1,888,080	70,467,866	72,355,946
Legislative increase (decrease) to base budget	(56.15)	(\$1,342,287)	(\$15,568,710)	(\$16,910,997)

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2017-19 legislative appropriations	\$445,793	\$100,000	\$545,793
2015-17 adjusted legislative appropriations	1,888,080	89,500	1,977,580
2017-19 legislative increase (decrease) to 2015-17 adjusted appropriations	(\$1,442,287)	\$10,500	(\$1,431,787)
Percentage increase (decrease) to 2015-17 adjusted appropriations	(76.4%)	11.7%	(72.4%)

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The Legislative Assembly did not include funding for employee salary increases.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Adjusted funding for base payroll changes for cost-to-continue 2015-17 biennium salaries and benefit increases and for other base payroll changes, including a reduction of 56.15 FTE positions.	(56.15)	(\$12,798)	(\$12,603,617)	(\$12,616,415)
Added funding for employee health insurance premiums to reflect a revised premium rate of \$1,240.83 per month.		2,827	419,124	421,951
Reduced funding for operating expenses, including reductions to information technology contractual services and repairs and information technology software.			(2,727,902)	(2,727,902)
Increased funding for participant training contract grants.			54,245	54,245
Removed funding for the Workforce 20/20 program.		(1,432,316)		(1,432,316)

Reduced federal Reed Act funding to provide a total appropriation of \$11,209,557.		(1,460,560)	(1,460,560)
Added funding for estimated rent revenue.		750,000	750,000
Added one-time funding for renovation costs associated with a potential relocation to the Bismarck regional office.	100,000		100,000
Total	<u>(56.15)</u>	<u>(\$1,342,287)</u>	<u>(\$15,568,710)</u>

FTE Changes

The 2017-19 biennium appropriation for Job Service North Dakota includes funding for 181.61 FTE positions, a decrease of 56.15 FTE positions from the 2015-17 biennium. The Legislative Assembly removed the following positions as requested by the agency:

FTE Position Description or Title	FTE Count
Customer service	32.25
Administration	9.20
Research	2.00
Collections	2.00
Quality assurance	2.00
Design analyst II	1.00
Support specialist I	1.00
Programmer analyst II	1.00
Account technician II	1.00
Human resource technician III	1.00
Manager of employment statistics	1.00
Storekeeper	1.00
Area director	1.00
Custodian	0.70
Total	56.15

One-Time Funding

In Section 3 of Senate Bill No. 2016, the Legislative Assembly identified \$100,000 from the general fund as one-time funding 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. The funding is contingent on Job Service North Dakota relocating from the Bismarck central office to the Bismarck regional office during the 2017-19 biennium. Section 7 also identifies this amount.

Unemployment Insurance Computer Modernization Project - Reed Act

In Section 4 of Senate Bill No. 2016, the Legislative Assembly identified \$11.2 million of other funds appropriation from federal Reed Act distributions received in federal fiscal years 1957, 1958, 1999, and 2002 for developing a modernized unemployment insurance computer system.

Other Sections in Senate Bill No. 2016

Health insurance increase - Section 2 identifies the amount of funding included in the agency budget for state employee health insurance premium rate increases during the 2017-19 biennium.

Additional federal funding - Section 5 provides a continuing appropriation for Job Service North Dakota to receive and spend any additional federal funds available during the 2017-19 biennium.

Rent revenue - Section 6 identifies \$750,000 of estimated rent revenue as a result of Job Service North Dakota potentially leasing the Minot regional office and a portion of the Bismarck central office to other state agencies, including the Attorney General and Highway Patrol. Any revenue collected must be deposited in the Job Service North Dakota operating fund. If Job Service North Dakota does not lease these properties during the 2017-19 biennium, no rent revenue will be collected.

New jobs training - Section 8 states that during the 2017-19 biennium, Job Service North Dakota may not award more than \$2.5 million for new agreements related to the new jobs training program under North Dakota Century Code Chapter 52-02.1.

Legislative Management study - Section 9 provides for a Legislative Management study of office space cost and value of properties owned by Job Service North Dakota in Fargo, Rolla, Minot, and Bismarck during the 2017-18 interim, with input from the Office of Management and Budget (OMB). If Job Service North Dakota sells or leases any of these properties before July 1, 2017, the property may not be included in the study.

