

2019 SENATE APPROPRIATIONS

SB 2007

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

SB 2007
1/9/2019
JOB # 30578

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk: Alice Delzer / Florence Mayer
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Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the department of labor and human rights

Minutes:

- | |
|---|
| 1. Department of Labor and Human Rights
Appropriations Requests. With power point
presentation. |
|---|

V. Chairman Wanzek: Called the Committee to order on SB 2007. All committee members were present except Chairman Holmberg as he was testifying in another hearing. Larry Martin, OMB and Adam Mathiak, Legislative Council were also present. The subcommittee for this department is as follows: Senator Poolman, Chair; Senator Sorvaag and Senator Robinson.

Michelle Kommer, Commissioner for the Department of Labor and Human Rights: Testified in favor of SB 2007 and presented Attachment #1, which explains the responsibilities of their department, their department accomplishments, their goals and the budget needs for the 2019-21 biennium. Her presentation is also in power point form, which is filed under the Electronics tab under Senate Appropriation committee. Ms. Kommer stated her agency is a neutral enforcement agency. Her department also works with federal partners: Equal Employment Opportunity Commission (EEOC) and Department of Housing & Urban Development (HUD). (The recorder was started 2 minutes into the hearing)

(3:25) Senator Sorvaag: When you get a referral from federal, whether it's EEOC or HUD, they probably have different guidelines than we do as a state, so whose guidelines do you work to, the federal ones then on what groups discriminate this or that? If it's preferred to you, and you're investigating this is it their standards or to the state's?

Michelle Kommer: I am going to take a step back and give human rights as an example. In North Dakota the Human Rights Act affords certain protections to ND citizens and under federal law, federal law affords certain rights to citizens. There are differences in those statutes and so when the EEOC refers to us they will only refer to us charges that include coverage under our state law, so there isn't an incident where we would be required or asked to investigate something that isn't covered under ND law. There can be charges filed that

are, what we call state-only claims, and those can't be what we call dual-filed. So we would have claims occasionally for human rights protections that are covered only under ND law. **(4:56)** She continued with her department's accomplishments on page 11, Attachment #1. Infrastructure, which includes Roadmap, Statutory Improvements; #2. Service Delivery – New Website, online Forms, Call-answering System, Accept Payments Online; #3. Reporting & Accountability and Proactive – Department Dashboard, Individual Goals, Investigator Scorecard, Phone Monitoring; #4. Proactive Education – Hot Topics, Disability, Retaliation. **(10:59)** She continued with Case Trends on page 12-13 in her testimony explaining the reasons for the spikes in claims and the activity of her department. As the oil prices dropped, employees were leaving the state, employers were failing financially. See chart on page 13 wage and employment claims opened. My request for you, our staff side is suited for now, see the chart on page 14, Cases Pending, that has come down significantly the next page is Average Investigator Caseload has come down also. On the wage claims have come down see chart on page 16. One of our goals is to implement a paperless system. **(15:32)** We put that request back in to the appropriations request, to continue increasing the backlog of work in our department. We are very conservative in our department so I have given up my colored post it notes.

(17:27) V. Chairman Wanzek: What would be a common wage claim?

Michelle Kommer: I brought a report that shows a few examples. Wages not paid, unauthorized deductions, overtime not paid, or vacation not paid. Somethings it's more than 1 of those things.

Continued with testimony.

Larry, does the paper still say electron payment system?

Larry Martin, OMB: Yes, there is a typo on the green sheet. It should say electronic processing system, not electronic payment system.

Michelle Kommer: Continued with testimony, covering optional adjustment requests. Consider replacing federal money received from the Department of housing and Urban Development with general fund money.

(24:03) Senator Sorvaag: Do you have to take the referrals?

Michelle Kommer: I don't know that we've refused any referrals. There are housing claims that that HUD has told us they will continue to go forward. HUD provides federal funding to many state agencies. They also provide funding to add housing advocates that are not state entities. Like a non-profit that assists people with housing or that they have been discriminated against. They call it "testing". They will have a person make a call to a land lord and say they need an apartment. The landlord will say they have X amount open, the caller will then say they have a service animal. Essentially they wait to see how the landlord handles that. If they don't handle it well they file a claim of discrimination. HUD has determined they will keep those claims; we will not investigate them. I don't think we have refused any claims. I will validate that with my team. (That was validated.)

Senator Sorvaag: They are referring them to reduce their work load? You're helping them.

Michelle Kommer: Yes, absolutely. It is the business model.

Senator Sorvaag: But you are not getting paid for work once in a while. That's not good for the state.

Michelle Kommer: I have concerns that that could come to be true.
Continued with testimony, and the comparison of the current budget to the request. We have no changes requested to the Executive Budget. Do you have any questions?

V. Chairman Wanzek: Any further questions of Michelle?

Senator Krebsbach: You had mentioned an amendment you wanted to have on here. Is that included anywhere?

Michelle Kommer: That is on a separate bill that is going to the IBL committee.

V. Chairman Wanzek: Any other questions? Any other testimony of the Department of Labor and Human Rights Project?

Closed the hearing on SB 2007.

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

SB 2007
1/22/2019
Job # 31193

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk: Rose Laning / Marne Johnson
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Explanation or reason for introduction of bill/resolution:

AN ACT to provide an appropriation for defraying the expenses of the department of labor and human rights; and to provide for a report to the legislative assembly.

Minutes:

No Attachments

Legislative Council: Alex Cronquist
OMB: Larry Martin

The Senate Appropriations Committee met to discuss the agency bills and others that have been presented thus far and wanted to get input from the whole committee on what should be the focus of each sub-committee.

Chairman Holmberg said that we're not going thru salaries at this time.

SB 2001 – Governor (sub-committee: Hogue, Lee, Mathern)

- The 10% movement of moving money between line items. Have a standard response for them.
- Discuss the governor's salary - this reduces salary just short of \$200,000 & what happens to the rest of it. They took their 5% cut. (Language needs to be revisited)
- Council said by putting it in a line item, then it couldn't get spent in other areas.
- Transfer language - limited it to 10% before going to emergency commission

SB 2002 – Secretary of State (sub-committee: Hogue, Oehlke, Grabinger)

- Voting equipment – replacing voting machines (matching requirement by state)
- Emergency clause should be there.
- 10% line item transfers

SB 2003 – Attorney General (sub-committee: Sorvaag, Bekkedahl, Mathern)

- Litigation authority
- Amount of money for Litigation

- Joining in with other states suing the federal government
- New line in OMB to tap into litigation pool
- Human trafficking grants added to AG bill

SB 2004 – State Auditor (sub-committee: Oehlke, Dever, Mathern)

- Looking at number of FTE requests
- FTEs between University system and Auditor's office
- ITD FTEs.

SB 2005 – State Treasurer (sub-committee: Bekkedahl, Dever, Robinson)

- Investments of the Veterans Post War Trust Fund (low interest)
- Treasurer's salary

SB 2006 – Tax Commissioner (sub-committee: Wanzek, Bekkedahl, Mathern)

- Discovery of compliance of businesses with no physical sales tax.
- Concern about staffing – many retirees and loss of senior staff.
- Authority for line item transfers between the Homestead Tax Credit and Disabled Veteran's Credit programs.
- Litigation funds – or funds in litigation pool.

SB 2007 – Labor & Human Rights (sub-committee: Poolman, Sorvaag, Robinson)

- Salary of Commissioner as she will be in charge of Dept of Labor and Human Rights as well as the Dept. of Commerce.

SB 2008 – Public Service Commissioner (sub-committee: Lee, Wanzek, Grabinger)

- Wanting additional staff for indemnity issues
- Additional staff
- \$100,000 increase in budget

JOB # 31232 -

SB 2009 – Agriculture Commissioner (sub-committee: Wanzek, Erbele, Grabinger)

- Want to move APUC and Trade Office to his office.
- 2 less FTEs
- Ag bio-science program – an appropriation bill. Should it be added to the budget or let it a stand-alone bill.

SB 2010 – Insurance Commissioner (sub-committee: Oehlke, Erbele, Grabinger)

- Moving the Fire & Tornado fund over to the ND Insurance Reserve Fund
- Boiler inspection program
- Fire Departments & Sheriff's tax on insurance

SB 2011 – Securities Commission (sub-committee: Krebsbach)

- Money for a FINTECH position
- Section 3 appropriation of any income from federal funds (14:17)

Larry Martin: Like the transfer language, we added a lot of the language to spend additional federal or other funds to the cabinet agencies. Again, some of them receive money from outside sources, so we wanted them to have the ability to pay out. Job Service has similar language currently because they do get additional federal money so they have to be able to spend it out. We added that language to all the cabinet bills.

SB 2012 – Human Services (sub-committee: Dever, Erbele, Mathern)

- Provider rates. Governor 1-1. They want 3-3-3.
- Medicaid – reauthorization of the expansion. Do we reimburse?
- Behavioral Health
- State Hospital – support the move from New England for the women? Justification for the state hospital – a study?
- Policy and how its structured – for whole department. \$182M
- Nursing Homes
- Study the 36 Critical Access Hospitals - Commercial rates vs. traditional rates
- Study resolution of medical care in the future for the state
- 1915(i) needs support.
- Commercial vs. traditional rates

SB 2013 – Public Instruction; Library, Blind & Deaf (sub-committee: Holmberg, Poolman, Robinson)

- Will have some meetings but need to wait for Education Committee to complete policy. Governor's school information is confusing.
- 1 FTE reinstated.
- Adult education.
- FTEs at school at Devils' Lake
- Governor moved pre-school money from Commerce to DPI (where is the money?)
- Transportation grants

SB 2014 – Protection & Advocacy (sub-committee: Sorvaag, Krebsbach, Grabinger)

- Adding of one employee
- Additional operating expenses
- Transferring guardianship programs to P & A.

SB 2015 – Office of Management & Budget (sub-committee: Holmberg, Bekkedahl, Robinson)

- Transferring money – \$1B of oil revenue to general funds.
If we put \$1B in and oil prices go down and we have less money in the general fund, we might have a risk with allotments.
Do we want to expose ourselves more in the general fund by putting \$1B in the general fund from direct oil revenue?
- Fees or dues for several organizations. Last session we reduced dues by 10%.
- WICHE (Western Interstate Commission for Higher Ed) dues were in OMB and Commission was placed under Higher Ed. Did the \$15,000 get transferred?

SB 2016 – Office of Adjutant General (sub-committee: Hogue, Holmberg, Grabinger)

- Land Acquisition - Proposed 6,000 acres of land in south Camp Grafton. Want to ask the adjutant, you have \$15M set aside to acquire 6000 continuous acres and will not exercise the power of eminent domain. How much will they pay an acre?
How did they come up with \$15M?
- \$15M set aside to gain land - long term leases. Be wary of setting precedent for cost/acre.
- Locals are not on board?

SB 2017 – Game & Fish (sub-committee: Oehlke, Wanzek, Grabinger)

- Section 5 on green sheet – additional amounts appropriated to Game & Fish Dept. There is appropriated additional income from the feds from other funds to that agency. Would the federal funds go to their agency first?
- If they're receiving monies from federal, they can spend them out.
- Section 6 - Require them to hang onto \$15M unless we have a budget section meeting and have an exception for some emergency. They have to invest it and its not making money where its being invested. They'd like it to be invested by the state investment board.
- Sportsman's clubs – raise the fishing licenses; boat tax/gas tax.

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

SB 2007
2/11/2019
JOB # 32498

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk: Alice Delzer

Explanation or reason for introduction of bill/resolution:

A Bill for an Act to defray the expenses of the labor and human rights department.

Minutes:

No testimony submitted

Chairman Holmberg: opened the hearing on SB 2007. All committee members were present. Becky Deichert, OMB and Brady Larson, Legislative Council were also present. The subcommittee hasn't met yet.

Brady Larson, Legislative Council: We'll make sure that gets taken out.

Chairman Holmberg: That sounds like an edict from the chair. Does that give you any consternation if we go and take them out on those amendments that haven't already been passed by the committee to remove the opportunity for the agency, if it's not general fund money they can spend it the way they want to. Right now, they have to go to the emergency commission in the budget section and, there seems to be a lot of nodding in agreement so we will do that and then on game and fish that has been signed but they are checking if we can get it back. Could you have that amendment also changed.

The discussion was closed on SB 2007.

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

SB 2007
2/13/2019
JOB # 32691

☒ Subcommittee
☐ Conference Committee

Committee Clerk: Alice Delzer / Florence Mayer
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Explanation or reason for introduction of bill/resolution:

A Subcommittee hearing for Labor and Human Rights

Minutes:

1. Proposed Amendment # 19.0220.01002

Senator Poolman: Called the Subcommittee to order on SB 2007. Let the record show that all subcommittee members were present: Senator Poolman, Chair, Senator Sorvaag and Senator Robinson. Levi Kinnischtzke, Legislative Council and Larry Martin, OMB were also present.

Senator Poolman: Presented Attachment #1 Amendment 19.0220.01002 and read through the amendment with the Subcommittee.

Senator Sorvaag: The \$69,000, it's a paperless storage system, then on the green sheet it's called the electronic payment processing system. What is it?

Larry Martin, OMB: The description in the green sheet is wrong, it should be the paperless storage system.

Levi Kinnischtzke, Legislative Council: The paperless storage is referenced in the green sheet on the bottom of page 1.

Senator Sorvaag: Moved to adopt the amendment 19.0220.01002.
Senator Robinson: Seconded.

A Roll Call Vote Was Taken: 3 yeas, 0 nays, 0 absent.

Senator Sorvaag: Made a motion to move SB 2007 forward to the full Committee.
Senator Robinson: Seconded.

A Roll Call Vote Was Taken: 3 yeas, 0 nays, 0 absent.

Senator Poolman: Thank you everyone. The hearing was closed on SB 2007.

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

SB 2007
2/13/2019
JOB # 32704

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk: Alice Delzer

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to defray the expenses of The Department of Labor and Human Rights (Do Pass as Amended.)

Minutes:

1. Proposed Amendment #19.0220.01002

Chairman Holmberg: opened the hearing on SB 2007. All committee members were present. Chris Kadrmas, Legislative Council and Stephanie Gullickson, OMB were also present.

Senator Poolman: Explained Attachment # 1. Proposed Amendment # 19.0220.01002.

Senator Poolman: Moved the Amendment. 2nd by Senator Robinson. A voice vote was taken, it carried.

Senator Poolman: Moved a Do Pass as Amended. 2nd by Senator Robinson.

Chairman Holmberg: Call the roll on a Do Pass as Amended on SB 2007.

A Roll Call vote was taken. Yea: 14; Nay: 0; Absent: 0. Senator Poolman will carry the bill.

The hearing was closed on Sb 2007.

SK
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PROPOSED AMENDMENTS TO SENATE BILL NO. 2007

Page 1, line 2, after "rights" insert "; and to provide for a report to the legislative assembly"

Page 1, replace lines 10 through 17 with:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$2,414,984	\$52,167	\$2,467,151
Operating expenses	<u>328,918</u>	<u>71,167</u>	<u>400,085</u>
Total all funds	\$2,743,902	\$123,334	\$2,867,236
Less estimated income	<u>439,916</u>	<u>(199,789)</u>	<u>240,127</u>
Total general fund	\$2,303,986	\$323,123	\$2,627,109
Full-time equivalent positions	14.00	0.00	14.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2017-19</u>	<u>2019-21</u>
Paperless storage system	\$0	\$69,659
Total general fund	\$0	\$69,659

The 2019-21 one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The department of labor and human rights shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2007 - Labor Commissioner - Senate Action

	<u>Base Budget</u>	<u>Senate Changes</u>	<u>Senate Version</u>
Salaries and wages	\$2,414,984	\$52,167	\$2,467,151
Operating expenses	<u>328,918</u>	<u>71,167</u>	<u>400,085</u>
Total all funds	\$2,743,902	\$123,334	\$2,867,236
Less estimated income	<u>439,916</u>	<u>(199,789)</u>	<u>240,127</u>
General fund	\$2,303,986	\$323,123	\$2,627,109
FTE	14.00	0.00	14.00

Department 406 - Labor Commissioner - Detail of Senate Changes

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	Adjusts Funding for Base Payroll Changes ¹	Adds Funding for Salary and Benefit Increases ²	Adjust Funding for Salaries and Wages ³	Adjusts Funding for Investigations Related to Housing Claims ⁴	Adds Funding for Microsoft Office 365 Licenses ⁵	Adds One- Time Funding for a Paperless Storage System ⁶
Salaries and wages	(\$74,434)	\$126,601				
Operating expenses					\$1,508	\$69,659
Total all funds	(\$74,434)	\$126,601	\$0	\$0	\$1,508	\$69,659
Less estimated income	25,154	0	15,611	(240,554)	0	0
General fund	(\$99,588)	\$126,601	(\$15,611)	\$240,554	\$1,508	\$69,659
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Total Senate Changes
Salaries and wages	\$52,167
Operating expenses	71,167
Total all funds	\$123,334
Less estimated income	(199,789)
General fund	\$323,123
FTE	0.00

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2019-21 biennium salary adjustments of 2 percent on July 1, 2019, and 3 percent on July 1, 2020, and increases in health insurance premiums from \$1,241 to \$1,427 per month:

General Fund	
Salary increase	\$68,593
Health insurance increase	<u>58,008</u>
Total	\$126,601

³ Funding of \$15,611 for salaries and wages is adjusted from the general fund to federal funds.

⁴ Funding of \$240,554, of which \$158,709 is for salaries and wages and \$81,845 is for operating expenses, is adjusted from federal funds to the general fund for housing claims investigations.

⁵ Funding is added from the general fund for Microsoft Office 365 licensing expenses.

⁶ One-time funding of \$69,659 is added from the general fund for a paperless storage system. A one-time appropriation of \$56,135 was provided to the department for the 2015-17 biennium for this purpose, but the funding was reduced as a result of the August 2016 special legislative session.

Date: 2-13-19Roll Call Vote #: 1

**2019 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2007**

Senate Appropriations

Committee

☒ Subcommittee

Amendment LC# or Description:

Amendment #9.0220.01002

Recommendation:

☐ Adopt Amendment☐ Do Pass☐ Do Not Pass☐ Without Committee Recommendation☐ As Amended☐ Rerefer to Appropriations☐ Place on Consent Calendar

Other Actions:

☐ Reconsider☐

Motion Made By

Sorvaag

Seconded By

Robinson

Senators	Yes	No	Senators	Yes	No
Senator Holmberg			Senator Mathern		
Senator Krebsbach			Senator Grabinger		
Senator Wanzek			Senator Robinson	<input checked="" type="checkbox"/>	
Senator Erbele					
Senator Poolman	<input checked="" type="checkbox"/>				
Senator Bekkedahl					
Senator G. Lee					
Senator Dever					
Senator Sorvaag	<input checked="" type="checkbox"/>				
Senator Oehlke					
Senator Hogue					

Total (Yes) 3 No 0Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Explains one-time funding

Date: 2-13-19
Roll Call Vote #: 2

2019 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2007

Senate Appropriations

Committee

☒ Subcommittee

Amendment LC# or Description: Move Forward to full Committee

Recommendation: ☐ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar
Other Actions: ☐ Reconsider ☐

Motion Made By R. Sorvaag Seconded By A. Robinson

Senators	Yes	No	Senators	Yes	No
Senator Holmberg			Senator Mathern		
Senator Krebsbach			Senator Grabinger		
Senator Wanzek			Senator Robinson	✓	
Senator Erbele					
Senator Poolman	✓				
Senator Bekkedahl					
Senator G. Lee					
Senator Dever					
Senator Sorvaag	✓				
Senator Oehlke					
Senator Hogue					

Total (Yes) 3 No 0

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 2-13-2019Roll Call Vote #: 1

**2019 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2007**

Senate Appropriations

Committee

☐ SubcommitteeAmendment LC# or Description: 19.0220.0002

Recommendation: ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar
Other Actions: ☐ Reconsider ☐ _____

Motion Made By Poolman Seconded By Robinson

Senators	Yes	No	Senators	Yes	No
Senator Holmberg			Senator Mathern		
Senator Krebsbach			Senator Grabinger		
Senator Wanzek			Senator Robinson		
Senator Erbele					
Senator Poolman					
Senator Bekkedahl					
Senator G. Lee					
Senator Dever					
Senator Sorvaag					
Senator Oehlke					
Senator Hogue					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

*Voice Vote
Carried*

Date: 2-13-2019Roll Call Vote #: 2

**2019 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2007**

Senate Appropriations Committee☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☒ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar
 Other Actions: ☐ Reconsider ☐ _____

Motion Made By Poolman Seconded By Robinson

Senators	Yes	No	Senators	Yes	No
Senator Holmberg	✓		Senator Mathern	✓	
Senator Krebsbach	✓		Senator Grabinger	✓	
Senator Wanzek	✓		Senator Robinson	✓	
Senator Erbele	✓				
Senator Poolman	✓				
Senator Bekkedahl	✓				
Senator G. Lee	✓				
Senator Dever	✓				
Senator Sorvaag	✓				
Senator Oehlke	✓				
Senator Hogue	✓				

Total (Yes) 14 No 0Absent 0Floor Assignment Poolman

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2007: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2007 was placed on the Sixth order on the calendar.

