

Fifty-sixth
Legislative Assembly
of North Dakota

REENGROSSED HOUSE BILL NO. 1089

Introduced by

Industry, Business and Labor Committee

(At the request of Job Service North Dakota)

1 A BILL for an Act to amend and reenact section 52-02-18 and subsection 3 of section 52-03-07
2 of the North Dakota Century Code, relating to an audit of job service North Dakota and the
3 administration of unemployment compensation programs; to provide for an audit of job service
4 North Dakota; to provide an appropriation; and to provide an expiration date.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1. AMENDMENT.** Section 52-02-18 of the 1997 Supplement to the North
7 Dakota Century Code is amended and reenacted as follows:

8 **52-02-18. Independent audit.** The state auditor shall cause a performance audit of
9 job service North Dakota to be conducted. The state auditor ~~shall~~ may appoint on a biennial
10 basis an independent audit firm, with extensive expertise in job service practices and
11 standards, to complete a performance audit ~~of the divisions of job service North Dakota or the~~
12 state auditor may conduct the performance audit. If the state auditor completes the audit, the
13 state auditor may contract with a consulting firm to aid in the state audit or to complete the audit
14 and shall charge job service North Dakota for the audit, including the services of the consulting
15 firm. The audit must evaluate divisions of job service North Dakota, as determined necessary
16 by the state auditor, to determine whether the divisions are providing quality service in an
17 efficient and cost-effective manner. The audit report must contain recommendations for
18 divisional improvement or an explanation of why no recommendations are being made. The
19 executive director of job service North Dakota and the auditor shall present the audit report and
20 any action taken as a result of the audit to the legislative council's legislative audit and fiscal
21 review committee and to the house and senate industry, business and labor standing
22 committees during the next regular session of the legislative assembly following the audit. The
23 executive director shall also provide a copy of the audit report to the state auditor.

1 **SECTION 2. AMENDMENT.** Subsection 3 of section 52-03-07 of the 1997
2 Supplement to the North Dakota Century Code is amended and reenacted as follows:

3 3. Money credited to the account of this state pursuant to section 903 of the Social
4 Security Act [42 U.S.C. 1103], as amended, may not be withdrawn or used except
5 for the payment of benefits and for the payment of expenses for the administration
6 of sections 52-02-09, 52-03-01, 52-03-04, 52-03-07, and 52-03-08 and of public
7 employment offices pursuant to this section. Notwithstanding this subsection,
8 money credited with respect to federal fiscal years 2000 and 2001 must be used
9 solely for the administration of the unemployment compensation program and the
10 money is not otherwise subject to the requirements of subsection 1 when
11 appropriated by the legislative assembly.

12 **SECTION 3. INDEPENDENT AUDIT DURING 1999-2001 BIENNIUM.** The 1999-2001
13 biennium independent audit of job service North Dakota required under section 52-02-18 must
14 include:

- 15 1. An audit of the unemployment insurance trust fund;
- 16 2. A review of the strategic business plan for job service North Dakota;
- 17 3. A review of the information technology plan of job service North Dakota which
18 includes:
 - 19 a. Evaluating the telephone registration system, including claimant profiling and
20 claimant consultation;
 - 21 b. Evaluating financial reporting; and
 - 22 c. Evaluating the effect technology may have on future staffing needs;
- 23 4. An audit of the average duration of benefits which includes:
 - 24 a. Considering the effect of job service North Dakota policies, procedures, and
25 services on duration of benefits; and
 - 26 b. Evaluating claimant profiling, repeat claimants, job attachment status, and the
27 job bank;
- 28 5. An audit of the work force 2000 program; and
- 29 6. An audit of the staffing needs of job service North Dakota.

30 **SECTION 4. APPROPRIATION.** The unemployment compensation incentive fund is
31 established from all moneys credited to this state under section 2 of this Act for federal fiscal

1 years 2000 and 2001. The amount of \$300,000 from this unemployment compensation
2 incentive fund, to the extent funds are available in this fund, is hereby appropriated to job
3 service North Dakota every year in which job service North Dakota achieves an average
4 duration of benefits that is at least one week less than the average duration of benefits for the
5 preceding year, for the biennium beginning July 1, 1999, and ending June 30, 2001.

6 **SECTION 5. EXPIRATION DATE.** Section 3 of this Act is effective through April 30,
7 2001, and after that date is ineffective.