

2021 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1278

2021 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Room JW327C, State Capitol

HB 1278
1/19/2021

Eligibility for unemployment compensation for military spouses

(10:02) Chairman Lefor opens the hearing on HB 1278

Representatives	Attendance
Chairman Lefor	P
Vice Chairman Keiser	P
Rep Hagert	P
Rep Jim Kasper	A
Rep Scott Louser	P
Rep Nehring	P
Rep O'Brien	P
Rep Ostlie	P
Rep Ruby	P
Rep Schauer	P
Rep Stemen	P
Rep Thomas	P
Rep Adams	P
Rep P Anderson	P

Discussion Topics:

- Unemployment requirements and practices
- Voluntary separation
- ND relocation criteria for Military Spouses

Rep Cory Mock~District 18: Attachment #1266.

Referred to testimony from James Rickel~State Liaison-Office of Defense: Attachment #907.

Jay Sheldon~Strategy & Policy Officer-ND National Guard: Attachment #1198, 1197, 1199.

Darren Brostrom~Deputy Director-ND Job Service: #1463.

Russ Hanson~Executive Vice President-Associated General Contractors of America - Neutral Testimony.

(10:58) Chairman Lefor: Closes the hearing.

(10:59) The bill will be held.

(11:00) End time.

Ellen LeTang, Committee Clerk



NORTH DAKOTA HOUSE OF REPRESENTATIVES

STATE CAPITOL
600 EAST BOULEVARD
BISMARCK, ND 58505-0360



Representative Corey Mock

District 18
P.O. Box 12542
Grand Forks, ND 58208-2542
C: 701-732-0085
crmack@nd.gov

COMMITTEES:
Appropriations

1266

January 19, 2021

HB 1278 – Unemployment Compensation for Military Spouses

Chairman Mike Lefor and members of the House Industry, Business and Labor Committee. My name is Corey Mock, Representative for District 18 in Grand Forks and sponsor of HB 1278.

This legislation comes at the specific request of military families stationed at Grand Forks and Minot Air Force Bases and has the full-throated support of our nation's Department of Defense and other military organizations.

As of today, North Dakota is one of only two states in the United States that does not allow military spouses to qualify for unemployment insurance when relocating due to a permanent change of station (PCS).

Our state law is fairly clear: voluntary separation between an employee and their employer would not qualify for unemployment. Despite military spouses not having a choice when their family receives new orders, we still consider this lapse of employment a "voluntary" separation.

HB 1278 closes this gap by allowing military spouses transferring away from a North Dakota base to qualify for limited unemployment benefits.

A qualifying applicant would adhere to all other existing unemployment requirements and practices:

- Notify their employer of the separation
- Exhaust all options to maintain employment with their employer
- Satisfy the one-week mandatory waiting period
- Report weekly job search progress to Job Service ND

Unemployment benefits under this section would end after twelve weeks or upon beginning a new job, whichever occurs first. It should be noted this bill was amended prior to introduction to limit eligible benefits from the standard 26 weeks to 12 weeks, reducing potential costs to employers.

We hope you'll stand with military families fortunate enough to be stationed in our beautiful state. By giving HB 1278 a do pass recommendation, you're reinforcing that North Dakota is an ideal home for our armed services.

Thank you for your time and consideration.



MANPOWER AND
RESERVE AFFAIRS

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

1500 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-1500

907

January 15, 2021

The Honorable Mike Lefor
House Industry Business and Labor Committee
P.O. Box 564
Dickinson, ND 58602-0564

RE: HB 1278 – Unemployment Compensation for Military Spouses

Chairman Mike Lefor and Members of the Committee:

On behalf of military families and the Department of Defense, I am writing to express support for the policy changes proposed in HB 1278, a bill that addresses unemployment compensation for our military spouses.

My name is Jim Rickel and I am the Central Regional Liaison for the Defense-State Liaison Office, operating under the direction of Under Secretary of Defense for Personnel and Readiness, and the Deputy Assistant Secretary for Military Community and Family Policy. Our mission is to be a resource to state policymakers as they work to address quality of life issues of military families.

In 48 states, military spouses are authorized to receive unemployment compensation when the leave employment due to a military transfer. Current North Dakota statute view a spouse leaving a job due to a military move as a “voluntary” separation when, in fact, they have no choice in the matter. Frequent moves required of military families add unique financial pressures, as spouses routinely lose income during such moves.

Granting unemployment compensation eligibility to working military spouses in transition provides a much-needed financial bridge for military families during mandatory moves, and supports spouses while they seek suitable employment. Unemployment compensation will also allow spouses to obtain necessary new licensing and credentials at their new location.

