
AGENCY OVERVIEW**406 Office of the Labor Commissioner****Date:** 12/07/2012**Time:** 13:53:16

Statutory Authority

North Dakota Century Code Chapters 14-02.4, 14-02.5, 34-05, 34-06, 34-06.1, 34-07, 34-12, 34-13, 34-14, and Sections 34-01-20 and 34-08-14.

Agency Description

The Department of Labor is responsible for administering statutory provisions relating to labor standards, including wage and hour issues, child labor, and labor-management relations. The Department is also responsible for improving working and living conditions of employees and advancing their opportunities for employment; fostering, promoting, and developing the welfare of wage earners and industries in the state; promoting cooperative relations between employers and employees; cooperating with other governmental agencies to encourage the development of new and existing industries; representing the state in dealings with the U.S. Department of Labor, with the federal mediation and conciliation service, and the U.S. veteran's administration with regard to job training programs; acquiring and providing information on subjects connected with labor, relations between employers and employees, hours of labor, and working conditions; and encourage and assist in the adoption of practical methods of vocational training, retraining, and vocational guidance.

The Department of Labor also has statutory regulatory responsibilities with respect to human rights. This includes receiving and investigating complaints of discrimination in employment and housing; adopting rules necessary to implement the law; fostering prevention of discrimination through education; emphasizing conciliation to resolve complaints; publishing, in even-numbered years, a written report recommending legislative or other action to carry out the purposes of the chapters; and conducting studies relating to the nature and extent of discriminatory practices in the state.

The Human Rights Division within the Department of Labor is responsible for promoting the human rights of all North Dakota citizens through leadership, education, prevention, and enforcement of state laws prohibiting discriminatory practices in the state. Specifically, the department investigates complaints alleging violations of law in the areas of employment, housing, public services, public accommodations, and credit transactions.

Agency Mission Statement

The Department of Labor is responsible for promoting the welfare of both wage earners and industries in North Dakota through leadership, education, prevention, and enforcement of state laws relating to the wages and working conditions of North Dakota employees, and enforcing human rights laws.

Agency Performance Measures

The Department of Labor measures its agency performance through its delivery of program services. Accordingly, performance measures are reported under the Program Performance Measures narrative.

Major Accomplishments

1. Maintained a stabilized caseload in all areas, even with a significant increase in wage claims.
2. Provided human rights related training for agency staff.
3. Attended training and policy conferences sponsored by the Equal Opportunity Commission and the Department of Housing and Urban Development each year.
4. Attended training at the National Fair Housing Training Academy.
5. Began developing two new public service announcements regarding housing discrimination to help educate the public and create awareness of the Human Rights Division.
6. Updated agency brochures and completed redesigning the department's website.
7. Provided numerous educational presentations across the state.

Future Critical Issues

It is anticipated that the department's federal funding through our contract with the Department of Housing and Urban Development may be substantially diminished due to fewer cases, which would result in fewer case processing funds received for housing discrimination complaints.

The increase in wage claims is a concern and the average number per month received by the Department is almost double that of the last biennium.

REQUEST SUMMARY

406 Office of the Labor Commissioner
 Biennium: 2013-2015

Bill#: HB1007

Date: 12/07/2012

Time: 13:53:16

Description	Expenditures 2009-2011 Biennium	Present Budget 2011-2013	Budget Request Change	Requested Budget 2013-2015 Biennium	Optional Budget Request
By Major Program					
Office of Labor Commissioner	1,702,507	2,140,036	(124,084)	2,015,952	(23,381)
Total Major Program	1,702,507	2,140,036	(124,084)	2,015,952	(23,381)
By Line Item					
Salaries and Wages	1,478,916	1,648,342	51,316	1,699,658	24,554
Operating Expenses	223,591	481,694	(165,400)	316,294	(47,935)
Technology Carryover	0	10,000	(10,000)	0	0
Total Line Items	1,702,507	2,140,036	(124,084)	2,015,952	(23,381)
By Funding Source					
General Fund	1,321,993	1,550,125	47,714	1,597,839	(23,381)
Federal Funds	380,514	589,911	(171,798)	418,113	0
Special Funds					
Total Funding Source	1,702,507	2,140,036	(124,084)	2,015,952	(23,381)
Total FTE	12.00	12.00	0.00	12.00	0.00