Page 1, line 2, after "rights" insert "; and to provide for a report to the legislative assembly"

Page 1, replace lines 10 through 17 with:

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SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the one-time funding items included in the appropriation in section 1 of this Act:

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Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2007 - Labor Commissioner - Senate Action

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Department 406 - Labor Commissioner - Detail of Senate Changes

	Adjusts Funding for Base Payroll Changes ¹	Adds Funding for Salary and Benefit Increases ²	Adjust Funding for Salaries and Wages ³	Adjusts Funding for Investigation s Related to Housing Claims ⁴	Adds Funding for Microsoft Office 365 Licenses ⁵	Adds One- Time Funding for a Paperless Storage System ⁶
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General fund	(\$99,588)	\$126,601	(\$15,611)	\$240,554	\$1,508	\$69,659
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Salaries and wages	
Operating expenses	
Total all funds	
Less estimated income	
General fund	
FTE	

Total Senate Changes	\$52,167
	71,167
	\$123,334
	(199,789)
	\$323,123
	0.00

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2019-21 biennium salary adjustments of 2 percent on July 1, 2019, and 3 percent on July 1, 2020, and increases in health insurance premiums from \$1,241 to \$1,427 per month:

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Total	\$126,601

³ Funding of \$15,611 for salaries and wages is adjusted from the general fund to federal funds.

⁴ Funding of \$240,554, of which \$158,709 is for salaries and wages and \$81,845 is for operating expenses, is adjusted from federal funds to the general fund for housing claims investigations.

⁵ Funding is added from the general fund for Microsoft Office 365 licensing expenses.

⁶ One-time funding of \$69,659 is added from the general fund for a paperless storage system. A one-time appropriation of \$56,135 was provided to the department for the 2015-17 biennium for this purpose, but the funding was reduced as a result of the August 2016 special legislative session.

2019 HOUSE APPROPRIATIONS

SB 2007

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Government Operations Division Medora Room, State Capitol

SB2007
2/28/2019
Recording Job# 33018

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk: Sheri Lewis

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the department of labor and human rights.

Minutes:

Attachments A and B

Chairman Vigesaa: Opened the hearing on SB2007.

Michelle Kommer, Commissioner, ND Department of Labor and Human Rights: See testimony attachment A.

Representative Kempenich: The Senate didn't do anything with the federal funding the way it looks. In 2015, about \$50,000.00 is what you received from HUD that year. It increased in the 2017 budget to about \$241,000.00. Was there something that went on that increased it quite a bit? What is your total HUD funding?

Michelle Kommer: I have a list of grants that we've received from HUD from 2009 to 2018.

Michelle Kommer continued with her testimony.

Representative Kempenich: Basically the grant has run out now?

Michelle Kommer: No. We could continue to remain in this cooperative agreement. We've always complied with the requirements. How it works is they would grant us \$115,000.00 and then as we investigate cases, we get reimbursed according to the schedule on a case by case basis. The agreement is not terminated and I believe we could continue to have an agreement with them going forward. My concern is in our ability to remain neutral based on this one demonstration of withholding of funding.

Vice Chairman Brandenburg: From this discussion, it's \$2,800.00 without cause, it's \$5,000.00 when you find cause. If you don't find the right cause, with the federal reporting system, it's zero?

Michelle Kommer: Not specifically, that's not stated. How they say it is we get \$3,100.00 for an effective conciliation and \$2,800.00 for an ineffective. There's nothing on the schedule that states that we'll get zero; and we received zero.

Vice Chairman Brandenburg: There may be some more zeros and it could cause a problem. Is that what you're saying?

Michelle Kommer: That's exactly what I'm saying.

Michelle Kommer continued with her testimony.

Representative Kempenich: You're asking for \$243,254.00. You're not looking for anything more than that?

Vice Chairman Brandenburg: You have \$2.3 million out of general fund and \$439,000.00 of other funds; and I'm assuming that \$123,000.00 is part of that \$439,000.00. Is the other part of the housing?

Michelle Kommer: Representative Kempenich had the right numbers. Biannually it's about \$240,000.00 from EEOC and the difference is from HUD.

Larry Martin, Budget Analyst, ND Office of Management and Budget: The \$240,554.00 that was a funding source change we made between the HUD funds and the general funds. Some of that is operating; but, part of it is also salary. The Senate didn't make any change to this recommendation.

Representative Kempenich: Is the \$240,000.00 completely gone?

Michelle Kommer: If you accommodate this request, then we will terminate the agreement with HUD on a go forward basis. We will still have available to us the money that we've earned and we will use that money. Going forward, we would terminate our cooperative agreement with HUD and we would rely on the additional \$100,000.00; which would place the department in a secure position to feel confident that we can meet our statutory obligations to be a neutral investigator.

Representative Kempenich: Who has primacy? You have HUD, which is a federal agency, and we're doing their bidding with the understanding that we get reimbursed. There wouldn't be any advantages if we went on our own because our laws are similar. How can they not agree with what the department came up with?

Michelle Kommer: In this particular case, they plainly just disagreed with our outcome, they questioned the investigation. We reviewed the investigation and it was conducted thoroughly and competently; and we couldn't have reached another result with the evidence that we had. They elected not to reimburse us; which under our agreement they can do that.

Chairman Vigesaa: You would have no relationship with HUD if we went forward with this? You'd be on your own completely with any housing discrimination cases?

Michelle Kommer: That is correct. Not every state has a relationship with HUD only 35 states have a relationship with HUD.

Representative Kempenich: Were we more lenient or stricter than HUD in this case?

Michelle Kommer: I think the reimbursement schedule that I shared with you, shows that we are incented to find cause. In this case, we did not find reasonable cause that a discriminatory practice had occurred.

Chairman Vigesaa: Are there any other benefits that we get from the cooperative agreement that we would be missing if we didn't re-up?

Michelle Kommer: Most of the money we receive from HUD goes to the case to case reimbursement. We might not have access to additional training dollars that we would have otherwise had access to. We are not prevented from joining with them again in the future.

Representative Kempenich: Caseloads became an issue in 2011. What you're saying makes sense; I'm just trying to understand what led up to it.

Chairman Vigesaa: Section 2 of the executive recommendation, that must have been the section that allowed the department to access federal funds that they've already received in previous biennium?

Alex Cronquist, Fiscal Analyst, ND Legislative Council: As it was proposed in the governor's budget, it would have allowed them to accept and spend federal dollars beyond what was appropriated to them. If they received money that they weren't expecting, then they could accept and spend that.

Chairman Vigesaa: There would have been federal funds that you've accumulated. That wasn't the section that would have allowed them to spend those funds? You haven't had that authority in the past?

Larry Martin: This is new language that we've added in the bill this year.

Chairman Vigesaa: That was for that purpose or is this for the purpose of accepting new funds?

Larry Martin: It was for the purpose of spending more if we get more funds. It's similar language that we've added in all of the cabinet level agencies that receive federal funds.

Chairman Vigesaa: With the regard to the federal funds that you are holding now, you don't feel that you have the authority to spend those going forward?

Michelle Kommer: We don't hold federal funds; HUD holds them and we draw on them. We need to make sure that we have the right authority to do that.

Representative Kempenich: You made mention that you're drawing on 15 funds. If you sever the agreement with HUD, these are funds earned, so you could still use those funds.

Michelle Kommer: We have spent some of that money from year to year. We still have to remain consistent with the purpose of the money. It still has to be spent on housing related things.

Representative Kempenich: But it doesn't lose its identity? It's money that's in an account that you could access.

Michelle Kommer: Exactly.

Chairman Vigesaa: Even without the cooperative agreement moving forward?

Michelle Kommer: Yes.

Representative Mock: Roughly about 8% would be federal funded? Is it possible that we could face similar complications with our agreement with the EEOC?

Michelle Kommer: We have not seen any indications of that. The way that is structured is it allows us reimbursement regardless of the outcome.

Representative Mock: Are there any states that don't have an agreement with the EEOC?

Michelle Kommer: I don't have an answer for that. In Minnesota there are three entities similar to us that have a relationship with the EEOC. I don't know if there are any states that do not.

Chairman Vigesaa: I don't see any language in this bill with regard to that switch from special funds to general funds. Is that not necessary?

Larry Martin: No. It was contained within the budget request itself. We did not put additional language in to do that.

Attachment B was handed out but not discussed.

Chairman Vigesaa: Closed the hearing.

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Government Operations Division Medora Room, State Capitol

SB2007
3/6/2019
Recording Job# 33334

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk: Sheri Lewis

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the department of labor and human rights.

Minutes:

Attachment A

Chairman Vigesaa: Opened the discussion on SB2007.

Chairman Vigesaa: See attachment A.

Chris Kadrmas, Fiscal Analyst, ND Legislative Council: It has to do with the auditors and what source of funding they're being paid from. They believe that paying them from the general fund takes them away from being more orientated on the federal side of things. They're funding switches from federal funds to general funds.

Chairman Vigesaa: These are auditors within the office?

Chris Kadrmas: That's correct.

Representative Bellew: They are getting less federal funds?

Representative Kempenich: It varies from year to year. What they're worried about is that they didn't get their independence from the federal side.

Chairman Vigesaa: This was the case where they would terminate their agreement with HUD?

Representative Kempenich: Yes.

Representative Bellew: I think it should go back to federal funds.

Representative Kempenich: If we change the rules where it impacts us; the federal side probably gets more politically correct than the state side. They disagreed with what the federal conversation was; and I think it was just a political conversation.

Representative Bellew: The other concern I have is the paperless collections. It's section 4 of the green sheet.

Representative Kempenich: I suppose they want some type of cd storage.

Representative Bellew: It says it's one-time funding for electronic payment processing system.

Chairman Vigesaa: Closed the discussion.

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Government Operations Division Medora Room, State Capitol

SB2007
3/13/2019
Recording Job# 33668

☐ Subcommittee
☐ Conference Committee

Committee Clerk: Sheri Lewis

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the department of labor and human rights.

Minutes:

Chairman Vigesaa: Opened the discussion on SB2007.

Representative Bellew: The funding for the investigations was because the federal funds were no longer there; so they want general funds for that?

Representative Beadle: It stemmed from examples of where they would do the investigative work for HUD and the case wouldn't have won; HUD decided they didn't want to pay for those services. She wanted to join the number of states that don't have that relationship with HUD.

Chairman Vigesaa: Discussed the worksheet.

Chairman Vigesaa: Why is that \$15,611.00 switching from general to special?

Alex Cronquist, Fiscal Analyst, ND Legislative Council: They're stating that the reduction was part of their 5% reduction. They thought that for this position there would possibly additional federal funding available.

Chairman Vigesaa: Maybe it's a position that they could assign some duties to that would receive federal funding for that salary?

Alex Cronquist: I'm not sure if it was a change in duties. They anticipate a slight increase in federal funding available for this.

Representative Bellew: For that \$69,000.00 they say electronic storage system, but on the green sheet it says electronic payment processing system.

Representative Beadle: I did email commissioner Kommer about that, it seems that that was a typo in the preparation of the green sheet. It is indeed the storage and record system.

Chairman Vigesaa: Closed the discussion.

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Government Operations Division
Medora Room, State Capitol

SB2007
3/20/2019
Recording Job# 34024

☐ Subcommittee
☐ Conference Committee

Committee Clerk: Sheri Lewis

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the department of labor and human rights.

Minutes:

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Chairman Vigesaa: Opened the discussion on SB2007.

Representative Howe: Went through the green sheet.

Chairman Vigesaa: That was part of the governor's recommendation. Where would those funds come from?

Levi Kinnischtzke, Fiscal Analyst, ND Legislative Council: The \$15,611.00 is federal funds. It was flipped from the general fund to federal funds.

Chairman Vigesaa continued with the green sheet.

Representative Bellew: My personal comment is that I don't like it. It should go back to federal funds.

Representative Kempenich: They ruled in favor of a North Dakota entity.

Chairman Vigesaa: That was a discrimination case with regard to housing. Correct?

Representative Mock: I don't recall how many states are engaged with HUD in that agreement. If I recall 16% of their budget comes from HUD and EOC; and they're split evenly. This would bring it down to 8% from the federal government. How many instances have we had where the federal government has had a different ruling in a dispute from the state which has resulted in dollars not being reimbursed?

Representative Kempenich: This was one, but we didn't really get into it. This doesn't end immediately. It didn't sound like it was many.

Representative Mock: I don't recall what the dollar amount was for that claim that was not going to be reimbursed by the federal government.

Chairman Vigesaa: Her testimony is just slides with very little detail.

Vice Chairman Brandenburg: There are 35 states that are involved with HUD.

Chairman Vigesaa: What does that paperless storage system do?

Representative Howe: That \$69,000.00 is what they will pay ITD to take all their paperwork and digitize it.

Representative Beadle: According to Ms. Kommer, the request was originally in their 2015-2017 budget; but it was cut. It was in their 2017-2019 request also but it was also cut.

Chairman Vigesaa: On section two, has that been a traditional section in their budget?

Levi Kinnischtzke: No. Thus far the House has not included those sections in the cabinet agencies up to this point.

Representative Howe: She pushed for section 3.

Chairman Vigesaa: The Senate isn't moving that over are they?

Levi Kinnischtzke: Correct. The only similar sections that the Senate has been adding are ones that were already pre-existing in prior bienniums.

Representative Bellew: That paperless storage system is going to improve efficiencies so eventually they can see a savings?

Representative Howe: That's how I took it.

Representative Beadle: She said a number of other cabinet level agencies have made the transition to a paperless system.

Representative Mock: Without knowing how much that one claim could cost. HUD overruled our findings in that one instance. The state is now on the hook for that single claim, but HUD will continue to reimburse for all other claims where their findings were the same as the state's?

Representative Kempenich: Prior.

Representative Mock: What happens if we continue forward with the agreement? Are we making a permanent decision based on an isolated case?

Chairman Vigesaa: Are those funds going to come irregardless if we have section 2?

Representative Mock: If it's a matter of 5% of claims that HUD comes to a different conclusion, does that just mean we're on the hook for 5% of those dollars and 95% of all their claims are processed as normal? If that's the case, I don't know if it's worth us switching entirely over to general funded and getting rid of the MOU with HUD. If having one instance where our findings don't align with HUD's; if that puts us on the hook for everything, I wouldn't see any reason for us to move forward with the HUD agreement.

Representative Howe: The commissioner did say that we are not prevented from joining HUD again.

Chairman Vigesaa: Closed the discussion.

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Government Operations Division Medora Room, State Capitol

SB2007
3/25/2019
Recording Job# 34209

☐ Subcommittee
☐ Conference Committee

Committee Clerk: Sheri Lewis

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the department of labor and human rights.

Minutes:

Chairman Vigesaa: Opened the discussion on SB2007.

Representative Howe: We have an answer from the commissioner on that claim. It was a \$2,800.00 claim and the state received zero dollars. She also says that North Dakota is not a party to claims we investigate; therefore, claims are not resolved for or against North Dakota. Instead for either the charging party or respondent, the department of labor conducts a thorough investigation in an issue determination letter in which we conclude whether or not a discriminatory occurred. We find probable cause in about 3% of the claims on average.

Chairman Vigesaa: Of the claims that were submitted, only about 3% have probable cause?

Representative Howe: Yes.

Representative Howe: The commissioner says that the department of labor reimburse \$3,100.00 for effective conciliation agreements, \$2,800.00 for ineffective conciliation and \$1,400.00 for administrative closure that go without resolution. The average of those is \$22,836.36. They had 33 cases for fiscal year 2018 and the total is \$93,600.00 which is \$2,836.00 per case.

Chairman Vigesaa: In the past according to the budget, we would have received \$240,000.00 from HUD for investigations. We must do it and they reimburse us if we're getting funding from HUD.

Representative Howe: I talked about the remaining funds and the commissioner stated that they can't draw on HUD funds for anything other than housing. In 2018 they had \$132,000.00, in 2017 \$174,000.00, 2016 \$104,000.00, and 2015 \$14,000.00.

Chairman Vigesaa: How much did you say is remaining?

Representative Howe: From 2015 to 2018 the total is \$426,700.00.

Chairman Vigesaa: When I'm looking at the Senate bill that less estimated income is minus nearly \$200,000.00. That's because we took the \$240,000.00 off of that?

Alex Cronquist, Fiscal Analyst, ND Legislative Council: Correct.

Chairman Vigesaa: So it's just one \$2,800.00 claim that has precipitated the discussion?

Representative Howe: Yes.

Chairman Vigesaa: It sounds like their average claim is less than \$3,000.00?

Representative Howe: Yes.

Representative Beadle: Would there be an increase or decrease for the same amount of workload?

Representative Howe: I think that's why she's advocating for section 2.

Chairman Vigesaa: If we went off the HUD program, would there still be a fair number of federal funds that would still come in?

Representative Howe: I don't know.

Chairman Vigesaa: That \$25,154.00 it says salary increase from special funds?

Alex Cronquist: All other funds are federal funds; so there are not any special funds in this agency.

Chairman Vigesaa: If there is money sitting in the agency now and we don't move that section 2 over, they're not able to access that at all? Can they access based on when the money came in and there was carry over from previous?

Alex Cronquist: I'm not aware of any carry over authority that they have. As the budget came from the Senate, they'd have access spend that \$240,000.00 that they do have authority for.

Chairman Vigesaa: If there were federal funds that haven't been utilized, they wouldn't be available?

Alex Cronquist: Not if it's beyond that \$240,127.00.

Representative Vigesaa: It's less than that right?

Representative Howe: Yes.

Becky Keller, Budget Analyst, ND Office of Management and Budget: The only federal funds that are still in the budget are EEOC cases. He says section 2 is really critical as they do have some HUD funds but have not drawn yet; but will in the next biennium to finish out their cases.

Representative Bellew: I agree with the Senate on this.

Chairman Vigesaa: Closed the discussion.

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Government Operations Division Medora Room, State Capitol

SB2007
3/26/2019
Recording Job# 34233

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk: Sheri Lewis

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the department of labor and human rights.

Minutes:

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Chairman Vigesaa: Opened the discussion on SB2007.

