

**Job Service North Dakota
Budget 380
House Bill Nos. 1016, 1014**

	FTE Positions	General Fund	Other Funds	Total
2007-09 legislative appropriation	308.00	\$1,746,960	\$62,243,126	\$63,990,086
2005-07 legislative appropriation	<u>355.80</u>	<u>1,501,012</u>	<u>58,270,259</u>	<u>59,771,271</u>
2007-09 appropriation increase (decrease) to 2005-07 appropriation	(47.80)	\$245,948	\$3,972,867	\$4,218,815

NOTE: The 2007-09 legislative appropriation amounts include \$578,955 of other funds for the agency's share of the \$10 million funding pool appropriated to the Office of Management and Budget for special market equity adjustments for classified employees.

Item Description

Workforce 20/20 - The Legislative Assembly provided funding of \$1,499,906 from the general fund for the Workforce 20/20 program. Of the \$1,499,906, \$149,991 is for salaries and wages and operating expenses and \$1,349,915 is for grants.

Section 5 of House Bill No. 1016 requires that 50 percent of the Workforce 20/20 program funding is to be used for projects for new or expanding businesses in North Dakota.

Unemployment insurance system modernization project - The Legislative Assembly provided a \$7.3 million special funds appropriation from federal Reed Act distributions received in federal fiscal years 1957, 1958, 1999, and 2002 for continuing the department's efforts in developing a modernized unemployment insurance computer system.

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

Loss of job opportunities and basic skills (JOBS) contract with Department of Human Services.

Status/Result

As of March 31, 2008, Job Service North Dakota has spent or obligated \$567,150 of the \$1,349,915 provided for Workforce 20/20 grants, leaving an uncommitted balance of \$782,765.

As of March 31, 2008, Job Service North Dakota has spent or obligated \$463,807 for new or expanding businesses in North Dakota.

Job Service North Dakota has determined the appropriate direction for the unemployment insurance system modernization project is to maintain, enhance, and upgrade the existing system. The agency is in the planning phase of the project, including the identification and prioritization of sub-projects that will constitute the overall modernization project.

As of December 31, 2007, the job insurance trust fund balance was \$120.0 million, an increase of \$15.1 million from the balance as of December 31, 2006.

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

December 31, 2008	\$121.0 million
December 31, 2009	\$119.7 million
December 31, 2010	\$115.6 million

In November 2007 the Department of Human Services discontinued contracting with Job Service North Dakota for a major portion of the JOBS program choosing rather to contract for these services with another provider. As a result of the loss of this funding, Job Service reduced salaries and wages and operating expenses. The agency eliminated 24 full-time equivalent positions, including a reduction in force of 14 positions, effective January 31, 2008. The agency provided a two-month salary severance package to each of the employees affected by the reduction in force. The total cost of the severance packages was \$77,300.