REQUEST DETAIL406 Office of the Labor Commissioner
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Description	Expenditures 2009-2011 Biennium	Present Budget 2011-2013	Budget Request Change	Requested Budget 2013-2015 Biennium	Optional Budget Request
Salaries and Wages					
Salaries - Permanent	1,066,955	1,168,701	34,854	1,203,555	0
Salaries - Other	0	0	0	0	24,554
Overtime	2,788	10,000	3	10,003	0
Fringe Benefits	409,173	469,641	16,459	486,100	0
Salary Increase	0	0	0	0	0
Benefit Increase	0	0	0	0	0
Total	1,478,916	1,648,342	51,316	1,699,658	24,554

Salaries and Wages

General Fund	1,153,062	1,316,798	57,714	1,374,512	24,554
Federal Funds	325,854	331,544	(6,398)	325,146	0
Special Funds	0	0	0	0	0
Total	1,478,916	1,648,342	51,316	1,699,658	24,554

Operating Expenses

Travel	37,242	82,200	(10,000)	72,200	0
Supplies - IT Software	152	2,700	0	2,700	0
Supply/Material-Professional	11,887	14,500	0	14,500	0
Miscellaneous Supplies	978	9,400	(5,400)	4,000	0
Office Supplies	14,017	12,000	0	12,000	0
Postage	13,104	21,000	0	21,000	0
Printing	3,326	11,500	(4,000)	7,500	0
IT Equip Under \$5,000	1,477	10,000	0	10,000	0
Office Equip & Furn Supplies	2,677	2,500	0	2,500	0
Insurance	1,538	2,500	0	2,500	0
Rentals/Leases - Bldg/Land	6,890	7,500	0	7,500	0
Repairs	3,517	3,500	0	3,500	0
IT - Data Processing	24,842	29,000	0	29,000	0
IT - Communications	24,524	27,000	0	27,000	0
IT Contractual Srvcs and Rprs	44,612	8,000	0	8,000	0
Professional Development	7,087	8,500	0	8,500	0
Operating Fees and Services	10,916	116,000	(100,000)	16,000	0
Fees - Professional Services	14,805	113,894	(46,000)	67,894	(47,935)
Total	223,591	481,694	(165,400)	316,294	(47,935)

Operating Expenses

General Fund	168,931	223,327	0	223,327	(47,935)
Federal Funds	54,660	258,367	(165,400)	92,967	0
Special Funds	0	0	0	0	0

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Description	Expenditures 2009-2011 Biennium	Present Budget 2011-2013	Budget Request Change	Requested Budget 2013-2015 Biennium	Optional Budget Request
Total	223,591	481,694	(165,400)	316,294	(47,935)
Technology Carryover					
IT Contractual Svcs and Rprs	0	10,000	(10,000)	0	0
Total	0	10,000	(10,000)	0	0
Technology Carryover					
General Fund	0	10,000	(10,000)	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	0	10,000	(10,000)	0	0
Funding Sources					
General Fund	1,321,993	1,550,125	47,714	1,597,839	(23,381)
Federal Funds	380,514	589,911	(171,798)	418,113	0
Special Funds	0	0	0	0	0
Total Funding Sources	1,702,507	2,140,036	(124,084)	2,015,952	(23,381)

