

**Job Service North Dakota
Budget No. 380
Senate Bill Nos. 2016, 2018, House Bill Nos. 1050, 1069**

	FTE Positions	General Fund	Other Funds	Total
2005-07 executive budget (bills as introduced)	355.80	\$1,480,724	\$58,139,352	\$59,620,076
2005-07 legislative appropriations	355.80	1,501,012	58,270,259	59,771,271
Legislative increase (decrease) to executive budget	0.00	\$20,288	\$130,907	\$151,195
Legislative increase (decrease) to 2003-05 appropriations	(10.37)	\$251,012	\$2,065,542	\$2,316,554

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

Salaries and Wages

The legislative action affecting the recommended appropriation for Job Service North Dakota is in accordance with legislative salary and fringe benefits guidelines as contained in House Bill No. 1050.

	Major Items FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for state employee salary increases		\$397	\$150,448	\$150,845
Reduced funding recommended in the executive budget for state employee health insurance premiums from \$559.15 to \$553.95 per month per policy		(109)	(43,321)	(43,430)
Provided funding in Senate Bill No. 2018 for costs associated with implementing a shared work demonstration project (see Related Legislation section below)		20,000	20,000	40,000
Provided funding in House Bill No. 1069 for paying military service retirement credit			3,780	3,780
Total	0.00	\$20,288	\$130,907	\$151,195

FTE Changes

The 2005-07 biennium appropriation includes funding for 355.80 FTE positions, a decrease of 10.37 FTE positions from the 2003-05 biennium authorized level of 366.17 FTE positions. The legislative action did not change the executive recommendation to delete 10.37 FTE positions not requested by the agency.

Work Force 2000

The Legislative Assembly decreased funding from the general fund for the Work Force 2000 program by \$96, from \$1,480,724, as recommended in the executive budget to \$1,480,628. The funding of \$1,480,628 represents an increase in funding from the general fund of \$230,628 compared to the 2003-05 general fund appropriation for the Work Force 2000 program of \$1,250,000. Section 7 of Senate Bill No. 2016 requires that 50 percent of the Work Force 2000 funding for the 2005-07 biennium is to be used for projects for new or expanding businesses in North Dakota.

Work First - Reed Act

The Legislative Assembly provided a \$254,925 special funds appropriation from federal Reed Act distributions made in federal fiscal years 1957, 1958, 1999, and 2002 for paying allowable Wagner-Peyser Act expenses associated with a Work First demonstration project. Section 8 of Senate Bill No. 2016 provides that Job Service North Dakota is to carry out a Work First demonstration project on the effectiveness of certain actions in causing more rapid reemployment of unemployment insurance claimants and a corresponding reduction in the average duration of claims. The agency may provide additional or alternative services to the group of claimants randomly selected for participation in the demonstration project and may, after assuring appropriate due process requirements are met, make participation in those services a condition of nonmonetary eligibility for unemployment insurance benefits.

Unemployment Insurance Modernization - Reed Act

The Legislative Assembly did not change the executive recommendation to provide a \$525,000 special funds appropriation from federal Reed Act distributions made in federal fiscal years 1957, 1958, 1999, and 2002 for procurement planning for replacement of the current automated unemployment insurance tax and benefit system. Section 9 of Senate Bill No. 2016 provides that Job Service North Dakota is specifically directed to take those actions necessary to determine the requirements of such a replacement system and to issue a request for proposals to vendors to seek responses from those vendors on a timetable that will allow the selected response to be used as the basis for an appropriation request to the 2007 Legislative Assembly.

Related Legislation

Shared work demonstration project - Senate Bill No. 2018 provides Job Service North Dakota funding as reflected on the schedule earlier of \$20,000 from the general fund and \$20,000 from other funds to be collected by the agency for costs associated with implementing a shared work demonstration project. Section 8 of Senate Bill No. 2018 provides that during the 2005-06 interim, Job Service North Dakota shall develop, implement, and operate a shared work demonstration project to demonstrate the feasibility of providing for a statewide shared work unemployment compensation program. Job Service North Dakota is to seek the advice of the Unemployment Insurance Advisory Council in developing, implementing, and operating this demonstration project. The demonstration project must:

1. Operate for one selected employer, which must have at least 75 employees and must be an experienced-rated employer.
2. Operate in accordance with a specific written agreement between Job Service North Dakota, the selected employer, and the labor representative of the collective bargaining agreement if a collective bargaining agreement exists.
3. Allow shared work compensation to be paid to employees who, being otherwise eligible for unemployment insurance benefits, have their working hours reduced by the selected employer by at least 10 percent but no more than 60 percent.
4. Operate in such a manner that the selected employer's unemployment insurance experience ratings are not compromised.
5. Operate in such a manner that the unemployment trust fund is not so negatively impacted as to result in a greater tax burden to the remainder of the employers contributing to the trust fund.
6. Operate from January 1, 2006, through June 30, 2007, after which the demonstration project must cease.
7. Provide that employees receiving benefits calculated solely under the shared work demonstration project are not subject to 60 percent weekly earnings disregard provided for under North Dakota Century Code Section 52-06-06.

Legislative Council study - Section 9 of Senate Bill No. 2018 provides that the Legislative Council consider studying the implementation by Job Service North Dakota of a shared work demonstration project.

Performance audits - Senate Bill No. 2085 changes the frequency of agency performance audit from biennial to when requested by the Legislative Audit and Fiscal Review Committee.

Fees for services - Senate Bill No. 2086 allows Job Service North Dakota to charge reasonable fees for providing job task services, testing services, job fair services, and personal reemployment account services and provides the agency a continuing appropriation to use the fees collected for providing these services.

Unemployment compensation tax rate - House Bill No. 1027 revises the formula for determining unemployment compensation tax rates so that a proportionately greater responsibility is shifted to negative balance employers for that portion of the unemployment insurance tax burden which represents the amount of revenue necessary to make due progress toward the unemployment insurance reserve fund solvency target.

Job Service North Dakota Advisory Council - House Bill No. 1028 establishes an eight-member Job Service North Dakota Advisory Council, appointed by the Governor, for the purpose of advising Job Service North Dakota regarding issues relating to the operations, effectiveness, fairness, and efficiency of the unemployment insurance program.

Work Force 2000 program - House Bill No. 1059 changes the name for the Work Force 2000 program to the Work Force 20/20 program and revises eligibility for the program.