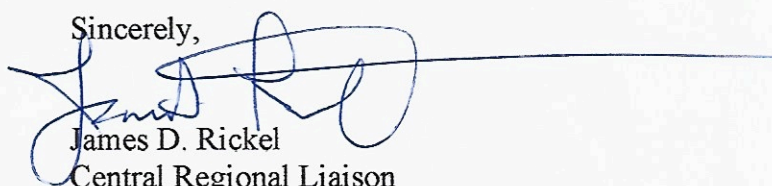
If structured properly, North Dakota can offer eligibility without economically penalizing the individual employer who lost the working spouse to the move. Payment comes from the state unemployment insurance fund maintained through an assessment of all employers. Military spouses represent a very small percentage of the unemployed

receiving benefits through the fund. This would also reduce the likelihood of military spouses being refused employment by an employer to reduce potential out-year liability.

Unemployment compensation eligibility for working military spouses in transition provides a much-needed financial bridge for military families during mandatory moves and provides time for military spouses to seek 'career' employment rather than the first job that comes along.

In closing, I would like to thank Representative Corey Mock for introducing HB 1278 on behalf of all military spouses. Please let me know if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "James D. Rickel", is written over a horizontal line.

James D. Rickel

Central Regional Liaison

Defense - State Liaison Office

DoD Military Community & Family Policy

Phone: 571-239-9895

james.d.rickel.civ@mail.mil

CC: Representative Corey Mock

TESTIMONY OF
MAJOR JAY SHELDON
NORTH DAKOTA NATIONAL GUARD
BEFORE THE
HOUSE INDUSTRY, BUSINESS, AND LABOR
19 JANUARY 2021
HOUSE BILL 1278

Good morning Chairman Lefor, members of the committee, I am Jay Sheldon, Strategy and Policy Officer for the North Dakota National Guard. I am here today to testify in support of House Bill 1278.

I am here speaking on behalf of the Office of the Adjutant General as well as all of the military members and families that today and in the future will refer to North Dakota as “home”. This bill primarily affects the active-duty Air Force and active duty recruiter’s stationed around the State. House Bill 1278 supports state-wide efforts to advance North Dakota as military friendly State.

A 2018 letter from the Secretaries of Army, Navy and Air Force clearly indicates, state support to its military families will be a factor in any future basing decisions.

According to the Fiscal Year 2019 Military Economic Impact Analysis, there were about 7,300 active duty members, of which approximately 1,900 transition into North Dakota annually. The military members have over 7,000 dependents, of which includes many spouses. Many of them will be searching for employment before or upon arriving in North Dakota. This benefit would provide time to settle into their new surroundings and seek employment with reduced stress.

North Dakota remains just one of two states that does not authorize unemployment compensation for military spouses when they leave employment due to a military forced relocation. This benefit coupled with the military spouse occupational licensing law passed last session, will remove stress from military families transitioning to North Dakota.

The always looming, but not currently imminent prospect of a Base Closure and Realignment Commission (BRAC), motivates us to remain competitive in order to retain our current military missions which over the past few years have provided a billion-dollar infusion into the North Dakota economy. House Bill 1278 is another way to show that we value our military families in the State and their service to our nation.

I ask for your support of HB 1278 and will stand by for any questions that you may have.

Office of the Secretary of the Navy
1051 Navy Pentagon
Washington, DC 20350-1051

Office of the Secretary of the Army
101 Army Pentagon
Washington, DC 20310-0101

Office of the Secretary of the Air Force
1670 Air Force Pentagon
Washington, DC 20330-1670

FEB 23 2018

MEMORANDUM FOR THE NATIONAL GOVERNORS ASSOCIATION

SUBJECT: Consideration of Schools and Reciprocity of Professional Licensure for Military Families in Future Basing or Mission Alternatives

Thank you for your support of our men and women in the military. We are often asked what communities can do to support those who serve. While focus on the mission is always our priority, the factors military families cite most frequently as drawbacks to military service include military dependent's difficulty assimilating into local school systems following a duty station transfer, the quality of schools available for their children, and the ability of spouses to obtain jobs and sustain careers. With that in mind, we will encourage leadership to consider the quality of schools near bases and whether reciprocity of professional licenses is available for military families when evaluating future basing or mission alternatives.

