

**FIRST ENGROSSMENT
with Senate Amendments**
ENGROSSED HOUSE BILL NO. 1016

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of job service North
2 Dakota; and to amend and reenact section 52-02.1-02 of the North Dakota Century Code,
3 relating to job service North Dakota program services.

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

5 **SECTION 1. BASE LEVEL FUNDING INFORMATION.** The amounts identified in this
6 section represent the base level funding component appropriated to job service North Dakota in
7 section 3 of this Act as follows:

8 Salaries and wages	\$34,960,037
9 Operating expenses	13,278,913
10 Capital assets	225,000
11 Grants	9,047,165
12 Workforce 20/20	1,480,231
13 Reed Act - Work first	254,925
14 Reed Act - Unemployment insurance computer modernization	<u>525,000</u>
15 Total all funds - Base level	\$59,771,271
16 Less estimated income - Base level	<u>58,270,259</u>
17 Total general fund - Base level	\$1,501,012

18 **SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION.** The
19 amounts identified in this section represent the funding adjustments or enhancements to the
20 base funding level for job service North Dakota which are included in the appropriation in
21 section 3 of this Act as follows:

22 Salaries and wages	(\$1,931,562)
23 Operating expenses	(426,432)
24 Capital assets	(205,000)

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1	Grants	(608,945)
2	Workforce 20/20	9,651
3	Reed Act - Work first	(254,925)
4	Reed Act - Unemployment insurance computer modernization	<u>6,775,000</u>
5	Total all funds - Adjustments/enhancements	\$3,357,787
6	Less estimated income - Adjustments/enhancements	<u>3,321,832</u>
7	Total general fund - Adjustments/enhancements	\$35,955

8 **SECTION 3. APPROPRIATION.** The funds provided in this section, or so much of the
9 funds as may be necessary, are appropriated out of any moneys in the general fund in the state
10 treasury, not otherwise appropriated, and from special funds derived from federal funds and
11 other income, to job service North Dakota, for the purpose of defraying the expenses of that
12 agency, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows.

13	Salaries and wages	\$33,028,475
14	Operating expenses	12,852,481
15	Capital assets	20,000
16	Grants	8,438,220
17	Workforce 20/20	1,489,882
18	Reed Act - Unemployment insurance computer modernization	<u>7,300,000</u>
19	Total all funds	\$63,129,058
20	Less estimated income	<u>61,592,091</u>
21	Total general fund appropriation	\$1,536,967

22 **SECTION 4. APPROPRIATION - REED ACT FUNDS - UNEMPLOYMENT**
23 **INSURANCE COMPUTER MODERNIZATION.** The special appropriation of \$7,300,000 in
24 section 3 of this Act is from federal Reed Act funds made available to the state by the federal
25 Reed Act distributions made in federal fiscal years 1957, 1958, 1999, and 2002, pursuant to
26 section 903 of the Social Security Act. This sum, or so much of the sum as may be necessary,
27 is for the purpose of developing a modernized unemployment insurance computer system, for
28 the biennium beginning July 1, 2007, and ending June 30, 2009.

29 **SECTION 5. APPROPRIATION.** All federal funds received by job service North
30 Dakota in excess of those funds appropriated in section 3 of this Act are appropriated, for the
31 biennium beginning July 1, 2007, and ending June 30, 2009.

1 **SECTION 6. WORKFORCE 20/20 FUNDING.** Fifty percent of the workforce 20/20
2 funding in section 3 of this Act must be used for projects for new or expanding businesses in
3 North Dakota.

4 **SECTION 7. AMENDMENT.** Section 52-02.1-02 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **52-02.1-02. Job service North Dakota - Agreements.** Program services developed
7 and coordinated by job service North Dakota must be provided to primary sector businesses
8 found eligible for loans or grants under this chapter. Job service North Dakota may enter into
9 an agreement to establish a project with an employer which meets the following conditions:

- 10 1. Sets a date of commencement of the project.
- 11 2. Identifies program costs, including deferred costs, which are to be paid from
12 available sources including new jobs credit from withholding to be received or
13 derived from new jobs resulting from the project.
- 14 3. Provides for a guarantee by the employer of payment for program costs.
- 15 4. Provides that any deferral of program cost payments may not exceed ten years
16 from the date of commencement of the project.
- 17 5. Provides that on-the-job training costs for employees may not exceed fifty percent
18 of the annual gross payroll costs of the new jobs in the first full year after the date
19 of commencement of the project. For purposes of this subsection, "gross payroll"
20 is the gross wages and salaries for the new jobs.
- 21 6. Provides the maximum amount of new jobs credit from withholding or tuition and
22 fee payments allowed for a project.
- 23 7. Provides that every employee participating in the new jobs training program must
24 be paid an income of at least ~~seven ten~~ ten dollars ~~and fifty cents~~ per hour, plus
25 benefits, by the end of the first year of employment under the project and for the
26 remaining life of the loan.

27 A project requiring a loan from the department or a community may not be approved, and an
28 agreement may not be executed by job service North Dakota, until notification from the
29 department or community that the employer has qualified for a loan. Upon execution of the
30 agreement, job service North Dakota shall notify the state tax commissioner of the agreement
31 and the identity of the employer. Job service North Dakota may adopt rules to implement this

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- 1 chapter. Job service North Dakota shall prepare an annual report for the governor and the
- 2 legislative assembly with respect to the new jobs training program.