Bismarck central office - study, lease, and relocation - Section 10 provides OMB a one-time appropriation of \$25,000 from the general fund 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 central office in Bismarck. 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. The study is to be completed by September 30, 2017, and if OMB determines it is more cost-effective for the Attorney General's office to lease a portion of the Bismarck central office, Job Service North Dakota shall lease the number of square feet that is determined the most cost-effective, up to 75 percent of the building, to the Attorney General, no later than March 31, 2018. Job Service North Dakota shall continue to occupy at least 25 percent of the building and as a result of the study and subsequent lease of a portion of the Bismarck central office, Job Service North Dakota may relocate a portion of its central office operations to another suitable location. Section 12 declares Section 10 to be an emergency measure. **The Governor vetoed Sections 10 and 12.**

Legislative intent - Section 11 provides legislative intent that if the Attorney General's office relocates a portion of its operation to the Job Service North Dakota central office, any funds appropriated to lease office space it is vacating are no longer appropriated for that purpose.

Related Legislation

Criminal background checks - House Bill No. 1132 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.

Federal advance interest repayment fund - House Bill No. 1196 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.

Statewide longitudinal data system - Senate Bill No. 2104 amends Section 54-59-39(1) to state the Information Technology Department may not redisclose any unemployment insurance wage data from Job Service North Dakota that identifies an individual unless the redisclosure is expressly permitted by a written agreement between Job Service North Dakota and the Information Technology Department, or is otherwise expressly permitted or required by federal or state law.

Sale of properties - Senate Bill No. 2119 provides for the following related to certain Job Service North Dakota properties:

- Section 1 provides for Job Service North Dakota to study the feasibility and desirability of selling Job Service North Dakota properties in Rolla, Minot, and the central office in Bismarck. The study must identify historical data and documentation regarding the purchase price and funding source of each property and provide for an appraisal of each property. The study must include a determination of the allowable sales price for each property in accordance with state and federal law. Job Service North Dakota must collaborate with OMB to develop a proposal for the Attorney General's office and Highway Patrol to lease portions of the Minot property from Job Service North Dakota, while allowing Job Service North Dakota to continue occupying a portion of the property for normal business operations.

- Section 2 allows Job Service North Dakota to lease property in Rolla to Rolette County beginning July 1, 2017. Job Service North Dakota may lease the property for a sum of \$1 until the property is sold and the lease must provide that all operational and maintenance costs related to the property are the responsibility of Rolette County until the property is sold.
- Section 3 provides if the study in Section 1 reveals the sale of the Rolla property is determined feasible, Job Service North Dakota shall grant Rolette County the right of first refusal to purchase the Rolla property for \$1 within 1 year of Budget Section approval. If the study in Section 1 reveals the purchase price of \$1 is inadequate based on state or federal law, Job Service North Dakota shall sell the property to Rolette County at 90 percent of the current fair market value within 1 year of Budget Section approval. If Rolette County does not exercise its right to purchase the property at 90 percent of current fair market value, Job Service North Dakota may sell the property to another purchase for the current fair market value.
- Section 4 requires OMB to determine the most efficient and cost-effective use of the Job Service North Dakota Bismarck central office, which may require Job Service North Dakota to lease all or a portion of the property to other state agencies, including the Attorney General's office. If Job Service North Dakota does lease all or a portion of the Bismarck central office, Job Service North Dakota may relocate to the Bismarck regional office.
- Section 5 provides legislative intent that if, based on the study in Section 1, the sale of Job Service North Dakota properties in Bismarck and Minot is determined feasible, OMB request authorization and any necessary funding from the 66th Legislative Assembly for the conveyance of the property for use by other state agencies.
- Section 6 declares Senate Bill No. 2119 an emergency measure.

The Governor vetoed Senate Bill No. 2119.

Airport construction unemployment insurance - Senate Bill No. 2311 requires the Bank of North Dakota to provide an \$8 million letter of credit to a city in the northwest corner of the state in order to cover unemployment insurance liability related to an airport construction project.