Chairman Vigesaa: Can you give the reasoning behind why you

Michelle Kommer, Commissioner, ND Department of Labor: Through that report we learned that we were not going to be reimbursed for one of the cases that we thought we would be. The North Dakota department of labor is a neutral enforcement agency. By statute, we approach all of the investigation in a neutral capacity. We gather facts, evidence and we conduct a thorough investigation. At the end of the investigation we issue a letter of findings and we do that without regard to the amount that we will be reimbursed by the EEOC or what HUD would reimburse us. The EEOC reimburses us the same amount for an investigation regardless of the outcome and HUD reimburses differently depending on the outcome of the investigation.

Chairman Vigesaa: The \$240,554.00 what are those dollars for?

Larry Martin, Budget Analyst, ND Legislative Council: Instead of identifying the salaries that are going to the HUD funding they switched them to general funds. Most of these were salaries and fringe that make up that number.

Chairman Vigesaa: Those would have been salaries of the investigators that worked on those particular cases?

Larry Martin: Correct.

Representative Bellew: Are these part of the 14 FTE's in your department?

Michelle Kommer: They are part of the 14 FTE's. Our investigative staff investigates both HUD and wage and employment public service/public accommodation claims. They're not separate staff.

Chairman Vigesaa: The line where it's the \$15,611.00 that's being reduced from general and going to other funds. Can you explain that one?

Larry Martin: That \$15,000.00 is what they use to meet the budget guidelines. They reduced their general funds in the base budget so they could meet the guidelines; and then we did the flip to move from federal to general funds.

Chairman Vigesaa: If you had done that case you're talking about, and if HUD wouldn't have been involved what would have happened as far as funding to the department?

Michelle Kommer: If we have no relationship with HUD going forward, we will not receive any future funds from them. Our operations will be sustained through general funds. Since the last time I was here, we did confirm that the carry over dollars that we can continue to draw those. It's very important that you allow us to continue to do that. That money can only be used to pay for things related to housing discrimination.

Chairman Vigesaa: How much is remaining?

Representative Howe: It's \$426,700.00.

Chairman Vigesaa: Those funds are sitting in an account with HUD that we can still draw? By terminating our agreement we can still have access to that?

Michelle Kommer: That's correct.

Chairman Vigesaa: In section 2 would those be dollars that are being identified?

Michelle Kommer: Yes.

Chairman Vigesaa: Would you anticipate all those funds being drawn?

Michelle Kommer: I would not.

Representative Howe: How long do you think that \$426,000.00 will last?

Michelle Kommer: There is a five-year expiration on the money. If you look at the 2014 number, we have to spend that first; and the 2018 dollars wouldn't have to be spent until 2023.

Chairman Vigesaa: Without section 2 you would not be able to access the \$426,000.00?

Michelle Kommer: That's my understanding.

Larry Martin: That's correct. They would have to go to the emergency commission and get approval at that point.

Chairman Vigesaa: If we separate from HUD and you do an investigation, and you find a fault on somebody's behalf. Are there any dollars that flow back to the agency or is that going to be between the two parties where there would be compensation or restitution?

Michelle Kommer: If we term our cooperative agreement today, the rules on which we draw on that money today would remain consistent.

Chairman Vigesaa: If we continue to be separated and the \$426,700.00 goes away and no HUD funds come our direction and we continue to do the investigations, how does the money flow then if there are claims?

Michelle Kommer: There would be no exchange of money. At the point at which there are no more funds and we don't have a continuing relationship with HUD, then we are operating independently as many other states do today.

Chairman Vigesaa: In the future when the HUD dollars are gone, you would just have funding in your budget to fund the investigation piece?

Michelle Kommer: That's correct.

Chairman Vigesaa: When you find findings against a landlord or a renter, that just settles itself in the courts?

Michelle Kommer: The actual adjudication process will remain the same. The difference being that we do not have accountability to HUD through the funding structure.

Representative Mock: Do we have to do all or none? Do we have to be a part of the cooperative agreement? If we have different findings or results, would that force us to leave or can we have that cooperative agreement; and then situationally we would have to eat the cost? Is it possible to continue this current relationship if their conclusion is different than our conclusion and we don't get reimbursed those dollars, we could continue to operate as normal, we'd just have to figure out how to pay for the money we didn't get reimbursed?

Michelle Kommer: Yes. We could continue the agreement and the risk is that we're not being paid for our work. I would struggle to see the benefit of remaining in the agreement and risking nonpayment.

Representative Mock: Even if we sever the cooperative agreement with HUD, there will continue to be an agreement to our labor? There would continue to be in an agreement with the EEOC? I would imagine we would have reporting and auditing requirements with this agency as well?

Michelle Kommer: That's correct. HUD and the EEOC are completely separate agencies that are not connected to each other.

Representative Mock: Do you have staff that are trained to do the reports for both agencies?

Michelle Kommer: There are no similarities between the two systems or processes. Our investigators are cross trained to do investigations across housing, public service, public accommodation and employment.

Representative Mock: We're looking at a \$250,000.00 general fund appropriation. If we keep the agreement, we can anticipate approximately \$250,000.00 in reimbursements from the federal government. Even if we say 10% of those claims would not be reimbursed, if we put a continuing appropriation of \$25,000.00 in the general fund to cover any unreimbursed expenses from HUD, we'd still be up \$225,000.00 at our worst case scenario. Is that correct?

Michelle Kommer: You're correct.

Representative Mock: There is a contingent appropriation if there is a disagreement between us and HUD, and if they're having to alter their decisions solely based on the knowledge that if they find differently than what they would otherwise, it may result in no reimbursement. If that's no longer a concern, would that address the impartiality concerns of your office?

Michelle Kommer: It really would.

Chairman Vigesaa: In visiting with your colleagues is this something of a trend?

Michelle Kommer: Yes. There was an expectation with the new presidential administration that we wouldn't have to have that concern. There's been some surprise in our region that it's been a concern.

Representative Howe: With the EEOC, have you ever not been reimbursed for an EEOC claim?

Michelle Kommer: No we have not.

Chairman Vigesaa: How many cases have you had to investigate on both of those federal programs?

Michelle Kommer: There are more employment discrimination cases than there are housing discrimination cases.

Representative Howe: If we were to take up Representative Mock's idea with the contingency, we would not be able to use that \$426,000.00 to fund that?

Michelle Kommer: You are right. We would not be able to use that money.

Chairman Vigesaa: What is those special funds if we decouple from HUD?

Larry Martin: I don't know.

Chairman Vigesaa: There are other funds available in the base payroll changes. Is that for EEOC?

Levi Kinnischtzke, Fiscal Analyst, ND Legislative Council: That \$15,000.00 has switched to federal funding.

Chairman Vigesaa: If we decouple from HUD, would we be getting any funding from HUD this point forward?

Levi Kinnischtzke: There are several different change packages in the executive budget that recommended the funding change from the general fund and a subsequent change relating to housing claims. The funding from HUD would be zero.

Representative Howe: That \$15,000.00, if we were to get HUD funding that would be accounted for that, but since we won't have any, we really wouldn't spend that \$15,000.00.

Levi Kinnischtzke: That's correct.

Larry Martin: That really takes care of the whole package.

Chairman Vigesaa: Discussed the green sheet.

Representative Bellew: Section two says if they get federal funds, they can spend them.

Larry Martin: Because they do have that HUD funding that they can draw from, those decisions would have to come to the emergency commission for each single small transaction. In this case section 2 is pretty critical for using those federal dollars.

Chairman Vigesaa: By continuing with HUD do you think that would change the investigators process?

Representative Howe: The commissioner said it would.

Representative Mock: In the case of a claim not being reimbursed, if we just continue as it has been with the cooperative agreement, would the department of labor come to the emergency commission and request an appropriation to cover that difference from the budget section?

Chairman Vigesaa: I would imagine if they got to the end of the biennium, they could ask for a deficiency appropriation. Would that be correct?

Levi Kinnischtzke: They could ask for a deficiency appropriation throughout the biennium or ask for approval from the emergency commission if it's over \$50,000.00.

Chairman Vigesaa: If we retain the relationship with HUD, section 2 would still be necessary or because we have that arrangement they could draw on it at any time?

Larry Martin: That's correct. If they stay with HUD they wouldn't need that clause in there.

Chairman Vigesaa: Because it's an ongoing program and they've always had the ability.

Larry Martin: Correct.

Chairman Vigesaa: Closed the discussion.

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Government Operations Division Medora Room, State Capitol

SB2007
4/1/2019
Recording Job# 34398

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk: Sheri Lewis

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the department of labor and human rights.

Minutes:

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Chairman Vigesaa: Opened the discussion on SB2007.

Representative Howe: Discussed the green sheet.

Vice Chairman Brandenburg: Wasn't there something about the reason why they wanted to get out of that contract was because they were given a different answer that the state didn't like?

Representative Howe: There was one case where they were not reimbursed by HUD; and this spurred this conversation about getting out of the agreement with HUD.

Chairman Vigesaa: Do we need to move section 2 over?

Representative Howe: I don't think we would need that section since we're not getting out of the agreement with HUD.

Chairman Vigesaa: All we would really need to do is move those funds from general to special?

Levi Kinnischtzke, Fiscal Analyst, ND Legislative Council: That would just be a funding change that we could switch back.

Chairman Vigesaa: How about that \$15,611.00, was that associated with that?

Levi Kinnischtzke: Yes, that \$15,611.00 was associated with it; but it's not something that you would necessarily have to change as well.

Chairman Vigesaa: We wouldn't need to have section 2?

Levi Kinnischtzke: That's correct.

Representative Howe: Made a motion to adopt the changes.

Representative Beadle: Seconded the motion.

Voice Vote made.

Motion Carried.

Representative Howe: Made a motion for a "Do Pass as Amended".

Representative Mock: Seconded the motion.

Roll Call Vote made.

5 Yeas 0 Nays 2 Absent.

Motion Carried.

Chairman Vigesaa: Closed the discussion.

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Government Operations Division
Medora Room, State Capitol

SB2007
4/2/2019
Recording Job# 34426

☐ Subcommittee
☐ Conference Committee

Committee Clerk: Sheri Lewis

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the department of labor and human rights.

Minutes:

Attachment A.

Chairman Vigesaa: Opened the discussion on SB2007.

Roll call taken.

Chairman Vigesaa: See attachment A.

Chairman Vigesaa: Closed the discussion.

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

SB 2007
4/3/2019
34498

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk: Risa Bergquist

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the department of labor and human rights; and to provide for a report to the legislative assembly.

Minutes:

Chairman Delzer: Called the meeting to order for SB 2007, department of labor and human rights.

Representative Howe: Statement of purpose for amendment .2001, number 1 is the salary package, number 2 the senate was trying to withdraw from the HUD program and the committee felt that we should not withdraw. The labor department had a claim that HUD did not pay for a total of 28 hundred dollars, so we asked how many times this has happened and this was the only time. So we didn't think that was worth getting rid of HUD over.

Chairman Delzer: Why did they not pay that? The state came with a different ruling than they found? That's the first time that has ever happened? What was the state and the federal ruling?

Representative Howe: Correct, it only happened once that they came out with a different ruling then the state.

Chairman Delzer: The state had said it should be covered and the feds said it shouldn't?

Representative Howe: Right. Operating expenses, they did add 69 thousand dollars for the department to go to a paperless system. ITD would come in and help them do that and it's a onetime fund.

Chairman Delzer: Questions by the committee?

Representative Howe: Make a Motion to Adopt the Amendment

Representative Mock: second

Chairman Delzer: Any further discussion on the motion? **Voice vote, All in Favor, Motion Carries.**

Representative Howe: I would Move a Do Pass as Amended

Representative Mock: Second

A Roll Call vote was taken. Yea: 17 Nay: 0 Absent: 4

Representative Howe will carry the bill.

Chairman Delzer: We will close this meeting.

DE 4/3/19

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2007

Page 1, replace lines 12 through 17 with:

"Salaries and wages	\$2,414,984	\$60,781	\$2,475,765
Operating expenses	<u>328,918</u>	<u>71,167</u>	<u>400,085</u>
Total all funds	\$2,743,902	\$131,948	\$2,875,850
Less estimated income	<u>439,916</u>	<u>40,765</u>	<u>480,681</u>
Total general fund	\$2,303,986	\$91,183	\$2,395,169
Full-time equivalent positions	14.00	0.00	14.00"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2007 - Labor Commissioner - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$2,414,984	\$2,467,151	\$8,614	\$2,475,765
Operating expenses	<u>328,918</u>	<u>400,085</u>		<u>400,085</u>
Total all funds	\$2,743,902	\$2,867,236	\$8,614	\$2,875,850
Less estimated income	<u>439,916</u>	<u>240,127</u>	<u>240,554</u>	<u>480,681</u>
General fund	\$2,303,986	\$2,627,109	(\$231,940)	\$2,395,169
FTE	14.00	14.00	0.00	14.00

Department 406 - Labor Commissioner - Detail of House Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Adjusts Funding for Investigations Related to Housing Claims ²	Total House Changes
Salaries and wages	\$8,614		\$8,614
Operating expenses	<u></u>	<u></u>	<u></u>
Total all funds	\$8,614	\$0	\$8,614
Less estimated income	<u>0</u>	<u>240,554</u>	<u>240,554</u>
General fund	\$8,614	(\$240,554)	(\$231,940)
FTE	0.00	0.00	0.00

¹ Funding of \$8,614 is added from the general fund for 2019-21 biennium salary adjustments of 2 percent with a minimum monthly increase of \$120 and a maximum monthly increase of \$200 on July 1, 2019, and a 2.5 percent increase on July 1, 2020. Funding provided by the House for salary increases totals \$77,207 from the general fund. The Senate provided salary increases of 2 percent on July 1, 2019, and 3 percent on July 1 2020, to provide total salary increases of \$68,593.

² Funding of \$240,554, of which \$158,709 is for salaries and wages and \$81,845 is for operating expenses, is adjusted from the general fund to federal funds for housing claims investigations. The Senate changed the funding source for housing claims investigations from federal funds to the general fund. The House amendments change the funding source back to federal funds, the same as the base level appropriations.

**2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. SB2007**

House Appropriations - Government Operations Division Committee

☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar
Other Actions: ☐ Reconsider ☐ _____

Motion Made By Representative Howe Seconded By Representative Beadle

Representatives	Yes	No	Representatives	Yes	No
Chairman Vigesaa			Representative Mock		
Vice Chairman Brandenburg					
Representative Beadle					
Representative Bellew					
Representative Howe					
Representative Kempenich					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:
To adopt changes.
Motion Carried.

**2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. SB2007**

House Appropriations - Government Operations Division Committee

☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☒ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Representative Howe Seconded By Representative Mock

Representatives	Yes	No	Representatives	Yes	No
Chairman Vigesaa	X		Representative Mock	X	
Vice Chairman Brandenburg	X				
Representative Beadle	X				
Representative Bellew					
Representative Howe	X				
Representative Kempenich					

Total (Yes) 5 No 0

Absent 2

Floor Assignment Representative Howe

If the vote is on an amendment, briefly indicate intent:
Motion Carried.

Date: 4/3/2019
Roll Call Vote #: 1

**2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2007**

House Appropriations Committee

☐ Subcommittee

Amendment LC# or Description: 19.0220.02001

Recommendation: ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar
Other Actions: ☐ Reconsider ☐ _____

Motion Made By Representative Howe Seconded By Representative Mock

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer					
Representative Kempenich					
Representative Anderson			Representative Schobinger		
Representative Beadle			Representative Vigesaa		
Representative Bellew					
Representative Brandenburg					
Representative Howe			Representative Boe		
Representative Kreidt			Representative Holman		
Representative Martinson			Representative Mock		
Representative Meier					
Representative Monson					
Representative Nathe					
Representative J. Nelson					
Representative Sanford					
Representative Schatz					
Representative Schmidt					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

Voice Vote/Motion Carries

Date: 4/3/2019
Roll Call Vote #: 2

**2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2007**

House Appropriations Committee

☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☒ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar
Other Actions: ☐ Reconsider ☐ _____

Motion Made By Representative Howe Seconded By Representative Mock

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer	X				
Representative Kempenich	A				
Representative Anderson	X		Representative Schobinger	X	
Representative Beadle	X		Representative Vigesaa	X	
Representative Bellew	X				
Representative Brandenburg	X				
Representative Howe	X		Representative Boe	X	
Representative Kreidt	A		Representative Holman	X	
Representative Martinson	X		Representative Mock	X	
Representative Meier	X				
Representative Monson	A				
Representative Nathe	X				
Representative J. Nelson	A				
Representative Sanford	X				
Representative Schatz	X				
Representative Schmidt	X				

Total (Yes) 17 No 0

Absent 4

Floor Assignment Representative Howe

Motion Carries

REPORT OF STANDING COMMITTEE

SB 2007, as engrossed: Appropriations Committee (Rep. Delzer, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (17 YEAS, 0 NAYS, 4 ABSENT AND NOT VOTING). Engrossed SB 2007 was placed on the Sixth order on the calendar.

Page 1, replace lines 12 through 17 with:

"Salaries and wages	\$2,414,984	\$60,781	\$2,475,765
Operating expenses	<u>328,918</u>	<u>71,167</u>	<u>400,085</u>
Total all funds	\$2,743,902	\$131,948	\$2,875,850
Less estimated income	<u>439,916</u>	<u>40,765</u>	<u>480,681</u>
Total general fund	\$2,303,986	\$91,183	\$2,395,169
Full-time equivalent positions	14.00	0.00	14.00"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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	Base Budget	Senate Version	House Changes	House Version
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Operating expenses	<u>328,918</u>	<u>400,085</u>		<u>400,085</u>
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Less estimated income	<u>439,916</u>	<u>240,127</u>	<u>240,554</u>	<u>480,681</u>
General fund	\$2,303,986	\$2,627,109	(\$231,940)	\$2,395,169
FTE	14.00	14.00	0.00	14.00

Department 406 - Labor Commissioner - Detail of House Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Adjusts Funding for Investigations Related to Housing Claims ²	Total House Changes
Salaries and wages	\$8,614		\$8,614
Operating expenses			
Total all funds	\$8,614	\$0	\$8,614
Less estimated income	<u>0</u>	<u>240,554</u>	<u>240,554</u>
General fund	\$8,614	(\$240,554)	(\$231,940)
FTE	0.00	0.00	0.00

¹ Funding of \$8,614 is added from the general fund for 2019-21 biennium salary adjustments of 2 percent with a minimum monthly increase of \$120 and a maximum monthly increase of \$200 on July 1, 2019, and a 2.5 percent increase on July 1, 2020. Funding provided by the House for salary increases totals \$77,207 from the general fund. The Senate provided salary increases of 2 percent on July 1, 2019, and 3 percent on July 1 2020, to provide total salary increases of \$68,593.

² Funding of \$240,554, of which \$158,709 is for salaries and wages and \$81,845 is for operating expenses, is adjusted from the general fund to federal funds for housing claims investigations. The Senate changed the funding source for housing claims investigations from federal funds to the general fund. The House amendments change the funding source back to federal funds, the same as the base level appropriations.

2019 CONFERENCE COMMITTEE

SB 2007

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

SB 2007
4/12/2019
Job # 34712 (02:48)

☐ Subcommittee
☒ Conference Committee

Committee Clerk: Rose Laning/ Meghan Pegel
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Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the department of labor and human rights.

Minutes:

Attachments 1 - 2

Legislative Council: Levi Kinnischtzke
OMB: Larry Martin

Conferees: **Senator Poolman (Chair), Senator Sorvaag, Senator Robinson**
Representative Howe, Representative Beadle, Representative Bellew

Senator Poolman called the conference committee to order on SB 2007.