Military families relocate frequently. The services endeavor to schedule transfers to minimize impact on the academic year, but this is not always possible. As a result, incoming students face difficulties transferring credits between school systems, adjusting to varied curriculum, and joining sports teams or clubs after the start of the school year. Exclusion from extra-curricular activities is particularly challenging for our military children, as they are critical to social development and self-esteem. Some school systems recognize this and accommodate military families during transfers. These schools should be commended and emulated.

Facilitating military spouses in continuing their work in a new place of residence without delays or extra expense is also important. Spouses in professionally licensed fields such as medical, legal, engineering, education, accounting, or the cosmetic arts face challenges due to delays or cost of transferring licenses to a new state or jurisdiction. Eliminating or mitigating these barriers will improve quality of life for our military families, and ease the stress of transferring duty stations with consideration for long-term career implications.

We realize improving schools and changing laws or regulations regarding professional licensure will take time. Over the long term, however, leaders who want to make a difference for the military and our missions will make the most impact if we focus on what matters. Reciprocity on licensure and the quality of education matter.

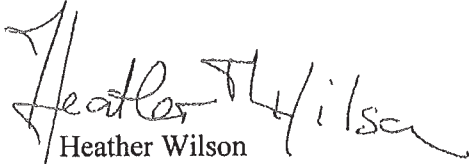
Thank you for your help and attention. We look forward to continuing to work with you and thank you again for your support of our men and women in the military.



Richard V. Spencer
Secretary of the Navy

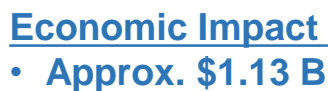


Mark T. Esper
Secretary of the Army

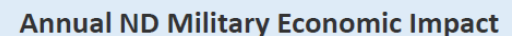


Heather Wilson
Secretary of the Air Force

Economic Impact By Location.



- **\$719M** - annual payroll for military employees
- **\$191M** - indirect salaries
- **\$233M** – for construction, services, materials, equipment and supplies
- **26.9k** people directly associated with the military
- **11.6k** serving members
- **12.9k** dependents



House Bill 1278

Testimony of Darren Brostrom
Job Service North Dakota
Before the
House Industry Business & Labor Committee
Representative Mike Lefor, Chairman
January 19, 2021

Mr. Chairman, members of the committee, I am Darren Brostrom, Deputy Director of Job Service North Dakota. I am here today to provide information relating to House Bill 1278. Job Service is neutral on this bill.

The question of spouses qualifying for UI benefits when they quit a job to follow a military spouse is not something that comes up often in North Dakota. This is probably because information on the web notes that North Dakota does not have a good cause provision for this type of quit so many may not even file a claim.

Because of the varying and incomplete information relating to this topic on the web, information was gathered directly from United States Department of Labor (USDOL) sources. Following is what they have provided relating to how many states have specific statutory guidance on relocating military spouses who quit a job:

“Several states have provisions related to military spouses relocating, but state laws vary regarding the circumstances when the spouse of a service member is eligible for benefits. See a state’s law for specific eligibility factors.”

Most states that may provide eligibility in these situations have a provision that allows for eligibility to spouses, military or non-military, who quit a job to follow a moving spouse.

- 32 states have a good cause provision to perform marital, domestic, or family obligations. Of these:
 - 4 states have allowances for all spouses through regulation
 - 22 states have allowances for all spouses through law
 - 6 states have allowances for all spouses through interpretation

Understanding that a factor in any decision going forward is the financial impact of the bill, Job Service has completed research and is providing estimates as to the financial effects of this bill. Data was gathered from the two Air Force Bases in North Dakota, military support staff, and various military reports, publications, and data sources.

In looking at actual North Dakota claim data, we first reviewed how many quit to move issues arise in a year. These numbers are not specific to military spouses.

- 2019: 621
- 2020: 884
 - Less than 1% of these were from military spouses

We then utilized information gathered to estimate the number of military spouse claims would result from passage of this bill:

- Each Year: 571

As part of our research on any bill related to Unemployment Insurance, we must provide the language to the USDOL for conformity review. The USDOL has already provided a response on Section 1, finding this section to be conforming, but Section 2 remains under review. There are indications that Section 2 will be found non-conforming as it limits benefit amounts.

Given the fact that the USDOL may find Section 2 to be non-conforming, JSND is providing fiscal impacts for the bill including Section 1 & 2 as written and with Section 1 alone. If Section 2 is found non-conforming, it will have to be removed or altered to meet federal requirements.

It should be noted that the following calculations are based off the two primary active duty military bases in Minot and Grand Forks. If Guard and Reserve members are included for temporary or permanent assignments, the numbers provided will need to be adjusted.

