

House Bill 1278
Testimony of Darren Brostrom
Job Service North Dakota
Before the
Senate Industry Business & Labor Committee
Senator Jerry Klein, Chairman
March 9, 2021

Mr. Chairman, members of the committee, I am Darren Brostrom, Deputy Director of Job Service North Dakota. I am here today to answer any questions you may have as to the impact of HB 1278. Job Service is neutral on the bill.

Understanding that a factor in any decision going forward is the financial impact of the bill, Job Service has completed research and is providing estimates as to the financial effects. Data was gathered from the two Air Force Bases in North Dakota, the National Guard, and other federal and state data sources.

As the data is reviewed, it is important to note that any expenditures from the Trust Fund (benefit payments), need to be offset by corresponding income (employer quarterly tax receipts).

Estimated Benefit Payments:

- Yearly claims from the Minot and Grand Forks Air Force Bases combined: 297
- Yearly claims from ND National Guard and Reserve: 18
- Total yearly claims: 315
- Average weekly benefit amount (WBA): \$435
- Average claim duration: 17 weeks
- Total Benefits Paid: 315 claims X \$435 X 17 weeks = \$2,329,425 annually

Estimated Impact on Employer Tax Rates:

- Income needed to cover new benefit charges: \$2,329,425
- Average employer tax rate increase: 0.023%
- Additional yearly cost per employee assessed to employers via tax rate increase: \$8.97

As part of our research on any bill related to Unemployment Insurance, we must provide the language to the USDOL for conformity review. The USDOL has provided a response, finding the bill to be conforming.

That concludes my testimony, I would be happy to stand for any questions the committee may have.

DATA USED IN CALCULATIONS

- Minot and Grand Forks Base Demographics
 - 7,381 active-duty service members
 - 2,256 active-duty spouses
 - 4,159 active-duty children

- Average Weekly Benefit Amount (WBA): \$435
 - Minimum: \$43
 - Maximum: \$640

- Average duration (matches the Section 2 defined maximum): 12 weeks
 - Average duration was calculated to be 17 weeks due to higher unemployment rates in other states where individuals will more than likely be moving.

- 51.5% of military personnel are married
 - Dual military marriage with children – 2.5%
 - Dual military marriage without children – 4.2%
 - Married to civilian with children – 30.9%
 - Married to civilian without children – 13.9%

- Military Spouses who are employed (full or part time) – 57%

- Average military member is reassigned every 2 to 3 years