Levi Kinnischtzke handed out the Base Level Funding Changes and Statement of Purpose of Amendment (see attachments #1-2)

Senator Poolman: I think this will be pretty brief. We may have misunderstood why the House made the changes that it did. We're really only talking about one change, so please fill us in.

Representative Howe: The House put back the Department of Labor back into the HUD program. We had several questions of why they wanted to get out of HUD. We found out there is one claim for \$2,800 that didn't go in their favor, and that spurred the conversation of leaving. It was the House's position that one instance, although concerning, isn't a trend and so thought we should keep this going with the HUD program. If we were to get out of HUD, it's another removal of \$240,000 from the general fund. That is why we decided to keep the Department of Labor in HUD in that agreement.

Senator Sorvaag: Moved that the Senate Accede to the House amendments.
Senator Robinson: Seconds.

A Roll Call Vote Was Taken: 6 yeas, 0 nays, 0 absent. Motion carries.

The Conference Committee meeting on SB 2007 adjourns.

**2019 SENATE CONFERENCE COMMITTEE
ROLL CALL VOTES**

BILL/RESOLUTION NO. SB 2007 as (re) engrossed

Senate Appropriations Committee

- Action Taken** ☒ **SENATE accede to House Amendments**
 ☐ **SENATE accede to House Amendments and further amend**
 ☐ **HOUSE recede from House amendments**
 ☐ **HOUSE recede from House amendments and amend as follows**

☐ **Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Senator Sorvaag Seconded by: Senator Robinson

Senators				Yes	No	Representatives				Yes	No
Senator Poolman				X		Representative Howe				X	
Senator Sorvaag				X		Representative Beadle				X	
Senator Robinson				X		Representative Bellew				X	
Total Senate Vote				3	0	Total Rep. Vote				3	0

Vote Count Yes: 6 No: 0 Absent: 0

Senate Carrier Senator Poolman House Carrier Representative Howe

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

REPORT OF CONFERENCE COMMITTEE

SB 2007, as engrossed: Your conference committee (Sens. Poolman, Sorvaag, Robinson and Reps. Howe, Beadle, Bellew) recommends that the **SENATE ACCEDE** to the House amendments as printed on SJ pages 1307-1308 and place SB 2007 on the Seventh order.

Engrossed SB 2007 was placed on the Seventh order of business on the calendar.

2019 TESTIMONY

SB 2007

Department 406 - Department of Labor and Human Rights
Senate Bill No. 2007

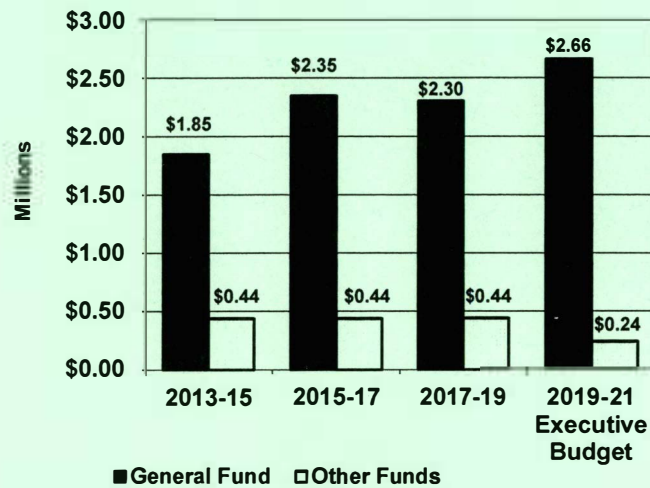
Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2019-21 Executive Budget	14.00	\$2,659,622	\$240,127	\$2,899,749
2017-19 Legislative Appropriations	14.00	2,303,986	439,916	2,743,902
Increase (Decrease)	0.00	\$355,636	(\$199,789)	\$155,847

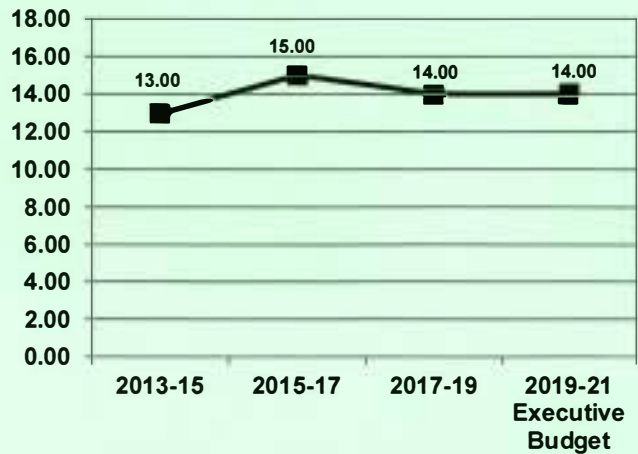
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2019-21 Executive Budget	\$2,589,963	\$69,659	\$2,659,622
2017-19 Legislative Appropriations	2,303,986	0	2,303,986
Increase (Decrease)	\$285,977	\$69,659	\$355,636

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2019-21 Executive Budget	\$2,659,622	\$240,127	\$2,899,749
2019-21 Base Level	2,303,986	439,916	2,743,902
Increase (Decrease)	\$355,636	(\$199,789)	\$155,847

Attached as an appendix is a detailed comparison of the executive budget to the agency's base level appropriations

Executive Budget Highlights

	General Fund	Other Funds	Total
1. Provides funding for state employee salary and benefit increases, of which \$97,196 is for salary increases, \$49,127 is for health insurance increases, and \$12,791 is for retirement contribution increases	\$159,114	\$0	\$159,114
2. Adjusts funding for salaries and wages	(\$15,611)	\$15,611	\$0
3. Adjusts funding for investigations related to housing claims	\$240,554	(\$240,554)	\$0
4. Adds funding for Microsoft Office 365 licensing expenses	\$1,508	\$0	\$1,508
5. Adds one-time funding for a paperless storage system	\$69,659	\$0	\$69,659

Other Sections Recommended to be Added in the Executive Budget
(As Detailed in the Attached Appendix)

Other funds appropriation - Section 2 would appropriate all federal and other funds received by the Department of Labor and Human Rights in the 2019-21 biennium in excess of the funds appropriated in Section 1.

Line item transfers - Section 3 would allow the Department of Labor and Human Rights to transfer up to 10 percent of the agency's appropriation authority between line items.

Continuing Appropriations

There are no continuing appropriations for this agency.

Significant Audit Findings

The operational audit for the Department of Labor and Human Rights conducted by the State Auditor's office for the period ending June 30, 2017, identified no significant audit findings.

Major Related Legislation

At this time, no major related legislation has been introduced affecting this agency.

Department of Labor and Human Rights - Budget No. 406
Senate Bill No. 2007
Base Level Funding Changes

	Executive Budget Recommendation			
	FTE Position	General Fund	Other Funds	Total
2019-21 Biennium Base Level	14.00	\$2,303,986	\$439,916	\$2,743,902
2019-21 Ongoing Funding Changes				
Base payroll changes		(\$99,588)	\$25,154	(\$74,434)
Salary increase		97,196		97,196
Health insurance increase		49,127		49,127
Retirement contribution increase		12,791		12,791
Adjust funding for salaries and wages		(15,611)	15,611	0
Adjust funding for investigations related to housing claims		240,554	(240,554)	0
Add funding for Microsoft Office 365 licensing expenses		1,508		1,508
Total ongoing funding changes	0.00	\$285,977	(\$199,789)	\$86,188
One-time funding items				
Add funding for a paperless storage system		\$69,659		\$69,659
Total one-time funding changes	0.00	\$69,659	\$0	\$69,659
Total Changes to Base Level Funding	0.00	\$355,636	(\$199,789)	\$155,847
2019-21 Total Funding	14.00	\$2,659,622	\$240,127	\$2,899,749

Other Sections for Department of Labor and Human Rights - Budget No. 406

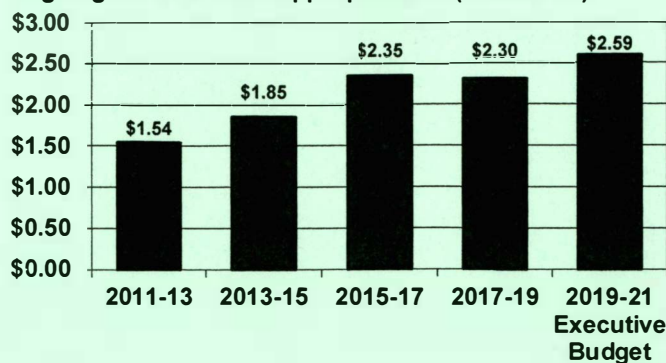
	Executive Budget Recommendation
Other funds appropriation	Section 2 would appropriate all federal and other funds received by the Department of Labor and Human Rights in the 2019-21 biennium in excess of the funds appropriated in Section 1.
Line item transfers	Section 3 would allow the Department of Labor and Human Rights to transfer up to 10 percent of the agency's appropriation authority between line items.

Department 406 - Department of Labor and Human Rights

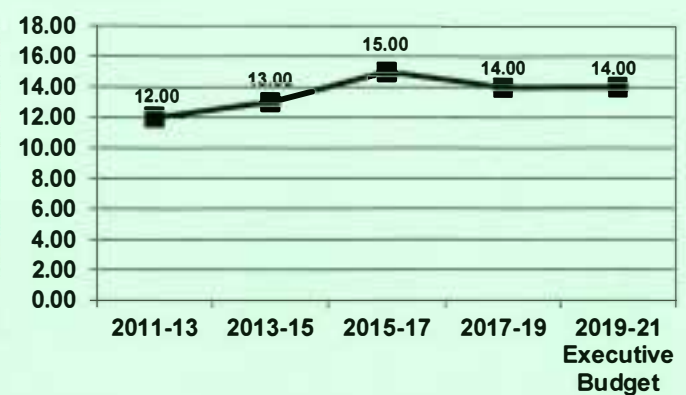
Historical Appropriations Information

Ongoing General Fund Appropriations Since 2011-13

Ongoing General Fund Appropriations (in Millions)



FTE Positions



Ongoing General Fund Appropriations					
	2011-13	2013-15	2015-17	2017-19	2019-21 Executive Budget
Ongoing general fund appropriations	\$1,540,125	\$1,847,425	\$2,347,241	\$2,303,986	\$2,589,963
Increase (decrease) from previous biennium	N/A	\$307,300	\$499,816	(\$43,255)	\$285,977
Percentage increase (decrease) from previous biennium	N/A	20.0%	27.1%	(1.8%)	12.4%
Cumulative percentage increase (decrease) from 2011-13 biennium	N/A	20.0%	52.4%	49.6%	68.2%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2013-15 Biennium

- Added funding for 1 FTE compliance investigator position \$91,150

2015-17 Biennium

- Added funding for 2 FTE compliance investigator positions and related funding \$364,109

2017-19 Biennium

- Removed 1 FTE administrative assistant position and related funding of \$52,998 (Funding of \$42,794 was removed as part of the August 2016 budget reductions, resulting in a total reduction of \$95,792 for this position) (\$52,998)
- Reduced funding for operating expenses (\$32,409)

2019-21 Biennium (Executive Budget Recommendation)

- Adjusts funding for investigations related to housing claims, including a general fund increase of \$240,554 and a federal funds reduction of \$240,554 \$240,554

**GOVERNOR'S RECOMMENDATION FOR THE
DEPARTMENT OF LABOR AND HUMAN RIGHTS
AS SUBMITTED BY THE
OFFICE OF MANAGEMENT AND BUDGET**

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of labor and human rights for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	\$2,414,984	\$84,680	\$2,499,664
Operating Expenses	328,918	71,167	400,085
Total all funds	\$2,743,902	\$155,847	\$2,899,749
Less estimated income	555,115	(314,988)	240,127
Total general fund	\$2,188,787	\$470,835	\$2,659,622
Full-time equivalent positions	14.00	(0.00)	14.00

SECTION 2. APPROPRIATION. In addition to the amounts appropriated to the department of labor and human rights in section 1 of this Act, there is appropriated any additional income from federal or other funds which may become available to the agency for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. TRANSFER. Notwithstanding section 54-16-04, the agency may transfer between line items within section 1 of this Act up to ten percent of the total appropriation contained in section 1 during the biennium beginning July 1, 2019, and ending June 30, 2021. The agency shall notify the office of management and budget and the legislative council of any transfer made pursuant to this section.

SECTION 4. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2017-19</u>	<u>2019-21</u>
Electronic payment processing system	\$0	\$69,659
Total all funds	\$0	\$69,659
Less estimated income	<u>0</u>	<u>0</u>
Total general fund	\$0	\$69,659

The 2019-21 one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. The department of labor and human rights shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019 and ending June 30, 2021.

1d

SB2007 Senate
Appropriations
Hearing

January 9, 2019



**DEPARTMENT OF LABOR
AND HUMAN RIGHTS**

Department Scope



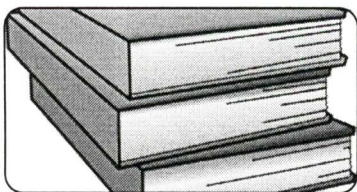
WAGE & HOUR DIVISION

- Minimum Wage & Overtime, Equal Pay, Child Labor, Labor Unions, Employment Agencies, Wage Collection



HUMAN RIGHTS DIVISION

- Discrimination in employment, housing, public services, public accommodations, and credit transactions.



EDUCATION & AWARENESS

- Broaden awareness of wage and hour issues and human rights protections through public education and outreach.

SB 2007
1-9-19
#1
p2

Wage & Hour Division



Minimum Wage & Overtime, *N.D.C.C. ch. 34-06*



Equal Pay, *N.D.C.C. ch. 34-06.1*



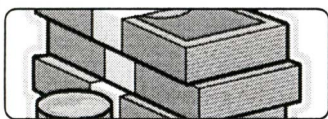
Child Labor, *N.D.C.C. ch. 34-07*



Labor Union, *N.D.C.C. ch. 34-12*



Employment Agency, *N.D.C.C. ch. 34-13*

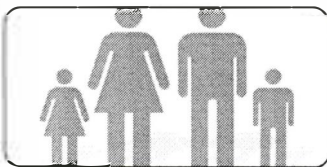


Wage Collection, *N.D.C.C. ch. 34-14*

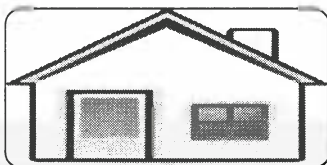
68
1 #
b16-1
1-919
562007

Human Rights Division

DISCRIMINATION CLAIMS

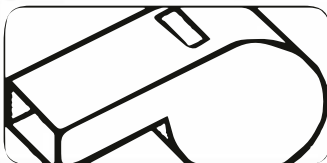


Human Rights Act, *N.D.C.C. ch. 14-02.4*

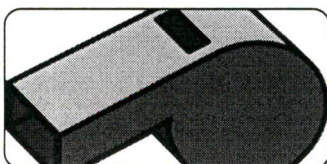


ND Housing Discrimination Act, *N.D.C.C. ch. 14-02.5*

RETALIATION CLAIMS



ND "Whistleblower" law, *N.D.C.C. ch. 34-01-20*



ND Public Employee Relations Act, *N.D.C.C. ch. 34-11.1-04.1*

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1-9-19
#1
p. 1

Education & Awareness

7/1/17 – 12/31/18

Discrimination
- Housing

6

Discrimination
- General

24

Various

20

Convention
Booths

2

52

5

5B2007
6-9-19
#1
P5

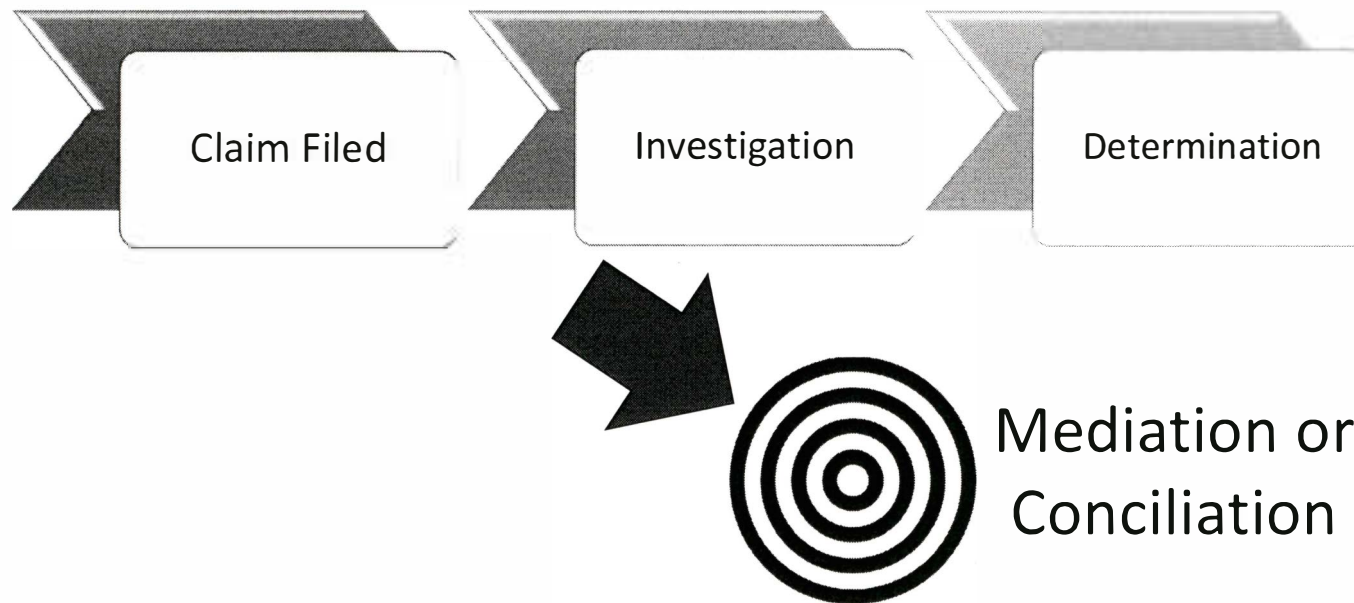
OUR WORK

Structure, Funding
& Accomplishments

6

pl
#1
1-9-19
SB 2007

Neutral Enforcement Agency



Levers, Goals and Metrics

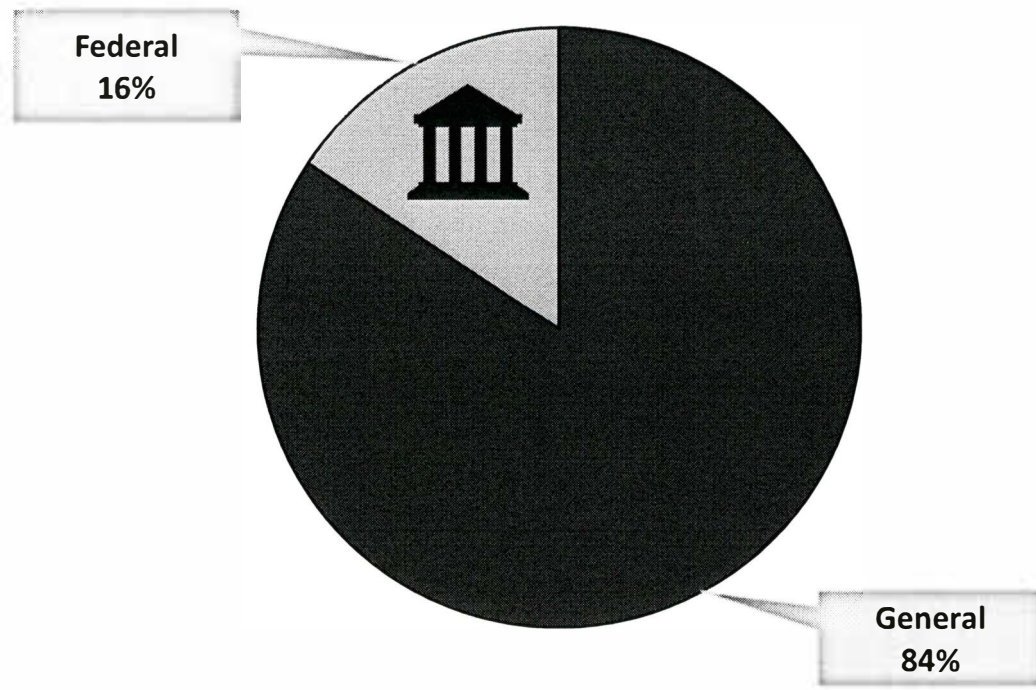
LEVERS	GOALS	METRICS
Federal Requirements Statutory Requirements Internal Process Efficiency	Meet quality and quantity case closure goals WHILE... Improving Internal Processes	QUANTITATIVE: <ul style="list-style-type: none">• Case Closure• Avg. Days Open QUALITATIVE: <ul style="list-style-type: none">• Determination Letter• EEOC / HUD Review