BENEFIT CHARGES AND EMPLOYER TAX IMPACTS

Fiscal Impacts with Section 1 and Section 2 both conforming:

Example 1

Yearly Costs (Base provided numbers, 12 weeks duration, average WBA)	
Minot	\$2,062,944
Grand Forks	\$919,068
Total	\$2,982,012
Tax Rate Impact	0.0298%
Increase Tax per Employee	\$11.47
Cost for 10 Employee Employer	\$114.73

Example 2

Base Closure Cost (Base provided numbers, 12 weeks duration, average WBA)	
Minot	\$4,641,624
Grand Forks	\$2,067,903
Total	\$6,709,527
Tax Rate Impact	0.0671%
Increase Tax per Employee	\$25.83
Cost for 10 Employee Employer	\$258.30

Fiscal Impacts with Section 1 conforming and Section 2 removed:

Example 3

Yearly Costs if Section 2 is non-conforming (Base provided numbers, 19 weeks duration, average WBA)	
Minot	\$3,266,328
Grand Forks	\$1,455,191
Total	\$4,721,519
Tax Rate Impact	0.0472%
Increase Tax per Employee	\$18.17
Cost for 10 Employee Employer	\$181.72

Example 4

Base Closure Costs if Section 2 is non-conforming (Base provided numbers, 19 weeks duration, average WBA)	
Minot	\$7,349,238
Grand Forks	\$3,274,180
Total	\$10,623,418
Tax Rate Impact	0.1062%
Increase Tax per Employee	\$40.90
Cost for 10 Employee Employer	\$408.99

Example 5

Base Closure Costs if Section 2 is non-conforming Worst Case (Base provided numbers, 26 weeks duration, Max WBA)	
Minot	\$14,796,288
Grand Forks	\$6,591,936
Total	\$21,388,224
Tax Rate Impact	0.2139%
Increase Tax per Employee	\$82.34
Cost for 10 Employee Employer	\$823.45

DATA USED IN CALCULATIONS

- Expected yearly claims/costs under normal circumstances (does not include any Guard or Reserve claims):
 - Minot AFB – 395
 - Grand Forks AFB – 176
 - Total per Year from both bases combined: 571
 - Total if all Workers Filed due to Base Closure: 1285
- Average Weekly Benefit Amount (WBA): \$435
 - Minimum: \$43
 - Maximum: \$640
- Average duration (matches the Section 2 defined maximum): 12 weeks
 - For average duration with removal of section 2, duration was calculated to be 19 weeks due to higher unemployment rates in other states where individuals will more than likely be moving.
- 51.5% of military personnel are married
 - Dual military marriage with children – 2.5%
 - Dual military marriage without children – 4.2%
 - Married to civilian with children – 30.9%
 - Married to civilian without children – 13.9%
- Military Spouses who are employed (full or part time) – 57%
 - Military spouses who are employed part-time – 31.6%
- Average military member is reassigned every 2 to 3 years

If North Dakota should find that allowing benefits in these situations is desirable, Job Service would like to have further conversation and clarifications to ensure appropriate administration. The primary items needing clarification are:

- The party responsible for the benefit costs paid to military spouses in these situations.
 - Typically, when a claim is filed and an individual receives benefits, those benefits are charged to the employers in the individual's base period. However, in these cases, Job Service recommends that language be added to the bill to clarify that any resulting benefit charges not be charged to the individual's base period employers and instead charged to the entire pool of employers statewide.
- The eligibility of Guard and Reserve members.
 - In reviewing the language, there was some concern with terminology as it related to orders utilized by the various types of military entities.

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

2021 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Room JW327C, State Capitol

HB 1278
1/26/2021

Eligibility for unemployment compensation for military spouses

(3:56) Chairman Lefor calls the work session to order.

Representatives	Attendance
Chairman Lefor	P
Vice Chairman Keiser	P
Rep Hagert	P
Rep Jim Kasper	P
Rep Scott Louser	P
Rep Nehring	P
Rep O'Brien	P
Rep Ostlie	P
Rep Ruby	P
Rep Schauer	P
Rep Stemen	P
Rep Thomas	P
Rep Adams	P
Rep P Anderson	P

Discussion Topics:

- Committee work

Representative Schauer moved the Amendment #21.0050.02003.

Representative Stemen seconded.

Voice Vote. Motion carried.

Representative Keiser Do Pass as amended & rerefer to Appropriations.

Representative Schauer seconded.