CHANGE PACKAGE SUMMARY

406 Office of the Labor Commissioner
Biennium: 2013-2015

Bill#: HB1007

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Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds
Base Budget Changes						
One Time Budget Changes						
A-E 1 Remove Tech Carry Over		0.00	(10,000)	0	0	(10,000)
A-E 2 Remove Fair Housing Grant		0.00	0	(165,400)	0	(165,400)
Total One Time Budget Changes		0.00	(10,000)	(165,400)	0	(175,400)
Ongoing Budget Changes						
Base Payroll Change		0.00	57,714	(6,398)	0	51,316
Total Ongoing Budget Changes		0.00	57,714	(6,398)	0	51,316
Total Base Budget Changes		0.00	47,714	(171,798)	0	(124,084)
Optional Budget Changes						
Ongoing Optional Changes						
A-C 100 Compression Salary Increase	2	0.00	24,554	0	0	24,554
Total Ongoing Optional Changes		0.00	24,554	0	0	24,554
Total Optional Budget Changes		0.00	24,554	0	0	24,554
Optional Savings Changes						
A-G 1 Optional Savings Package	1	0.00	(47,935)	0	0	(47,935)
Total Optional Savings Changes		0.00	(47,935)	0	0	(47,935)

BUDGET CHANGES NARRATIVE

406 Office of the Labor Commissioner

Bill#: HB1007

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Change Group: A	Change Type: C	Change No: 100	Priority: 2
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Compression Salary Increase

The Department of Labor is facing salary compression issues due to the implementation of the Hay Group salary ranges. We are requesting one half of the total amount necessary to deal with the compression issue this Biennium.

If approved, we would then request the second half of the total needed in the 2015-17 Biennium.

Change Group: A	Change Type: E	Change No: 1	Priority:
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Remove Tech Carry Over

Remove technology carryover from 09-11biennium due to database project.

Change Group: A	Change Type: E	Change No: 2	Priority:
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Remove Fair Housing Grant

Remove Fair Housing Grant received during the 11-13 biennium. This funding will be fully expended in 11-13 biennium with no expectation of continuing.

Change Group: A	Change Type: G	Change No: 1	Priority: 1
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Optional Savings Package

As directed by Gov. Jack Dalrymple, the Department of Labor has worked to identify savings equal to 3% of its 2011-13 general fund appropriation. In evaluating agency needs and projected cost increases while preparing the 2013-15 budget request, the department identified the Professional Services intermediate operating area for the savings package amount.

In the 2005-07 biennium, the department incurred significant and unexpected expenses due to the assignment of Special Assistant Attorneys General. In response, the department included funding for such expenses in the Professional Services area over the last few biennia. While the need for other types of professional services (such as administrative law judges, interpreters, and architects) has remained more consistent, the department has not needed the service of a Special Assistant Attorney General since.

As the need for a Special Assistant Attorney General is unpredictable and beyond the department's control, funds of this type may be necessary at some point and it is possible that the department would need to seek Emergency Commission assistance if the funds are not part of the budget.

Change Group: R	Change Type: A	Change No: 1	Priority:
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Add Compliance Investigator Position

Authorizes an additional 1.00 FTE compliance investigator position and related operating expenses to address the increase in wage claims as a result of the growth in economic activity in the state.

Change Group: R	Change Type: A	Change No: 100	Priority:
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BUDGET CHANGES NARRATIVE**406 Office of the Labor Commissioner****Bill#: HB1007****Date:** 12/07/2012**Time:** 13:53:16

Executive Compensation Package Adjustment

This budget change provides funding for recommended 2013-15 compensation adjustments. Compensation adjustments for each agency were calculated following the recommendations of the Hay Group developed through the 2011 study of the state's classified employee compensation system. Pursuant to those recommendations, compensation adjustments were calculated to provide funding to allow for both performance-based salary adjustments and market-based salary adjustments. This funding allows for increases of 2% to 4% for employees in the first quartile of the pay range and 1% to 2% for those in the second quartile of the range. For employees in the third and fourth quartiles, which are above the market policy position, no market policy increase is funded. Performance-based increases are assumed to be 3% for employees meeting performance standards and up to 5% for employees exceeding performance standards. No performance-based increases are provided for employees that fail to meet performance standards.