Our Team



SB 2007
1-9-19
#1
P 9

Federal Partners: EEOC and HUD



SB 2007
1-9-19
#1
P10

2017-2019 Accomplishments



11/8
1/1
b1-b-1
1-9-19
100895

p12

CASE TRENDS

Employment and
Wage

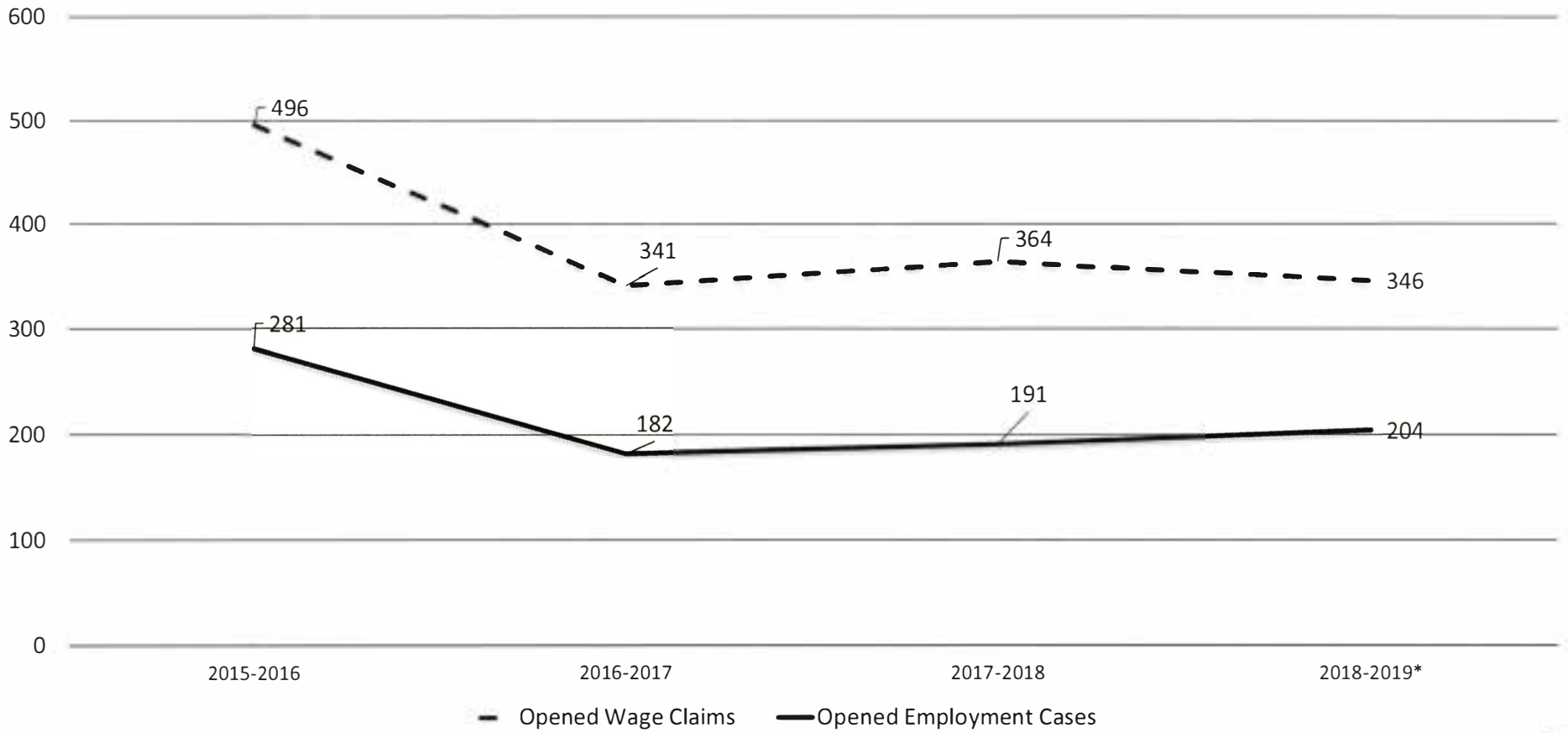
12

p12

#1

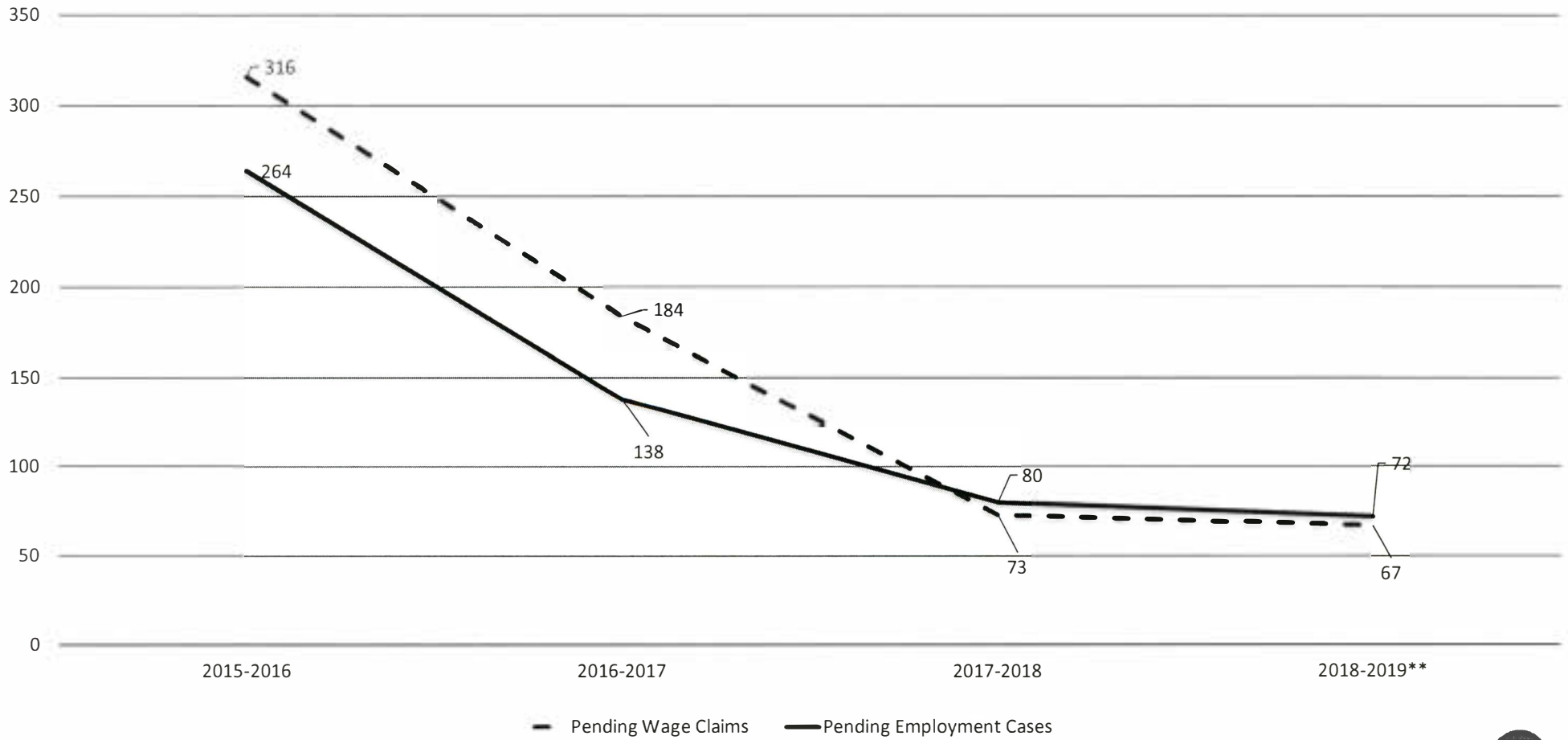
SB 2007
1-9-19

Wage and Employment Claims Opened



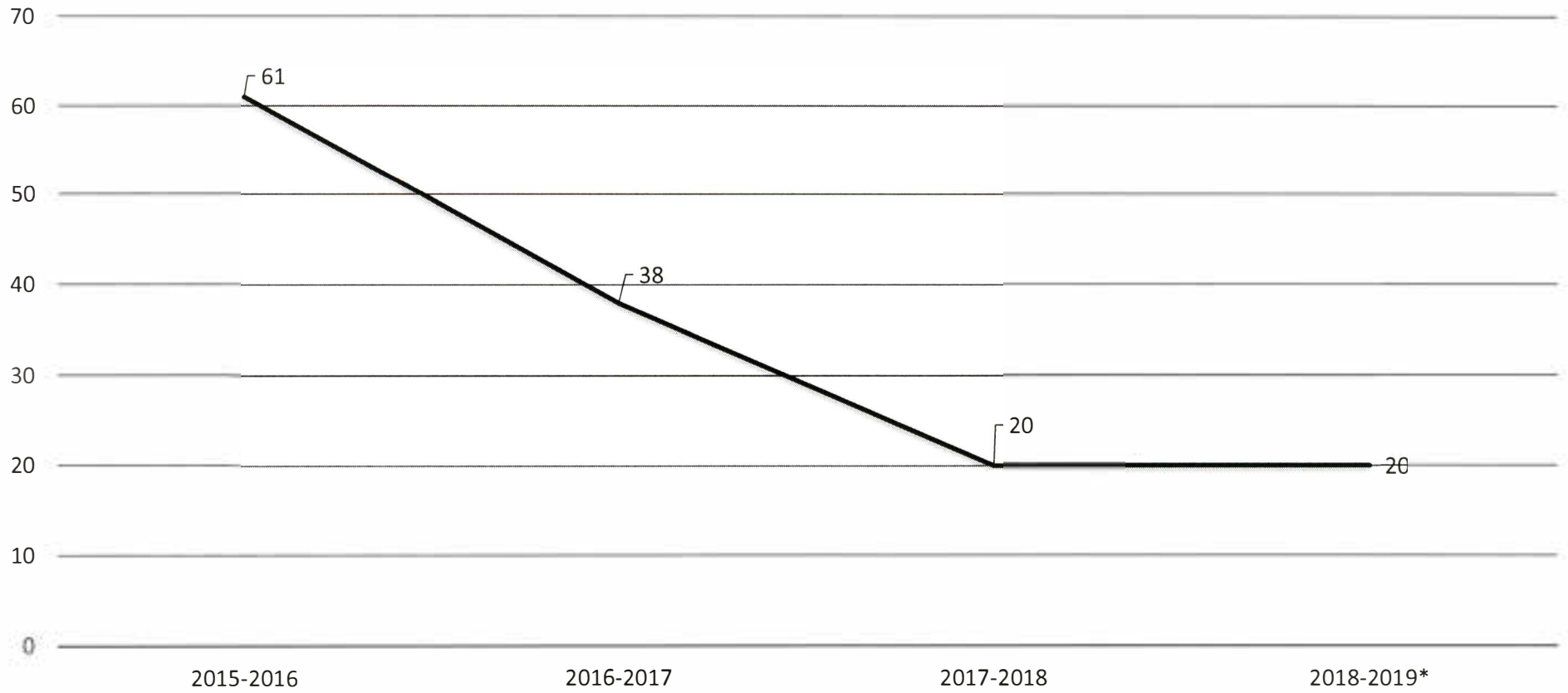
SB2007
1-9-19
#1
p13

Cases Pending



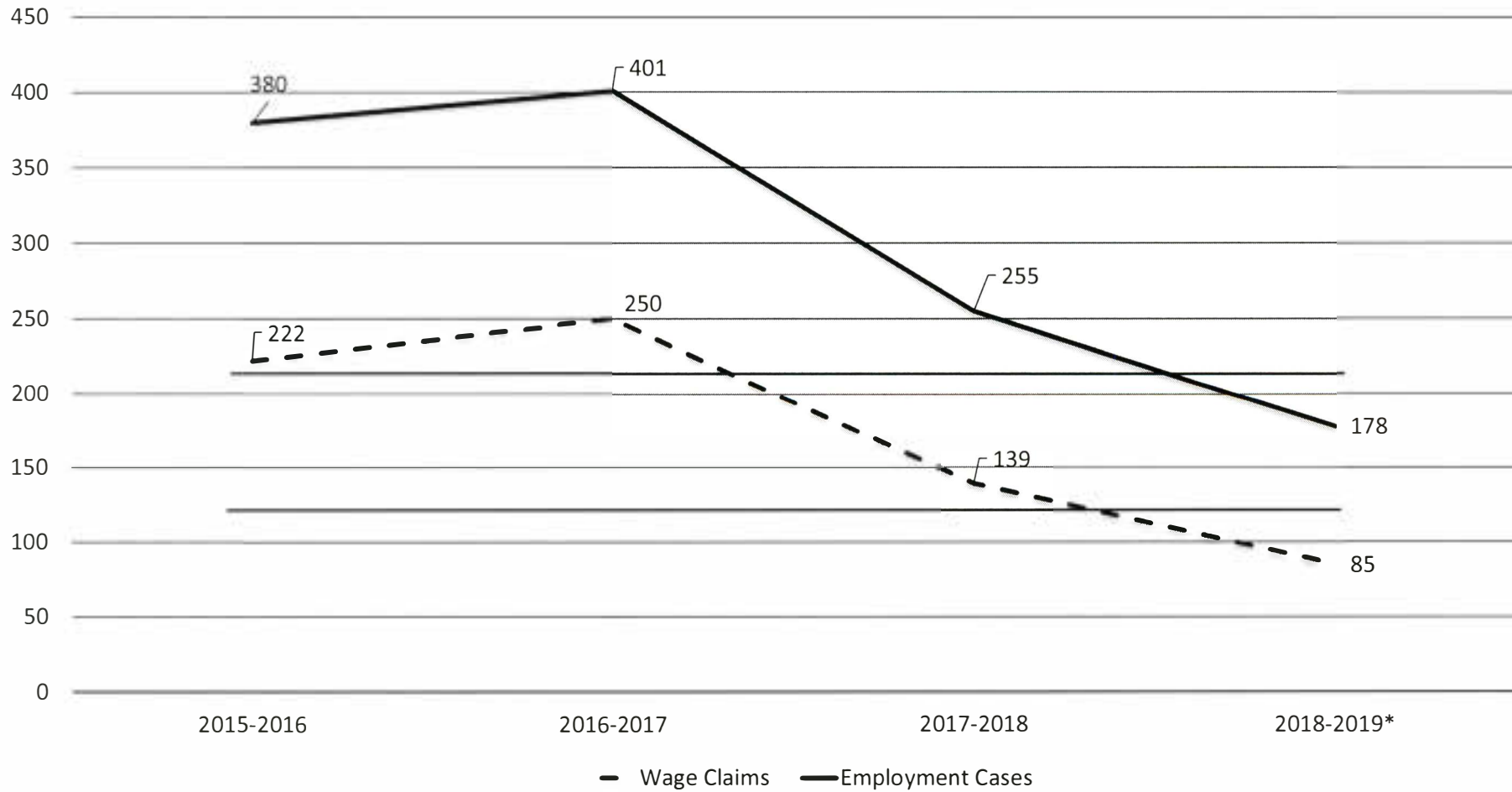
6/1/20
#1
562007
1-9-19

Average Investigator Caseload



SB 2007
1-9-19
#1
P15

Average Days Open



616
#1
616-1
1-9-19
SB 2007
100895

2019-21 Goals

Implement paperless system

Continue to manage caseload/closure timelines

Continued process efficiencies

Continued proactive education

P/17

P/17
1-9-19
362007

P18

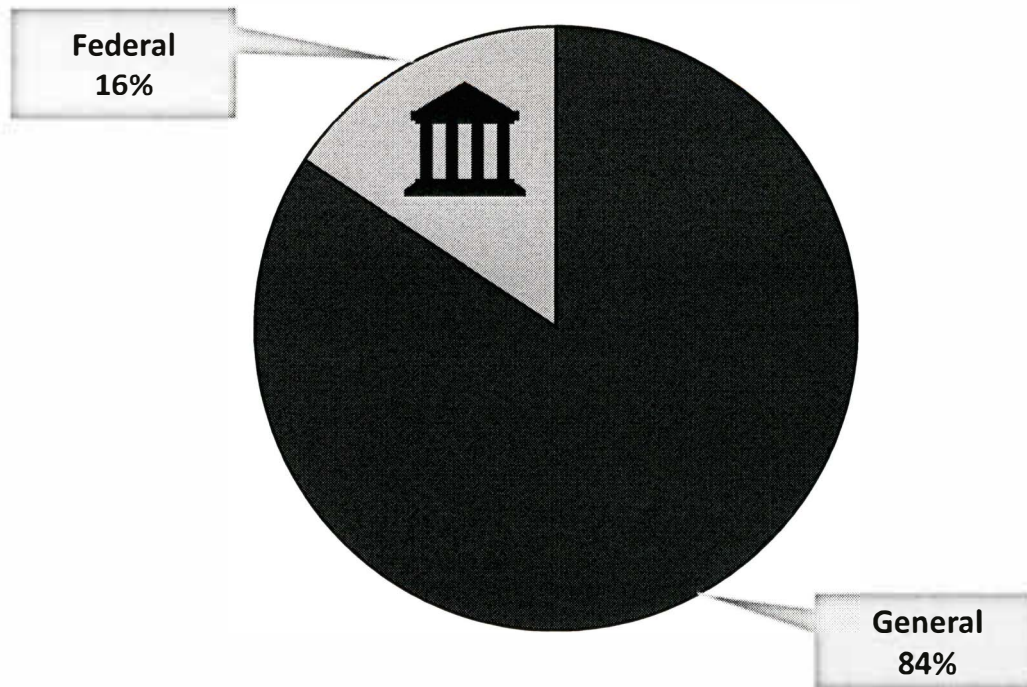
APPROPRIATIONS REQUEST

2019-21

18

SB 2007
1-9-19
#1
P18

Funding Mix (Federal & General)



b19

582007
1-9-19

b19

Proposed Budget Reductions (5%)

-\$99,588 from general
fund salary



-\$15,611 from general
fund operating



\$115,199



020

11

61-6-1

SB 2007

One-Time Request

Transition from
paper-based to
paperless work
processes

\$69,659

1001

SB 2007
1-9-19
10-6-21 #109.21

SB 2007
1-9-19
#1 pg. 22

Optional Adjustment Request

Federal
Funding:

Housing and Urban Development

2017-19 compared to 2019-21

Executive
Budget

Increased IT Data Processing costs for Office
365 by \$1,508

Increased Compensation Package of \$159,114

P 23

SB 2007-
1-9-19
#1 pg. 23

SB 2007
1-9-19
1 pg. 24

Changes to Executive Budget

None requested

pg 24



THANK YOU



**DEPARTMENT OF LABOR
AND HUMAN RIGHTS**

SB 2007
1-9-19
#1 pg. 25

P 25

19.0220.01002
Title.
Fiscal No. 2

Prepared by the Legislative Council staff for
the Senate Appropriations Committee
February 11, 2019

2-13-19 SB2007
Subsumed ✓
1
p1

PROPOSED AMENDMENTS TO SENATE BILL NO. 2007

Page 1, replace lines 10 through 17 with:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	\$2,414,984	\$52,167	\$2,467,151
Operating expenses	328,918	71,167	400,085
Total all funds	\$2,743,902	\$123,334	\$2,867,236
Less estimated income	439,916	(199,789)	240,127
Total general fund	\$2,303,986	\$323,123	\$2,627,109
Full-time equivalent positions	14.00	0.00	14.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Paperless storage system	\$0	\$69,659
Total general fund	\$0	\$69,659

The 2019-21 one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The department of labor and human rights shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2007 - Labor Commissioner - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$2,414,984	\$52,167	\$2,467,151
Operating expenses	328,918	71,167	400,085
Total all funds	\$2,743,902	\$123,334	\$2,867,236
Less estimated income	439,916	(199,789)	240,127
General fund	\$2,303,986	\$323,123	\$2,627,109
FTE	14.00	0.00	14.00

SB 2007
2-13-19
#1
P2
Subcom

Department 406 - Labor Commissioner - Detail of Senate Changes

	Adjusts Funding for Base Payroll Changes ¹	Adds Funding for Salary and Benefit Increases ²	Adjust Funding for Salaries and Wages ³	Adjusts Funding for Investigations Related to Housing Claims ⁴	Adds Funding for Microsoft Office 365 Licenses ⁵	Adds One- Time Funding for a Paperless Storage System ⁶
Salaries and wages	(\$74,434)	\$126,601				
Operating expenses					\$1,508	\$69,659
Total all funds	(\$74,434)	\$126,601	\$0	\$0	\$1,508	\$69,659
Less estimated income	25,154	0	15,611	(240,554)	0	0
General fund	(\$99,588)	\$126,601	(\$15,611)	\$240,554	\$1,508	\$69,659
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Total Senate Changes
Salaries and wages	\$52,167
Operating expenses	71,167
Total all funds	\$123,334
Less estimated income	(199,789)
General fund	\$323,123
FTE	0.00

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2019-21 biennium salary adjustments of 2 percent on July 1, 2019, and 3 percent on July 1, 2020, and increases in health insurance premiums from \$1,241 to \$1,427 per month:

<u>General Fund</u>	
Salary increase	\$68,593
Health insurance increase	58,008
Total	\$126,601

³ Funding of \$15,611 for salaries and wages is adjusted from the general fund to federal funds.

⁴ Funding of \$240,554, of which \$158,709 is for salaries and wages and \$81,845 is for operating expenses, is adjusted from federal funds to the general fund for housing claims investigations.

⁵ Funding is added from the general fund for Microsoft Office 365 licensing expenses.

⁶ One-time funding of \$69,659 is added from the general fund for a paperless storage system. A one-time appropriation of \$56,135 was provided to the department for the 2015-17 biennium for this purpose, but the funding was reduced as a result of the August 2016 special legislative session.

19.0220.01002
Title.
Fiscal No. 2

Prepared by the Legislative Council staff for
the Senate Appropriations Committee
February 11, 2019

SB 2007
2-13-19
#1

PROPOSED AMENDMENTS TO SENATE BILL NO. 2007

p 1

Page 1, replace lines 10 through 17 with:

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Operating expenses	328,918	71,167	400,085
Total all funds	\$2,743,902	\$123,334	\$2,867,236
Less estimated income	439,916	(199,789)	240,127
Total general fund	\$2,303,986	\$323,123	\$2,627,109
Full-time equivalent positions	14.00	0.00	14.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Paperless storage system	\$0	\$69,659
Total general fund	\$0	\$69,659

The 2019-21 one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The department of labor and human rights shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2007 - Labor Commissioner - Senate Action

	Base Budget	Senate Changes	Senate Version
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Operating expenses	328,918	71,167	400,085
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General fund	\$2,303,986	\$323,123	\$2,627,109
FTE	14.00	0.00	14.00

SB 2007
2-13-19
#1
P2

Department 406 - Labor Commissioner - Detail of Senate Changes

	Adjusts Funding for Base Payroll Changes ¹	Adds Funding for Salary and Benefit Increases ²	Adjust Funding for Salaries and Wages ³	Adjusts Funding for Investigations Related to Housing Claims ⁴	Adds Funding for Microsoft Office 365 Licenses ⁵	Adds One- Time Funding for a Paperless Storage System ⁶
Salaries and wages	(\$74,434)	\$126,601				
Operating expenses					\$1,508	\$69,659
Total all funds	(\$74,434)	\$126,601	\$0	\$0	\$1,508	\$69,659
Less estimated income	25,154	0	15,611	(240,554)	0	0
General fund	(\$99,588)	\$126,601	(\$15,611)	\$240,554	\$1,508	\$69,659
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Total Senate Changes
Salaries and wages	\$52,167
Operating expenses	71,167
Total all funds	\$123,334
Less estimated income	(199,789)
General fund	\$323,123
FTE	0.00

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2019-21 biennium salary adjustments of 2 percent on July 1, 2019, and 3 percent on July 1, 2020, and increases in health insurance premiums from \$1,241 to \$1,427 per month:

<u>General Fund</u>	
Salary increase	\$68,593
Health insurance increase	58,008
Total	\$126,601

³ Funding of \$15,611 for salaries and wages is adjusted from the general fund to federal funds.

⁴ Funding of \$240,554, of which \$158,709 is for salaries and wages and \$81,845 is for operating expenses, is adjusted from federal funds to the general fund for housing claims investigations.

⁵ Funding is added from the general fund for Microsoft Office 365 licensing expenses.

⁶ One-time funding of \$69,659 is added from the general fund for a paperless storage system. A one-time appropriation of \$56,135 was provided to the department for the 2015-17 biennium for this purpose, but the funding was reduced as a result of the August 2016 special legislative session.

Department 406 - Department of Labor and Human Rights
Senate Bill No. 2007

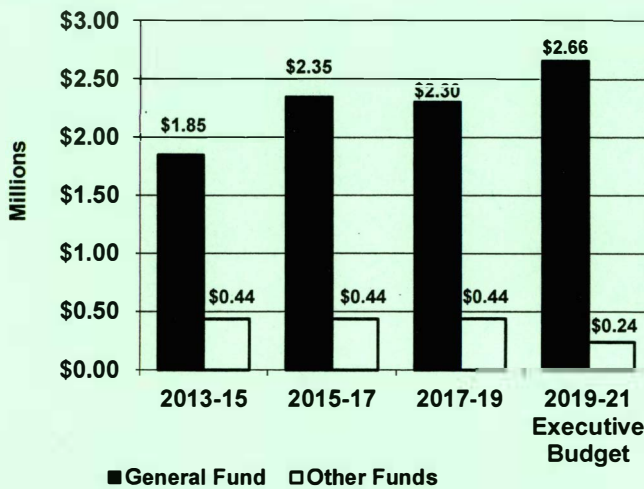
Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2019-21 Executive Budget	14.00	\$2,659,622	\$240,127	\$2,899,749
2017-19 Legislative Appropriations	14.00	2,303,986	439,916	2,743,902
Increase (Decrease)	0.00	\$355,636	(\$199,789)	\$155,847

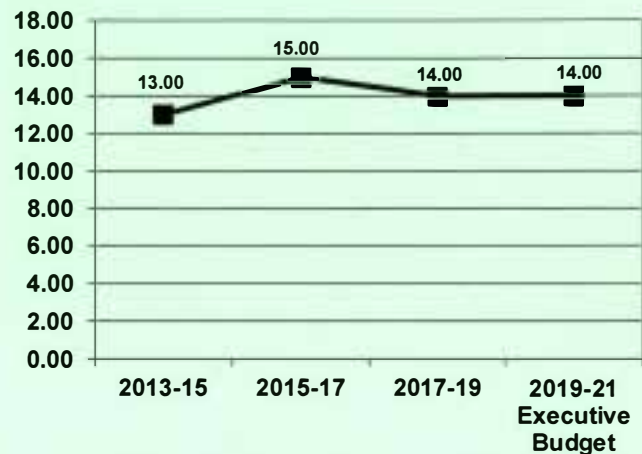
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2019-21 Executive Budget	\$2,589,963	\$69,659	\$2,659,622
2017-19 Legislative Appropriations	2,303,986	0	2,303,986
Increase (Decrease)	\$285,977	\$69,659	\$355,636

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2019-21 Executive Budget	\$2,659,622	\$240,127	\$2,899,749
2019-21 Base Level	2,303,986	439,916	2,743,902
Increase (Decrease)	\$355,636	(\$199,789)	\$155,847

First House Action

Attached is a comparison worksheet detailing first house changes to base level funding and the executive budget.

**Executive Budget Highlights
 (With First House Changes in Bold)**

	General Fund	Other Funds	Total
1. Provides funding for state employee salary and benefit increases, of which \$97,196 is for salary increases, \$49,127 is for health insurance increases, and \$12,791 is for retirement contribution increases. The Senate added funding for salary adjustments of 2 percent on July 1, 2019, and 3 percent on July 1, 2020, and increases in health insurance premiums from \$1,241 to \$1,427 per month. The Senate did not add funding for retirement contribution increases.	\$159,114	\$0	\$159,114
2. Adjusts funding for salaries and wages	(\$15,611)	\$15,611	\$0
3. Adjusts funding for investigations related to housing claims	\$240,554	(\$240,554)	\$0
4. Adds funding for Microsoft Office 365 licensing expenses	\$1,508	\$0	\$1,508
5. Adds one-time funding for a paperless storage system	\$69,659	\$0	\$69,659

February 28, 2019

Other Sections in Senate Bill No. 2007

There are no other sections for this agency.

Continuing Appropriations

There are no continuing appropriations for this agency.

Significant Audit Findings

The operational audit for the Department of Labor and Human Rights conducted by the State Auditor's office for the period ending June 30, 2017, identified no significant audit findings.

Major Related Legislation

Senate Bill No. 2145 - Relates to the investigation of wage collection claims and limitations to collectible wages.

Department of Labor and Human Rights - Budget No. 406
Senate Bill No. 2007
Base Level Funding Changes

	Executive Budget Recommendation				Senate Version			
	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total
2019-21 Biennium Base Level	14.00	\$2,303,986	\$439,916	\$2,743,902	14.00	\$2,303,986	\$439,916	\$2,743,902
2019-21 Ongoing Funding Changes								
Base payroll changes		(\$99,588)	\$25,154	(\$74,434)		(\$99,588)	\$25,154	(\$74,434)
Salary increase		97,196		97,196		68,593		68,593
Health insurance increase		49,127		49,127		58,008		58,008
Retirement contribution increase		12,791		12,791				0
Adjust funding for salaries and wages		(15,611)	15,611	0		(15,611)	15,611	0
Adjust funding for investigations related to housing claims		240,554	(240,554)	0		240,554	(240,554)	0
Add funding for Microsoft Office 365 licensing expenses		1,508		1,508		1,508		1,508
Total ongoing funding changes	0.00	\$285,977	(\$199,789)	\$86,188	0.00	\$253,464	(\$199,789)	\$53,675
One-time funding items								
Add funding for a paperless storage system		\$69,659		\$69,659		\$69,659		\$69,659
Total one-time funding changes	0.00	\$69,659	\$0	\$69,659	0.00	\$69,659	\$0	\$69,659
Total Changes to Base Level Funding	0.00	\$355,636	(\$199,789)	\$155,847	0.00	\$323,123	(\$199,789)	\$123,334
2019-21 Total Funding	14.00	\$2,659,622	\$240,127	\$2,899,749	14.00	\$2,627,109	\$240,127	\$2,867,236

Other Sections for Department of Labor and Human Rights - Budget No. 406

	Executive Budget Recommendation	Senate Version
Other funds appropriation	Section 2 would appropriate all federal and other funds received by the Department of Labor and Human Rights in the 2019-21 biennium in excess of the funds appropriated in Section 1.	
Line item transfers	Section 3 would allow the Department of Labor and Human Rights to transfer up to 10 percent of the agency's appropriation authority between line items.	

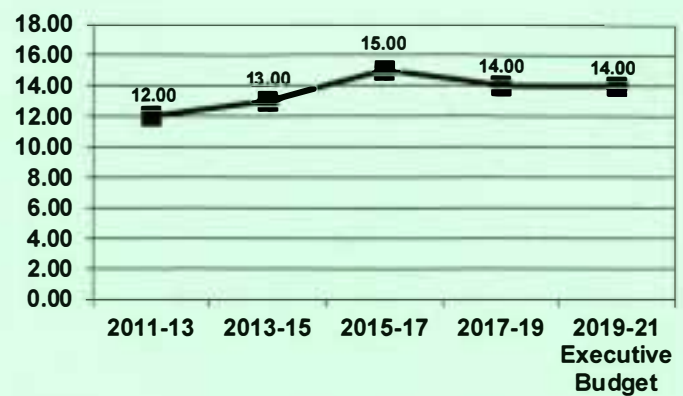
Department 406 - Department of Labor and Human Rights

Historical Appropriations Information**Ongoing General Fund Appropriations Since 2011-13**

Ongoing General Fund Appropriations (in Millions)



FTE Positions



Ongoing General Fund Appropriations					
	2011-13	2013-15	2015-17	2017-19	2019-21 Executive Budget
Ongoing general fund appropriations	\$1,540,125	\$1,847,425	\$2,347,241	\$2,303,986	\$2,589,963
Increase (decrease) from previous biennium	N/A	\$307,300	\$499,816	(\$43,255)	\$285,977
Percentage increase (decrease) from previous biennium	N/A	20.0%	27.1%	(1.8%)	12.4%
Cumulative percentage increase (decrease) from 2011-13 biennium	N/A	20.0%	52.4%	49.6%	68.2%

Major Increases (Decreases) in Ongoing General Fund Appropriations**2013-15 Biennium**

- Added funding for 1 FTE compliance investigator position \$91,150

2015-17 Biennium

- Added funding for 2 FTE compliance investigator positions and related funding \$364,109

2017-19 Biennium

- Removed 1 FTE administrative assistant position and related funding of \$52,998 (Funding of \$42,794 was removed as part of the August 2016 budget reductions, resulting in a total reduction of \$95,792 for this position) (\$52,998)
- Reduced funding for operating expenses (\$32,409)

2019-21 Biennium (Executive Budget Recommendation)

- Adjusts funding for investigations related to housing claims, including a general fund increase of \$240,554 and a federal funds reduction of \$240,554 \$240,554

**GOVERNOR'S RECOMMENDATION FOR THE
DEPARTMENT OF LABOR AND HUMAN RIGHTS
AS SUBMITTED BY THE
OFFICE OF MANAGEMENT AND BUDGET**

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of labor and human rights for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$2,414,984	\$84,680	\$2,499,664
Operating Expenses	328,918	71,167	400,085
Total all funds	\$2,743,902	\$155,847	\$2,899,749
Less estimated income	555,115	(314,988)	240,127
Total general fund	\$2,188,787	\$470,835	\$2,659,622
Full-time equivalent positions	14.00	(0.00)	14.00

SECTION 2. APPROPRIATION. In addition to the amounts appropriated to the department of labor and human rights in section 1 of this Act, there is appropriated any additional income from federal or other funds which may become available to the agency for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. TRANSFER. Notwithstanding section 54-16-04, the agency may transfer between line items within section 1 of this Act up to ten percent of the total appropriation contained in section 1 during the biennium beginning July 1, 2019, and ending June 30, 2021. The agency shall notify the office of management and budget and the legislative council of any transfer made pursuant to this section.

SECTION 4. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2017-19</u>	<u>2019-21</u>
Electronic payment processing system	\$0	\$69,659
Total all funds	\$0	\$69,659
Less estimated income	0	0
Total general fund	\$0	\$69,659

The 2019-21 one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. The department of labor and human rights shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019 and ending June 30, 2021.

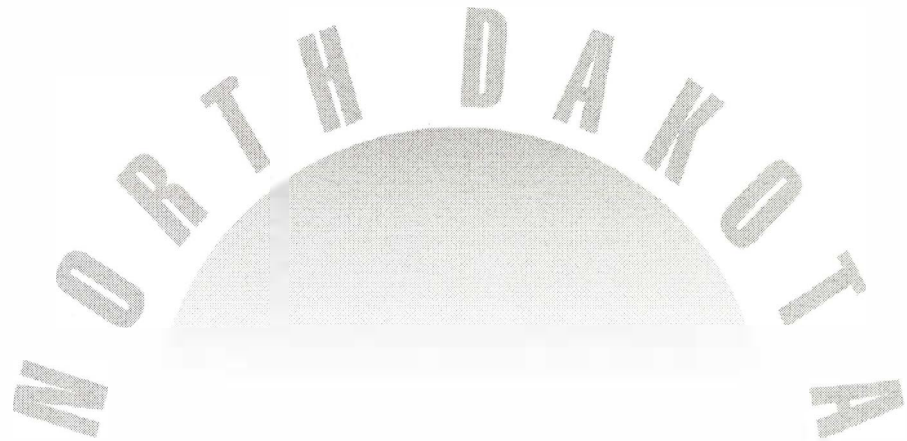
February 28, 2019

SB2007

Attachment A

SB2007 House
Appropriations
Hearing

February 28, 2019



**DEPARTMENT OF LABOR
AND HUMAN RIGHTS**

Department Scope



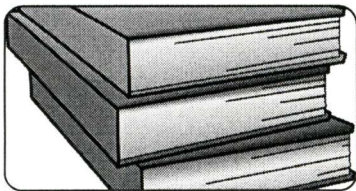
WAGE & HOUR DIVISION

- Minimum Wage & Overtime, Equal Pay, Child Labor, Labor Unions, Employment Agencies, Wage Collection



HUMAN RIGHTS DIVISION

- Discrimination in employment, housing, public services, public accommodations, and credit transactions.



EDUCATION & AWARENESS

- Broaden awareness of wage and hour issues and human rights protections through public education and outreach.