Representatives	Vote
Chairman Lefor	Y
Vice Chairman Keiser	Y
Rep Hagert	Y
Rep Jim Kasper	Y
Rep Scott Louser	Y
Rep Nehring	Y
Rep O'Brien	Y
Rep Ostlie	Y
Rep Ruby	Y
Rep Schauer	Y
Rep Stemen	Y
Rep Thomas	Y
Rep Adams	Y
Rep P Anderson	y

Roll Call vote. Motion passed 14-0-0. Representative Lefor is the carrier.

Vice Chairman Keiser requested to hold.

(4:04) End time.

Ellen LeTang, Committee Clerk

January 26, 2021

De 1/26/21
1 of 1

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1278

Page 1, line 1, remove "new section to chapter 52-06 and a"

Page 1, line 3, after "spouses" insert "; and to amend and reenact subdivision b of subsection 2 of section 52-04-07 of the North Dakota Century Code, relating to benefits paid chargeable to accounts of base-period employers"

Page 1, after line 4, insert:

"SECTION 1. AMENDMENT. Subdivision b of subsection 2 of section 52-04-07 of the North Dakota Century Code is amended and reenacted as follows:

b. With benefits paid to an individual who:

- (1) Left the employment of the base-period employer voluntarily without good cause or with good cause not involving fault on the part of the base-period employer;
- (2) Was discharged from employment by the base-period employer for misconduct; ~~or~~
- (3) Was separated from employment with the most recent employer for reasons directly attributable to domestic violence, stalking, or sexual assault; or
- (4) Is a military spouse who voluntarily left the most recent employment to relocate because of permanent change of station orders of the individual's military-connected spouse."

Page 1, line 10, remove ". activation, or"

Page 1, line 11, remove "unit deployment"

Page 1, line 12, replace ". 'military'" with ":

- (1) "Military"

Page 1, line 15, after "state" insert ":

- (2) "Permanent change of station orders" means the assignment, reassignment, or transfer of a member of the armed forces of the United States or a reserve component of the armed forces of the United States from the member's present duty station or location without return to the previous duty station or location."

Page 1, remove lines 16 through 21

Renumber accordingly

2021 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Room JW327C, State Capitol

HB 1278
2/8/2021

Eligibility for unemployment compensation for military spouses

(3:05) Chairman Lefor called the work session to order.

Representatives	Attendance
Chairman Lefor	P
Vice Chairman Keiser	P
Rep Hagert	P
Rep Jim Kasper	P
Rep Scott Louser	P
Rep Nehring	A
Rep O'Brien	P
Rep Ostlie	P
Rep Ruby	P
Rep Schauer	P
Rep Stemen	P
Rep Thomas	P
Rep Adams	P
Rep P Anderson	P

Discussion Topics:

- Committee work.

Vice Chairman Keiser moved to reconsider their action.

Rep Stemen second.

Voice vote Motion carried.

Chairman Lefor presented an amendment with a sunset clause. Attachments 5956 & 5964.

Rep Schauer moved to leave bill as is & rerefer to appropriations.

Rep Thomas second.

Representatives	Vote
Chairman Lefor	Y
Vice Chairman Keiser	Y
Rep Hagert	Y
Rep Jim Kasper	Y
Rep Scott Louser	Y
Rep Nehring	A
Rep O'Brien	Y
Rep Ostlie	Y
Rep Ruby	Y
Rep Schauer	Y
Rep Stemen	Y
Rep Thomas	Y
Rep Adams	Y
Rep P Anderson	Y

Vote roll call taken Motion carried 13-0-1 & Chairman Lefor is the carrier. The bill will be held.

(3:14) End time.

Ellen LeTang, Committee Clerk

21.0050.02004
Title.

Prepared by the Legislative Council staff for
Representative Lefor
February 5, 2021

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1278

Page 1, line 1, remove "new section to chapter 52-06 and a"

Page 1, line 3, after "spouses" insert "; to amend and reenact subdivision b of subsection 2 of section 52-04-07 of the North Dakota Century Code, relating to benefits paid chargeable to accounts of base-period employers; and to provide an expiration date"

Page 1, after line 4, insert:

"SECTION 1. AMENDMENT. Subdivision b of subsection 2 of section 52-04-07 of the North Dakota Century Code is amended and reenacted as follows:

b. With benefits paid to an individual who:

- (1) Left the employment of the base-period employer voluntarily without good cause or with good cause not involving fault on the part of the base-period employer;
- (2) Was discharged from employment by the base-period employer for misconduct; ~~or~~
- (3) Was separated from employment with the most recent employer for reasons directly attributable to domestic violence, stalking, or sexual assault; or
- (4) Is a military spouse who voluntarily left the most recent employment to relocate because of permanent change of station orders of the individual's military-connected spouse."

Page 1, line 10, remove ", activation, or"

Page 1, line 11, remove "unit deployment"

Page 1, line 12, replace ", 'military'" with ":

(1) "Military"

Page 1, line 15, after "state" insert ":

- (2) "Permanent change of station orders" means the assignment, reassignment, or transfer of a member of the armed forces of the United States or a reserve component of the armed forces of the United States from the member's present duty station or location without return to the previous duty station or location."

Page 1, replace lines 16 through 21 with:

"SECTION 3. EXPIRATION DATE. This Act is effective through July 1, 2023, and after that date is ineffective."

Renumber accordingly

21.0050.02004

Sixty-seventh
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1278

Introduced by

Representatives Mock, Ista, Kasper, Lefor, Louser, Pyle, Schauer, Stemen

Senators Burckhard, Kreun, Oban

A BILL for an Act to create and enact a ~~new section to chapter 52-06 and a new subdivision to~~
subsection 1 of section 52-06-02 of the North Dakota Century Code, relating to eligibility for
unemployment compensation for military spouses; to amend and reenact subdivision b of
subsection 2 of section 52-04-07 of the North Dakota Century Code, relating to benefits paid
chargeable to accounts of base-period employers; and to provide an expiration date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subdivision b of subsection 2 of section 52-04-07 of the North
Dakota Century Code is amended and reenacted as follows:

b. With benefits paid to an individual who:

- (1) Left the employment of the base-period employer voluntarily without good cause or with good cause not involving fault on the part of the base-period employer;
- (2) Was discharged from employment by the base-period employer for misconduct; ~~or~~
- (3) Was separated from employment with the most recent employer for reasons directly attributable to domestic violence, stalking, or sexual assault; or
- (4) Is a military spouse who voluntarily left the most recent employment to relocate because of permanent change of station orders of the individual's military-connected spouse.

SECTION 2. A new subdivision to subsection 1 of section 52-06-02 of the North Dakota
Century Code is created and enacted as follows:

This subsection does not apply if the individual is a military spouse who, after disclosure to the individual's employer and a reasonable attempt to maintain the employment relationship through accommodation, voluntarily left the most recent

1 employment to relocate because of permanent change of station, ~~activation, or~~
2 ~~unit deployment~~ orders of the individual's military-connected spouse. For
3 purposes of this subdivision, "military:

4 (1) "Military spouse" means the spouse of a member of the armed forces of the
5 United States or a reserve component of the armed forces of the United
6 States stationed in this state in accordance with military orders or stationed
7 in this state before a reassignment to duties outside this state.

8 (2) "Permanent change of station orders" means the assignment,
9 reassignment, or transfer of a member of the armed forces of the United
10 States or a reserve component of the armed forces of the United States
11 from the member's present duty station or location without return to the
12 previous duty station or location.

13 ~~SECTION 3. A new section to chapter 52-06 of the North Dakota Century Code is created~~
14 ~~and enacted as follows:~~

15 ~~Maximum potential benefits - Military spouse.~~

16 ~~An eligible individual who is a military spouse and who voluntarily left the most recent~~
17 ~~employment to relocate because of permanent change of station, activation, or unit deployment~~
18 ~~orders of the individual's military-connected spouse, is entitled to twelve weeks of benefits.~~

19 **SECTION 3. EXPIRATION DATE.** This Act is effective through July 1, 2023, and after that
20 date is ineffective.

2021 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Room JW327C, State Capitol

HB 1278
2/16/2021

Charging fees for outgoing file copies

(10:00) Chairman Lefor called the hearing to order.

Representatives	Attendance
Chairman Lefor	P
Vice Chairman Keiser	P
Rep Hagert	P
Rep Jim Kasper	P
Rep Scott Louser	P
Rep Nehring	P
Rep O'Brien	P
Rep Ostlie	P
Rep Ruby	P
Rep Schauer	P
Rep Stemen	P
Rep Thomas	P
Rep Adams	P
Rep P Anderson	P

Discussion Topics:

- Committee work.

Keiser moved to reconsider motion to appropriations.

Rep Hagert second.

Voice vote Motion carried.

Vice Chairman Keiser moved a Do Pass as Amended.

Rep Stemen second.