Wage & Hour Division



Minimum Wage & Overtime, *N.D.C.C. ch. 34-06*



Equal Pay, *N.D.C.C. ch. 34-06.1*



Child Labor, *N.D.C.C. ch. 34-07*



Labor Union, *N.D.C.C. ch. 34-12*



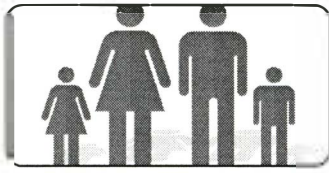
Employment Agency, *N.D.C.C. ch. 34-13*



Wage Collection, *N.D.C.C. ch. 34-14*

Human Rights Division

DISCRIMINATION CLAIMS

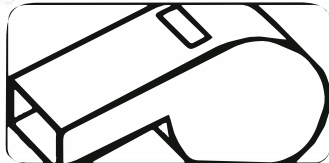


Human Rights Act, *N.D.C.C. ch. 14-02.4*

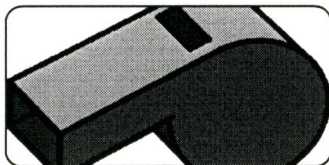


ND Housing Discrimination Act, *N.D.C.C. ch. 14-02.5*

RETALIATION CLAIMS



ND "Whistleblower" law, *N.D.C.C. ch. 34-01-20*



ND Public Employee Relations Act, *N.D.C.C. ch. 34-11.1-04.1*

Education & Awareness

7/1/17 – 12/31/18

Discrimination
- Housing

6

Discrimination
- General

24

Various

20

Convention
Booths

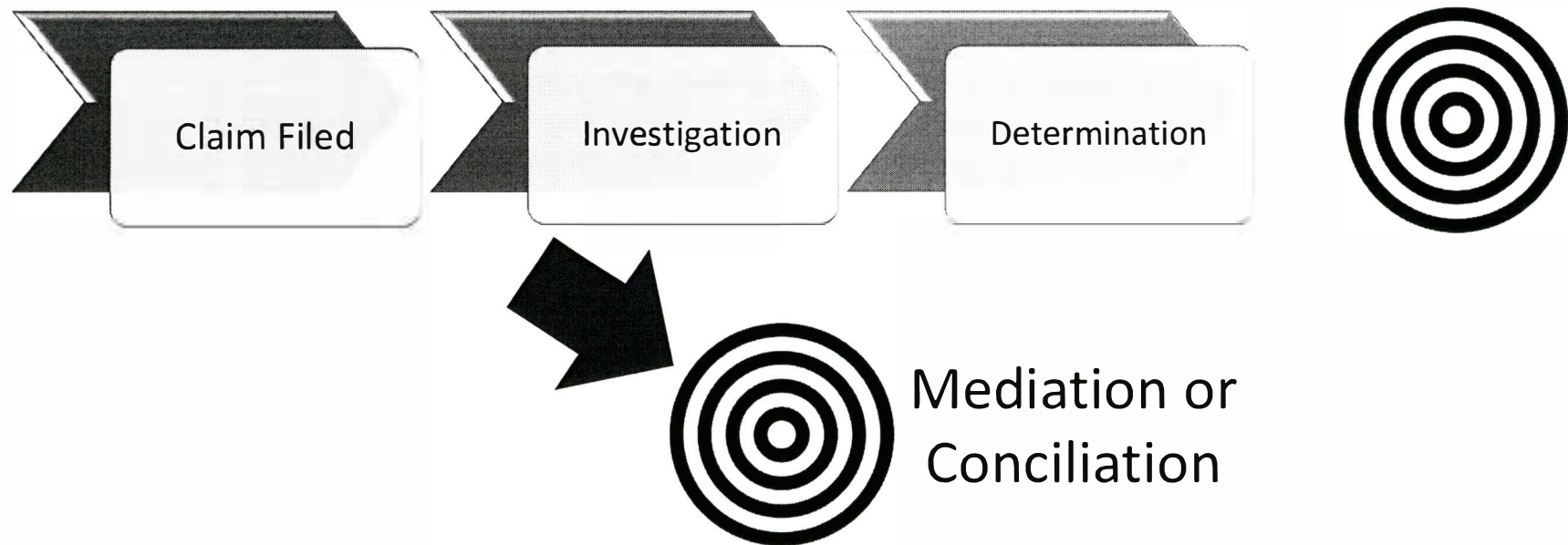
2

52

OUR WORK

Structure, Funding
& Accomplishments

Neutral Enforcement Agency



Levers, Goals and Metrics

LEVERS

Federal Requirements
Statutory Requirements
Internal Process Efficiency

GOALS

Meet quality and quantity
case closure goals

WHILE...
**Improving Internal
Processes**

METRICS

QUANTITATIVE:

- Case Closure
- Avg. Days Open

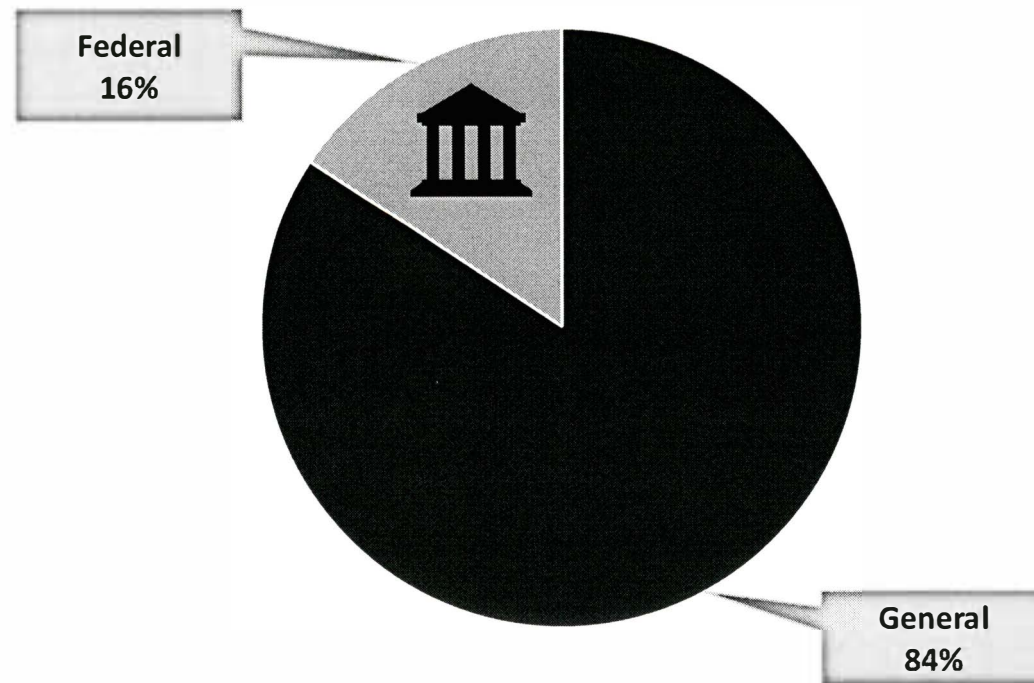
QUALITATIVE:

- Determination Letter
- EEOC / HUD Review

Our Team



Federal Partners: EEOC and HUD



2017-2019 Accomplishments

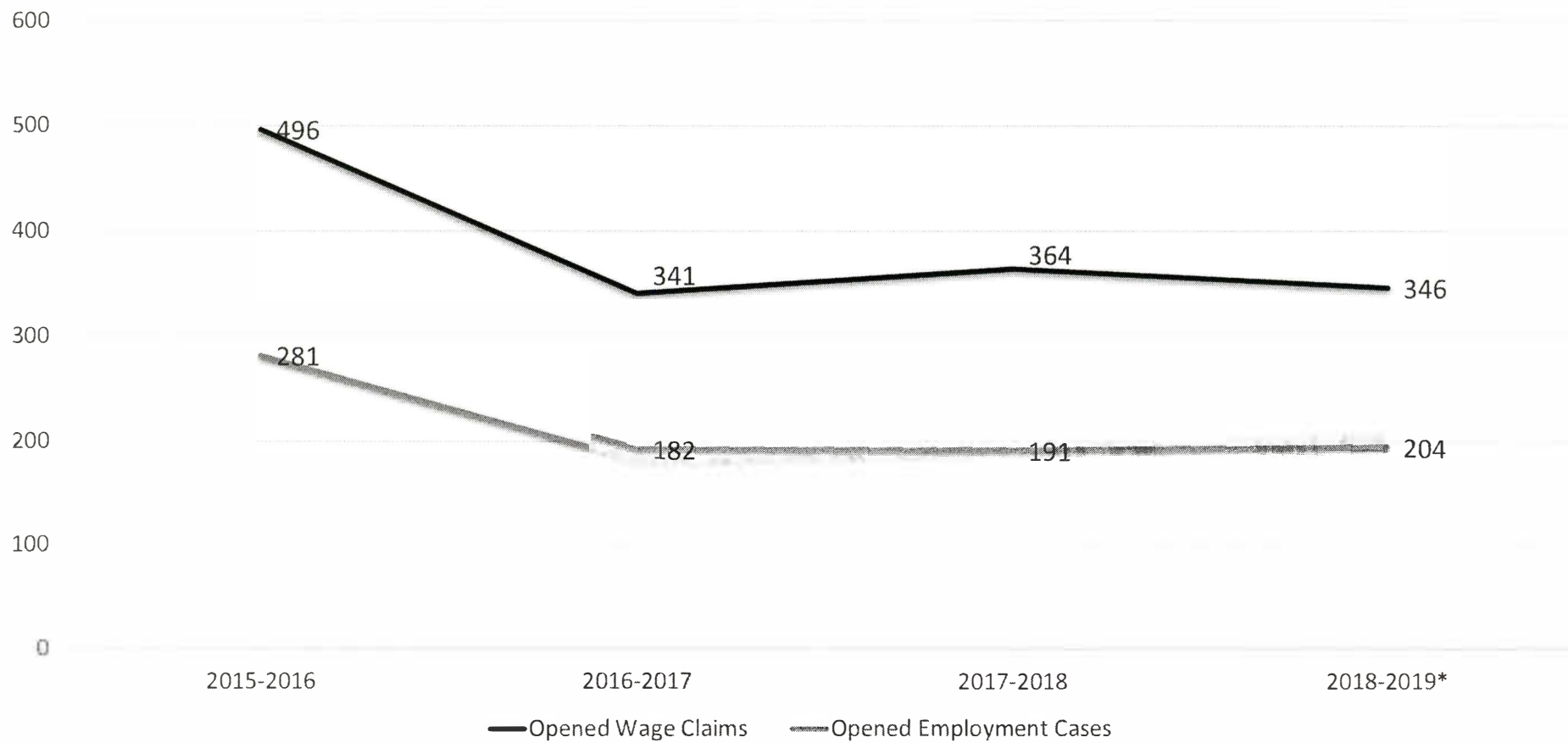


CASE TRENDS

Employment and
Wage

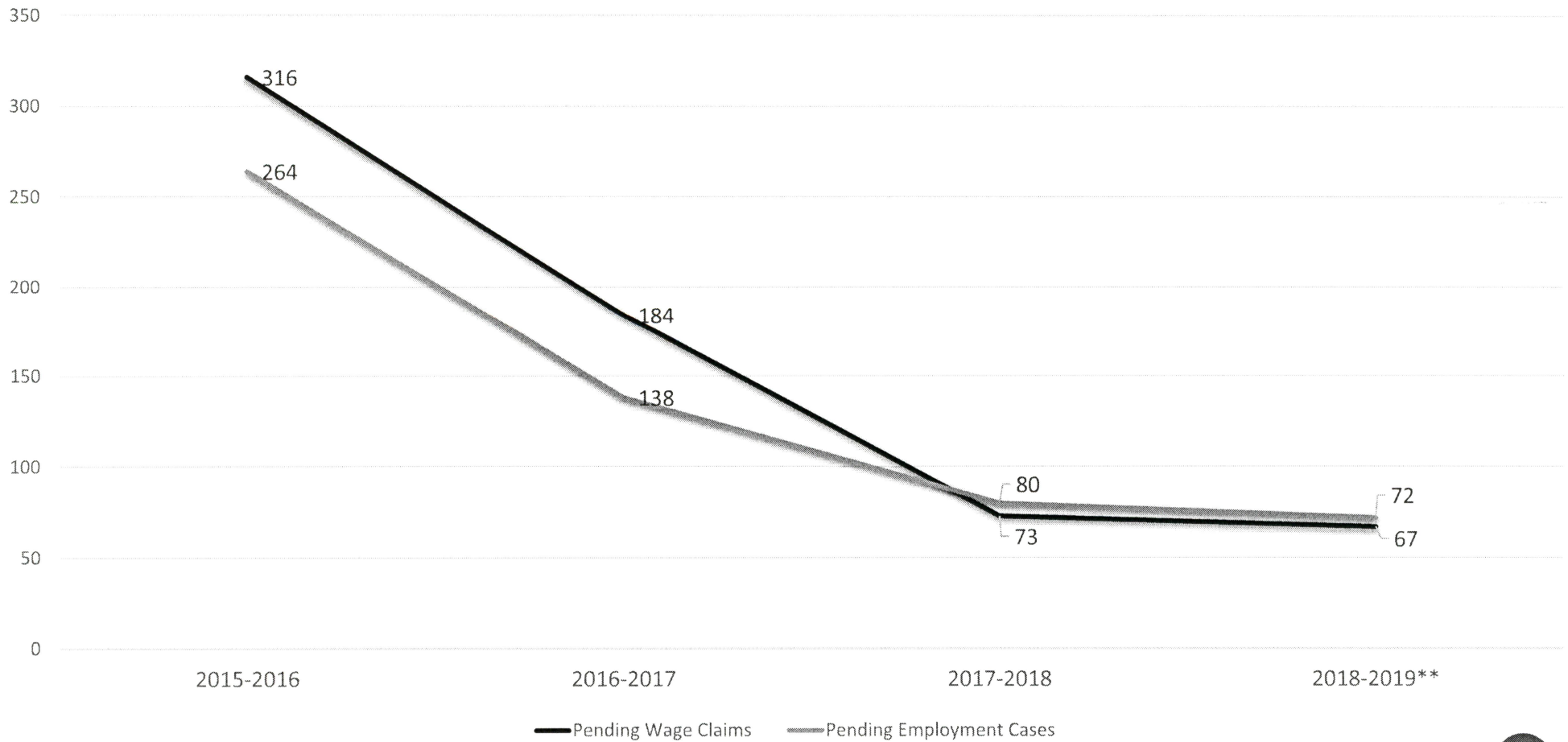
Att A
SB 2007
2-28-19

Wage and Employment Claims Opened



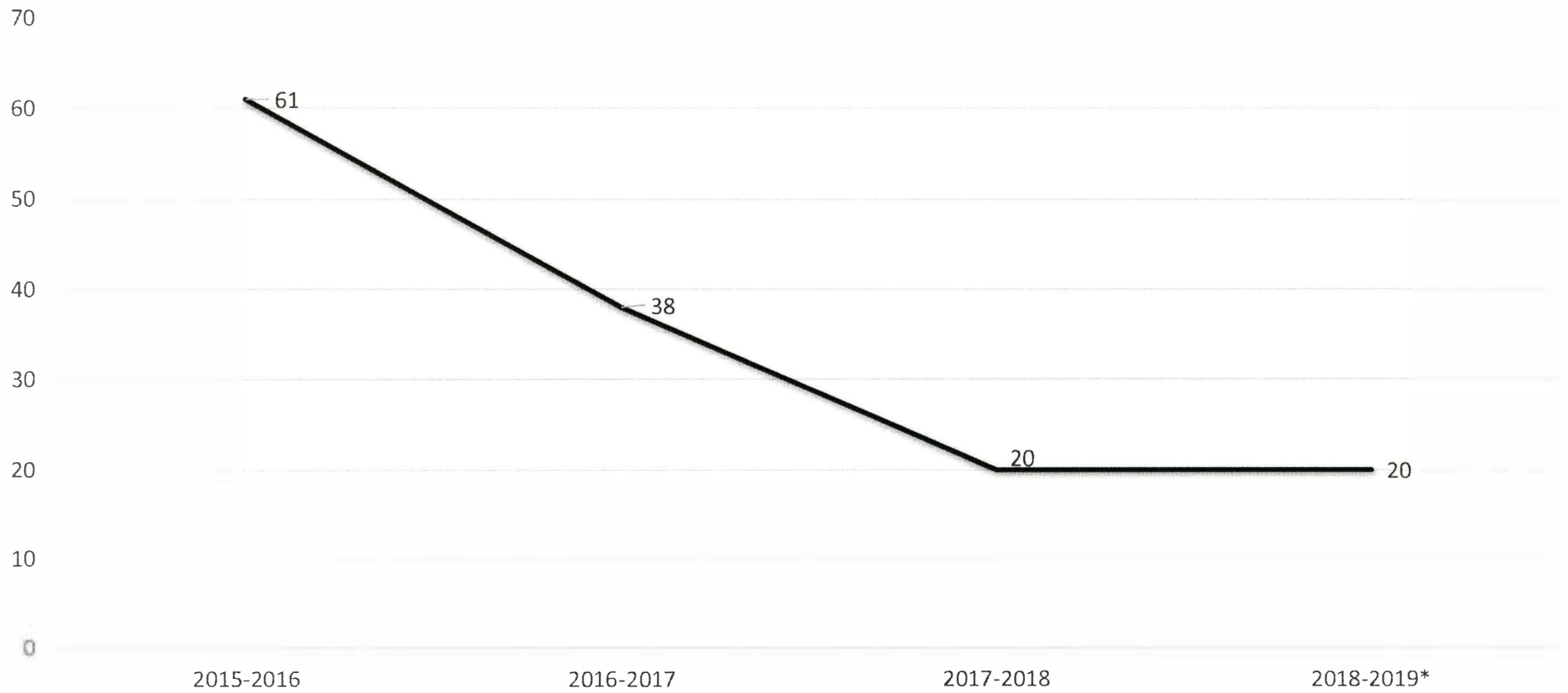
Att A
SB 2007
2-28-19

Cases Pending



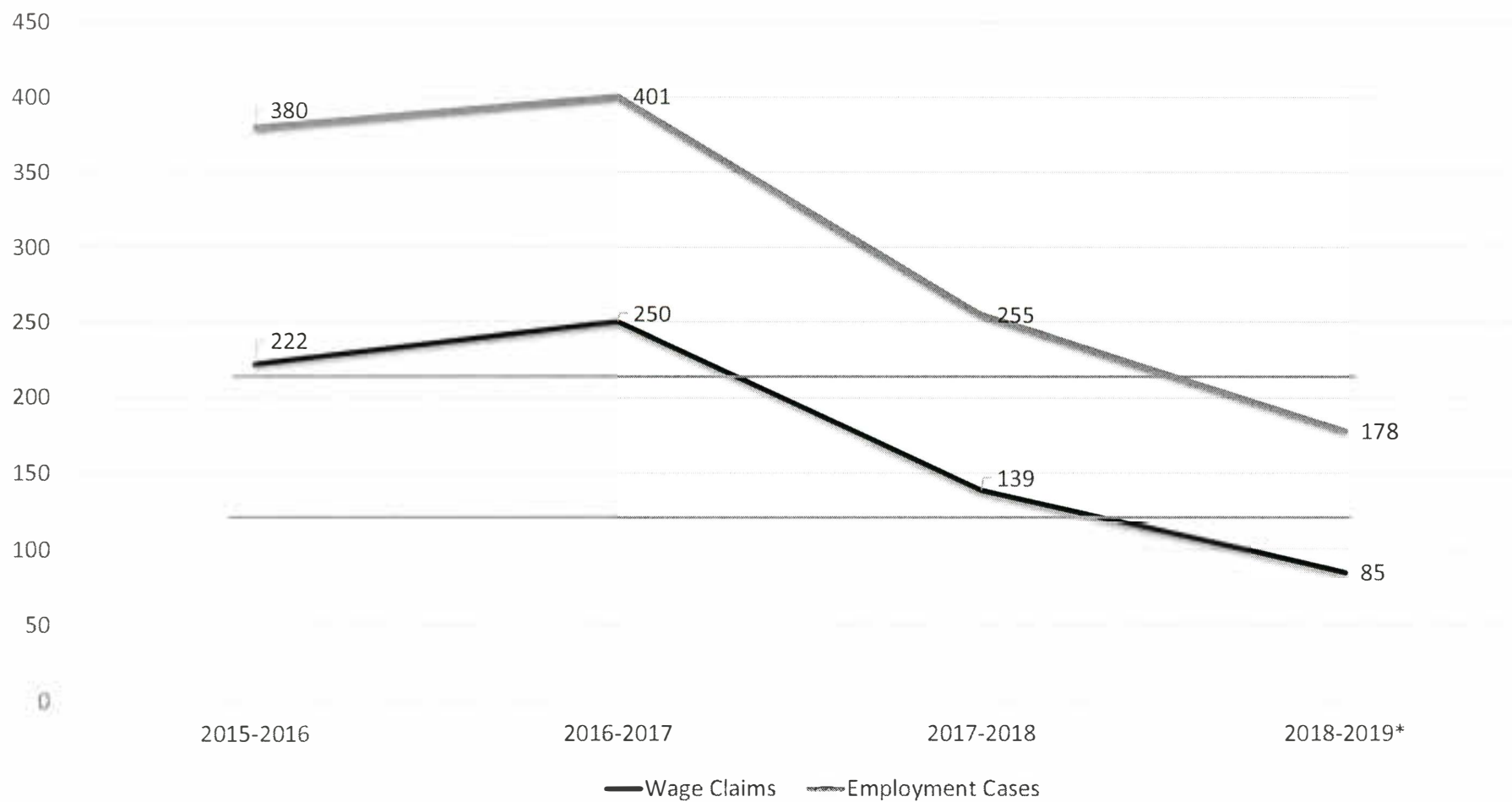
Att A
SB 2007
2-28-19

Average Investigator Caseload



Att A
SB 2007
2-28-19

Average Days Open



2019-21 Goals

Implement paperless system

Continue to manage caseload/closure timelines

Continued process efficiencies

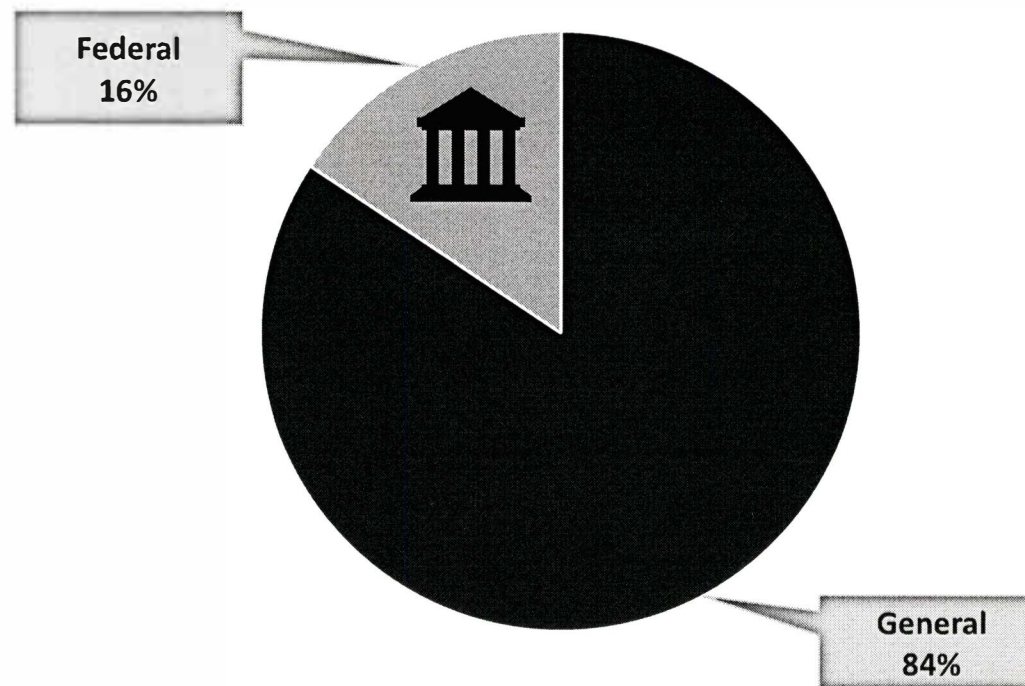
Continued proactive education

Att A
SB 2007
2-28-19

APPROPRIATIONS REQUEST

2019-21

Funding Mix (Federal & General)



Proposed Budget Reductions (5%)

-\$99,588 from general
fund salary



-\$15,611 from general
fund operating



\$115,199



Optional Adjustment Request

Federal
Funding: Housing and Urban Development

2017-19 compared to 2019-21

Executive
Budget

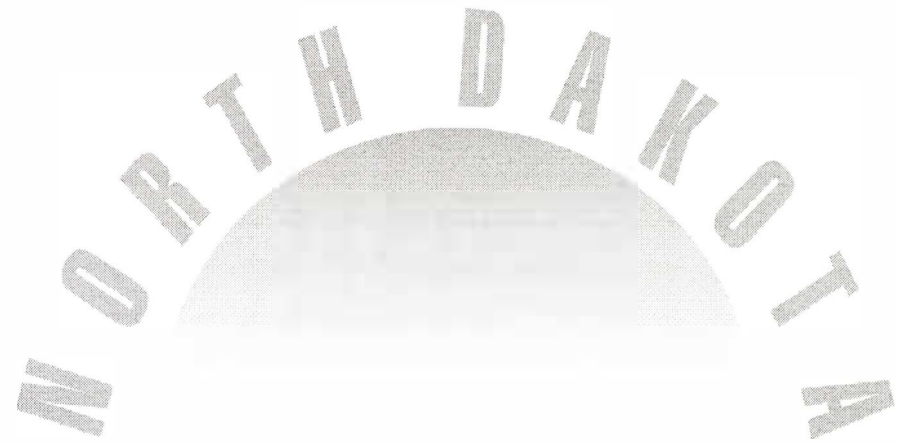
Increased IT Data Processing costs for Office
365 by \$1,508

Increased Compensation Package of \$159,114

Changes to Executive Budget

None requested

THANK YOU



**DEPARTMENT OF LABOR
AND HUMAN RIGHTS**

February 28, 2019

SB 2007

Attachment B

Department of Labor and Human Rights - Budget No. 406
Senate Bill No. 2007
Base Level Funding Changes

	Executive Budget Recommendation				Senate Version				Senate Changes to Executive Budget Increase (Decrease) - Executive Budget			
	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2019-21 Biennium Base Level	14.00	\$2,303,986	\$439,916	\$2,743,902	14.00	\$2,303,986	\$439,916	\$2,743,902	0.00	\$0	\$0	\$0
2019-21 Ongoing Funding Changes												
Base payroll changes		(\$99,588)	\$25,154	(\$74,434)		(\$99,588)	\$25,154	(\$74,434)				\$0
Salary increase		97,196		97,196		68,593		68,593		(28,603)		(28,603)
Health insurance increase		49,127		49,127		58,008		58,008		8,881		8,881
Retirement contribution increase		12,791		12,791				0		(12,791)		(12,791)
Adjust funding for salaries and wages		(15,611)	15,611	0		(15,611)	15,611	0				0
Adjust funding for investigations related to housing claims		240,554	(240,554)	0		240,554	(240,554)	0				0
Add funding for Microsoft Office 365 licensing expenses		1,508		1,508		1,508		1,508				0
Total ongoing funding changes	0.00	\$285,977	(\$199,789)	\$86,188	0.00	\$253,464	(\$199,789)	\$53,675	0.00	(\$32,513)	\$0	(\$32,513)
One-time funding items												
Add funding for a paperless storage system		\$69,659		\$69,659		\$69,659		\$69,659		\$0		\$0
Total one-time funding changes	0.00	\$69,659	\$0	\$69,659	0.00	\$69,659	\$0	\$69,659	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	0.00	\$355,636	(\$199,789)	\$155,847	0.00	\$323,123	(\$199,789)	\$123,334	0.00	(\$32,513)	\$0	(\$32,513)
2019-21 Total Funding	14.00	\$2,659,622	\$240,127	\$2,899,749	14.00	\$2,627,109	\$240,127	\$2,867,236	0.00	(\$32,513)	\$0	(\$32,513)

Other Sections for Department of Labor and Human Rights - Budget No. 406

	Executive Budget Recommendation	Senate Version
Other funds appropriation	Section 2 would appropriate all federal and other funds received by the Department of Labor and Human Rights in the 2019-21 biennium in excess of the funds appropriated in Section 1.	
Line item transfers	Section 3 would allow the Department of Labor and Human Rights to transfer up to 10 percent of the agency's appropriation authority between line items.	

March 6, 2019

SB2007

Attachment A

Department of Labor and Human Rights - Budget No. 406

Senate Bill No. 2007

Base Level Funding Changes

	Executive Budget Recommendation				Senate Version				Senate Changes to Executive Budget Increase (Decrease) - Executive Budget			
	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2019-21 Biennium Base Level	14.00	\$2,303,986	\$439,916	\$2,743,902	14.00	\$2,303,986	\$439,916	\$2,743,902	0.00	\$0	\$0	\$0
2019-21 Ongoing Funding Changes												
Base payroll changes		(\$99,588)	\$25,154	(\$74,434)		(\$99,588)	\$25,154	(\$74,434)				\$0
Salary increase		97,196		97,196		68,593		68,593		(28,603)		(28,603)
Health insurance increase		49,127		49,127		58,008		58,008		8,881		8,881
Retirement contribution increase		12,791		12,791				0		(12,791)		(12,791)
Adjust funding for salaries and wages		(15,611)	15,611	0		(15,611)	15,611	0				0
Adjust funding for investigations related to housing claims		240,554	(240,554)	0		240,554	(240,554)	0				0
Add funding for Microsoft Office 365 licensing expenses		1,508		1,508		1,508		1,508				0
Total ongoing funding changes	0.00	\$285,977	(\$199,789)	\$86,188	0.00	\$253,464	(\$199,789)	\$53,675	0.00	(\$32,513)	\$0	(\$32,513)
One-time funding items												
Add funding for a paperless storage system		\$69,659		\$69,659		\$69,659		\$69,659		\$0		\$0
Total one-time funding changes	0.00	\$69,659	\$0	\$69,659	0.00	\$69,659	\$0	\$69,659	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	0.00	\$355,636	(\$199,789)	\$155,847	0.00	\$323,123	(\$199,789)	\$123,334	0.00	(\$32,513)	\$0	(\$32,513)
2019-21 Total Funding	14.00	\$2,659,622	\$240,127	\$2,899,749	14.00	\$2,627,109	\$240,127	\$2,867,236	0.00	(\$32,513)	\$0	(\$32,513)

Other Sections for Department of Labor and Human Rights - Budget No. 406

	Executive Budget Recommendation	Senate Version
Other funds appropriation	Section 2 would appropriate all federal and other funds received by the Department of Labor and Human Rights in the 2019-21 biennium in excess of the funds appropriated in Section 1.	
Line item transfers	Section 3 would allow the Department of Labor and Human Rights to transfer up to 10 percent of the agency's appropriation authority between line items.	

April 2, 2019

SB2007

att A

19.0220.02001
Title.Prepared by the Legislative Council staff for
the House Appropriations - Government
Operations Division Committee
April 1, 2019

Fiscal No. 1

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2007

Page 1, replace lines 12 through 17 with:

"Salaries and wages	\$2,414,984	\$60,781	\$2,475,765
Operating expenses	<u>328,918</u>	<u>71,167</u>	<u>400,085</u>
Total all funds	\$2,743,902	\$131,948	\$2,875,850
Less estimated income	439,916	40,765	480,681
Total general fund	\$2,303,986	\$91,183	\$2,395,169
Full-time equivalent positions	14.00	0.00	14.00"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2007 - Labor Commissioner - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$2,414,984	\$2,467,151	\$8,614	\$2,475,765
Operating expenses	<u>328,918</u>	<u>400,085</u>		<u>400,085</u>
Total all funds	\$2,743,902	\$2,867,236	\$8,614	\$2,875,850
Less estimated income	439,916	240,127	240,554	480,681
General fund	<u>\$2,303,986</u>	<u>\$2,627,109</u>	<u>(\$231,940)</u>	<u>\$2,395,169</u>
FTE	14.00	14.00	0.00	14.00

Department 406 - Labor Commissioner - Detail of House Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Adjusts Funding for Investigations Related to Housing Claims ²	Total House Changes
Salaries and wages	\$8,614		\$8,614
Operating expenses			
Total all funds	\$8,614	\$0	\$8,614
Less estimated income	0	240,554	240,554
General fund	<u>\$8,614</u>	<u>(\$240,554)</u>	<u>(\$231,940)</u>
FTE	0.00	0.00	0.00

¹ Funding of \$8,614 is added from the general fund for 2019-21 biennium salary adjustments of 2 percent with a minimum monthly increase of \$120 and a maximum monthly increase of \$200 on July 1, 2019, and a 2.5 percent increase on July 1, 2020. Funding provided by the House for salary increases totals \$77,207 from the general fund. The Senate provided salary increases of 2 percent on July 1, 2019, and 3 percent on July 1 2020, to provide total salary increases of \$68,593.

² Funding of \$240,554, of which \$158,709 is for salaries and wages and \$81,845 is for operating expenses, is adjusted from the general fund to federal funds for housing claims investigations. The Senate changed the funding source for housing claims investigations from federal funds to the general fund. The House amendments change the funding source back to federal funds, the same as the base level appropriations.

Department of Labor and Human Rights - Budget No. 406
 Senate Bill No. 2007
 Base Level Funding Changes

#1 SB 2007
 4-12-19
 pg 1

	Senate Version				House Version				House Changes to Senate Version Increase (Decrease) - Senate Version			
	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2019-21 Biennium Base Level	14.00	\$2,303,986	\$439,916	\$2,743,902	14.00	\$2,303,986	\$439,916	\$2,743,902	0.00	\$0	\$0	\$0
2019-21 Ongoing Funding Changes												
Base payroll changes		(\$99,588)	\$25,154	(\$74,434)		(\$99,588)	\$25,154	(\$74,434)				\$0
Salary increase		68,593		68,593		77,207		77,207		8,614		8,614
Health insurance increase		58,008		58,008		58,008		58,008				0
Adjust funding for salaries and wages		(15,611)	15,611	0		(15,611)	15,611	0				0
Adjust funding for investigations related to housing claims		240,554	(240,554)	0		0	0	0		(240,554)	240,554	0
Add funding for Microsoft Office 365 licensing expenses		1,508		1,508		1,508		1,508				0
Total ongoing funding changes	0.00	\$253,464	(\$199,789)	\$53,675	0.00	\$21,524	\$40,765	\$62,289	0.00	(\$231,940)	\$240,554	\$8,614
One-time funding items												
Add funding for a paperless storage system		\$69,659		\$69,659		\$69,659		\$69,659				\$0
Total one-time funding changes	0.00	\$69,659	\$0	\$69,659	0.00	\$69,659	\$0	\$69,659	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	0.00	\$323,123	(\$199,789)	\$123,334	0.00	\$91,183	\$40,765	\$131,948	0.00	(\$231,940)	\$240,554	\$8,614
2019-21 Total Funding	14.00	\$2,627,109	\$240,127	\$2,867,236	14.00	\$2,395,169	\$480,681	\$2,875,850	0.00	(\$231,940)	\$240,554	\$8,614

Other Sections for Department of Labor and Human Rights - Budget No. 406

	Senate Version				House Version			
There are no other sections for this agency.								

2 SB 2007
4-12-19
pg 1

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2007 - Funding Summary

	Base Budget	Senate Version	House Changes	House Version
Labor Commissioner				
Salaries and wages	\$2,414,984	\$2,467,151	\$8,614	\$2,475,765
Operating expenses	328,918	400,085		400,085
Total all funds	\$2,743,902	\$2,867,236	\$8,614	\$2,875,850
Less estimated income	439,916	240,127	240,554	480,681
General fund	\$2,303,986	\$2,627,109	(\$231,940)	\$2,395,169
FTE	14.00	14.00	0.00	14.00
Bill total				
Total all funds	\$2,743,902	\$2,867,236	\$8,614	\$2,875,850
Less estimated income	439,916	240,127	240,554	480,681
General fund	\$2,303,986	\$2,627,109	(\$231,940)	\$2,395,169
FTE	14.00	14.00	0.00	14.00

Senate Bill No. 2007 - Labor Commissioner - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$2,414,984	\$52,167	\$2,467,151
Operating expenses	328,918	71,167	400,085
Total all funds	\$2,743,902	\$123,334	\$2,867,236
Less estimated income	439,916	(199,789)	240,127
General fund	\$2,303,986	\$323,123	\$2,627,109
FTE	14.00	0.00	14.00

Department 406 - Labor Commissioner - Detail of Senate Changes

	Adjusts Funding for Base Payroll Changes ¹	Adds Funding for Salary and Benefit Increases ²	Adjusts Funding for Salaries and Wages ³	Adjusts Funding for Investigations Related to Housing Claims ⁴	Adds Funding for Microsoft Office 365 Licenses ⁵	Adds One- Time Funding for a Paperless Storage System ⁵
Salaries and wages	(\$74,434)	\$126,601				
Operating expenses					\$1,508	\$69,659
Total all funds	(\$74,434)	\$126,601	\$0	\$0	\$1,508	\$69,659
Less estimated income	25,154	0	15,611	(240,554)	0	0
General fund	(\$99,588)	\$126,601	(\$15,611)	\$240,554	\$1,508	\$69,659
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Total Senate Changes
Salaries and wages	\$52,167
Operating expenses	71,167
Total all funds	\$123,334
Less estimated income	(199,789)
General fund	\$323,123
FTE	0.00

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2019-21 biennium salary adjustments of 2 percent on July 1, 2019, and 3 percent on July 1, 2020, and increases in health insurance premiums from \$1,241 to \$1,427 per month:

	<u>General Fund</u>
Salary increase	\$68,593
Health insurance increase	58,008
Total	\$126,601

³ Funding of \$15,611 for salaries and wages is adjusted from the general fund to federal funds.

⁴ Funding of \$240,554, of which \$158,709 is for salaries and wages and \$81,845 is for operating expenses, is adjusted from federal funds to the general fund for housing claims investigations.

⁵ Funding is added from the general fund for Microsoft Office 365 licensing expenses.

⁶ One-time funding of \$69,659 is added from the general fund for a paperless storage system. A one-time appropriation of \$56,135 was provided to the department for the 2015-17 biennium for this purpose, but the funding was reduced as a result of the August 2016 special legislative session.

Senate Bill No. 2007 - Labor Commissioner - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$2,414,984	\$2,467,151	\$8,614	\$2,475,765
Operating expenses	328,918	400,085		400,085
Total all funds	\$2,743,902	\$2,867,236	\$8,614	\$2,875,850
Less estimated income	439,916	240,127	240,554	480,681
General fund	\$2,303,986	\$2,627,109	(\$231,940)	\$2,395,169
FTE	14.00	14.00	0.00	14.00

Department 406 - Labor Commissioner - Detail of House Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Adjusts Funding for Investigations Related to Housing Claims ²	Total House Changes
Salaries and wages	\$8,614		\$8,614
Operating expenses			
Total all funds	\$8,614	\$0	\$8,614
Less estimated income	0	240,554	240,554
General fund	\$8,614	(\$240,554)	(\$231,940)
FTE	0.00	0.00	0.00

¹ Funding of \$8,614 is added from the general fund for 2019-21 biennium salary adjustments of 2 percent with a minimum monthly increase of \$120 and a maximum monthly increase of \$200 on July 1, 2019, and a 2.5 percent increase on July 1, 2020. Funding provided by the House for salary increases totals \$77,207 from the general fund. The Senate provided salary increases of 2 percent on July 1, 2019, and 3 percent on July 1 2020, to provide total salary increases of \$68,593.

² Funding of \$240,554, of which \$158,709 is for salaries and wages and \$81,845 is for operating expenses, is adjusted from the general fund to federal funds for housing claims investigations. The Senate changed the funding source for housing claims investigations from federal funds to the general fund. The House amendments change the funding source back to federal funds, the same as the base level appropriations.