Representatives	Vote
Chairman Lefor	Y
Vice Chairman Keiser	Y
Rep Hagert	Y
Rep Jim Kasper	Y
Rep Scott Louser	Y
Rep Nehring	Y
Rep O'Brien	Y
Rep Ostlie	Y
Rep Ruby	Y
Rep Schauer	Y
Rep Stemen	Y
Rep Thomas	Y
Rep Adams	Y
Rep P Anderson	Y

Vote roll call taken Motion carried 14-0-0 & Chairman Lefor is the carrier.

(10:03) End time.

Ellen LeTang, Committee Clerk

REPORT OF STANDING COMMITTEE

HB 1278: Industry, Business and Labor Committee (Rep. Lefor, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1278 was placed on the Sixth order on the calendar.

Page 1, line 1, remove "new section to chapter 52-06 and a"

Page 1, line 3, after "spouses" insert "; and to amend and reenact subdivision b of subsection 2 of section 52-04-07 of the North Dakota Century Code, relating to benefits paid chargeable to accounts of base-period employers"

Page 1, after line 4, insert:

"SECTION 1. AMENDMENT. Subdivision b of subsection 2 of section 52-04-07 of the North Dakota Century Code is amended and reenacted as follows:

- b. With benefits paid to an individual who:
 - (1) Left the employment of the base-period employer voluntarily without good cause or with good cause not involving fault on the part of the base-period employer;
 - (2) Was discharged from employment by the base-period employer for misconduct;~~or~~
 - (3) Was separated from employment with the most recent employer for reasons directly attributable to domestic violence, stalking, or sexual assault;or
 - (4) Is a military spouse who voluntarily left the most recent employment to relocate because of permanent change of station orders of the individual's military-connected spouse."

Page 1, line 10, remove ". activation, or"

Page 1, line 11, remove "unit deployment"

Page 1, line 12, replace ". military" with ":

- (1) "Military"

Page 1, line 15, after "state" insert ":

- (2) "Permanent change of station orders" means the assignment, reassignment, or transfer of a member of the armed forces of the United States or a reserve component of the armed forces of the United States from the member's present duty station or location without return to the previous duty station or location."

Page 1, remove lines 16 through 21

Renumber accordingly

2021 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1278

2021 SENATE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Fort Union Room, State Capitol

HB 1278
3/9/2021

relating to benefits paid chargeable to accounts of base-period employers

Chair Klein opened the hearing at 10:30 a.m. All members were present. Senators Klein, Larsen, Burckhard, Vedaa, Kreun, and Marcellais.

Discussion Topics:

- Military spouse qualification for unemployment insurance
- Future unemployment insurance claims
- Voluntary separation rule

Representative Corey Mock introduced the bill and submitted testimony #8066 [10:32].

Jay Sheldon, Strategy and Policy Officer for North Dakota National Guard testified in favor and submitted testimony #8004 [10:41].

Darren Brostrom, WSI testified neutral and submitted testimony #8169 [10:48].

Arik Spencer, Greater ND Chamber testified neutral [11:01].

Russ Hanson, Associated General Contractors of ND testified neutral [11:04].

Senator Burckhard moved a **DO PASS** [11:22].

Senator Kreun second the motion [11:22].

[11:22]

Senators	Vote
Senator Jerry Klein	Y
Senator Doug Larsen	Y
Senator Randy A. Burckhard	Y
Senator Curt Kreun	Y
Senator Richard Marcellais	Y
Senator Shawn Vedaa	Y

Motion passed: 6-0-0

Senator Kreun will carry the bill [11:23].

Chair Klein ended the hearing at 11:23 a.m.

Isabella Grotberg, Committee Clerk

REPORT OF STANDING COMMITTEE

HB 1278, as engrossed: Industry, Business and Labor Committee (Sen. Klein, Chairman) recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1278 was placed on the Fourteenth order on the calendar.



NORTH DAKOTA HOUSE OF REPRESENTATIVES

STATE CAPITOL
600 EAST BOULEVARD
BISMARCK, ND 58505-0360



Representative Corey Mock

District 18
P.O. Box 12542
Grand Forks, ND 58208-2542
C: 701-732-0085
crmack@nd.gov

COMMITTEES:
Appropriations

March 9, 2021

HB 1278 – Unemployment Compensation for Military Spouses

Chairman Jerry Klein and members of the Senate Industry, Business and Labor Committee. My name is Corey Mock, Representative for District 18 in Grand Forks and sponsor of HB 1278.

This legislation comes specifically at the request of military families stationed at Grand Forks and Minot Air Force Bases and has the full-throated support of our nation's Department of Defense and other military organizations.

As of today, North Dakota is one of only two states in the United States that does not allow military spouses to qualify for unemployment insurance when relocating due to a permanent change of station (PCS).

Our state law is fairly clear: voluntary separation between an employee and their employer would not qualify for unemployment. Despite military spouses not having a choice when their family receives new orders, we still consider this lapse of employment a "voluntary" separation.

HB 1278 closes this gap by allowing military spouses transferring away from a North Dakota base to qualify for limited unemployment benefits.

A qualifying applicant would adhere to all other existing unemployment requirements and practices:

- Notify their employer of the separation
- Exhaust all options to maintain employment with their employer
- Satisfy the one-week mandatory waiting period
- Report weekly job search progress to Job Service ND

Considerable work was done by the House Industry Business and Labor to get the language right and reduce potential impact on individual premiums.

Section 1 was added to ensure any future claims filed under this law would apply to the entire unemployment insurance pool, as opposed to being a claim against an individual employer.

Section 2 was amended to limit this section only to permanent change of station orders; a definition of permanent change of station orders was added to provide additional clarity for Job Service North Dakota.

It was agreed by all parties to remove an original section of the bill that limited benefits to 12 weeks for eligible claims. Originally added to reduce the fiscal impact this would have on the unemployment insurance reserve fund, it was determined this would not conform to federal US Department of Labor guidelines.

As you'll hear from others testifying after me, this legislation is critically important to ensure North Dakota is best positioned to not only **maintain** our two Air Force bases but **attract** new missions as our military adapts to our changing world.

We hope you'll stand with military families fortunate enough to be stationed in our beautiful state. By giving HB 1278 a do pass recommendation, you're reinforcing that North Dakota is an ideal home for our armed services.

Thank you for your time and consideration.

TESTIMONY OF
MAJOR JAY SHELDON
NORTH DAKOTA NATIONAL GUARD
BEFORE THE
SENATE INDUSTRY, BUSINESS, AND LABOR
09 MARCH 2021
HOUSE BILL 1278

Good morning Chairman Klein, members of the committee, I am Jay Sheldon, Strategy and Policy Officer for the North Dakota National Guard. I am here today to testify in support of House Bill 1278.

I am here speaking on behalf of the Office of the Adjutant General as well as all of the military members and families that today and in the future will refer to North Dakota as "home". This bill primarily affects the active-duty Air Force and active duty recruiters stationed around the State. House Bill 1278 supports statewide efforts to advance North Dakota as military friendly State.

A 2018 letter from the Secretaries of Army, Navy and Air Force clearly indicates, state support to its military families will be a factor in any future basing decisions.

According to the Fiscal Year 2019 Military Economic Impact Analysis, there were about 7,300 active duty members, of which approximately 1,900 transition into North Dakota annually. The military members have over 7,000 dependents, of which includes many spouses. Many of them will be searching for employment before or upon arriving in North Dakota. This benefit would provide time to settle into their new surroundings and seek employment with reduced stress.

North Dakota remains just one of two states that does not authorize unemployment compensation for military spouses when they leave employment due to a military forced relocation. This benefit coupled with the military spouse occupational licensing law passed last session, will remove stress from military families transitioning to North Dakota.

The always looming, but not currently imminent prospect of a Base Closure and Realignment Commission (BRAC), motivates us to remain competitive in order to retain our current military missions which over the past few years have provided a billion-dollar infusion into the North Dakota economy. House Bill 1278 is another way to show that we value our military families in the State and their service to our nation.

I ask for your support of HB 1278 and will stand by for any questions that you may have.

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

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

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

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

Estimated Benefit Payments:

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

Estimated Impact on Employer Tax Rates:

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

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

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

DATA USED IN CALCULATIONS

- Minot and Grand Forks Base Demographics
 - 7,381 active-duty service members
 - 2,256 active-duty spouses
 - 4,159 active-duty children
- Average Weekly Benefit Amount (WBA): \$435
 - Minimum: \$43
 - Maximum: \$640
- Average duration (matches the Section 2 defined maximum): 12 weeks
 - Average duration was calculated to be 17 weeks due to higher unemployment rates in other states where individuals will more than likely be moving.
- 51.5% of military personnel are married
 - Dual military marriage with children – 2.5%
 - Dual military marriage without children – 4.2%
 - Married to civilian with children – 30.9%
 - Married to civilian without children – 13.9%
- Military Spouses who are employed (full or part time) – 57%
- Average military member is reassigned every 2 to 3 years