

Building a Modern Unemployment Program for North Dakota's New Workforce:

North Dakota Has Until August 2011 to Qualify for \$14.6 Million in Federal Funding to Support Jobless Workers and the State's Economy

by Rebecca Dixon

Introduction

In an economic downturn like the one the country is currently experiencing, the Unemployment Insurance (UI) program serves as the first line of defense for unemployed families and the struggling economy. As a joint state and federal program that partially replaces the lost earnings of workers who become unemployed through no fault of their own, the program acts as an automatic stabilizer for those workers and for businesses in their local communities.

In 2009, UI benefits helped 22,000 North Dakota residents pay rent, keep food on the table, and pay for other necessities while they searched for work.¹ Payment of these benefits pumped \$92.5 million into local economies throughout the state. According to a new Department of Labor study of the economic impact of unemployment benefits during the most recent recession, these benefits had an even bigger effect because they provided \$2 economic bang for every \$1 in benefits paid.²

The UI program was ripe for reform when the recession began in 2007. Nationally, a full 63% of unemployed workers were left out of the program that year. In North Dakota, the percent of unemployed workers collecting unemployment benefits has dropped off significantly over the past several decades, to just one in three workers. When the program was created in 1935, it was not designed for today's workforce, which is composed of more low-wage workers, part-time workers, women workers, and workers displaced by globalization. Consequently, these groups of workers were falling through the cracks of the program. In February of 2009, when Congress enacted the

¹ U.S. DOL Unemployment Insurance Data Summary, 4th Quarter 2009, <http://workforcesecurity.doleta.gov/unemploy/content/data.asp>

² Wayne Vroman, The Role of Unemployment Insurance As an Automatic Stabilizer During a Recession, July 2010, http://wdr.doleta.gov/research/FullText_Documents/ETAOP2010-10.pdf

American Recovery and Reinvestment Act (ARRA) to address the prolonged economic downturn, it included \$7 billion in incentive funding for states to modernize their UI programs to include these groups of left out workers.

To date, thirty nine states now qualify for a total of \$4.3 billion in federal incentive funding. Some of these states had already reformed their UI programs prior to the existence of the incentive funds. However, the majority of them took advantage of the available incentive and modernized their programs in 2009 and 2010. In addition to pumping billions of dollars into fiscally strained state UI trust funds, these states modernization reforms have brought over 200,000 deserving workers into the unemployment system to get back on their feet and contribute to economic recovery.

As described in this report, North Dakota and Wyoming are the only two Plains states that have left all of their federal incentive funding on the table, thus failing to adopt any of the innovative unemployment insurance reforms. If the state legislature acts before the program's August 2011 deadline, North Dakota's will receive \$14.6 million in federal funds which will bring nearly 700 additional workers into the UI benefits system each year. This federal funding will pay for at least 12 years of state benefits, which will serve large numbers of women and low-wage workers, who represent a growing share of the North Dakota's workforce.

North Dakota's Unemployment Insurance Program

North Dakota's UI Program Fails in Comparison to the Plains States in its Program Coverage

Although UI is a joint state and federal program, states have wide latitude in establishing program rules that determine who qualifies for the program and how much their benefit will be. Consequently, the scope of benefits varies greatly throughout the country's 53 UI jurisdictions.

To the state's credit, North Dakota's UI program consistently performs above the national average on the core national performance measures. For example, the average weekly benefit of \$310.52 ranks above most states (Table 1). These benefits replace 46.3% of the state's average weekly wage, which is also higher than the national average.³ However, less than half of the state's unemployed receive unemployment benefits, which is only slightly above the national average and well below most of the other Plain states. As described in more detail below, these gaps in coverage of North Dakota's program are ripe for reform with the help provided by the Recovery Act.

³ Source: U.S. DOL Unemployment Insurance Data Summary, 4th Quarter 2009, <http://workforcesecurity.doleta.gov/unemploy/content/data.asp>; U.S. DOL Comparison of State Unemployment Laws, 2009, <http://workforcesecurity.doleta.gov/unemploy/statelaws.asp>

Table 1. 2009 UI Benefit Measures, North Dakota and Neighboring Plains States

State	Reciency Rate (percent of unemployed workers collecting UI)	Average Weekly Benefit Amount	Maximum Weekly Benefit Amount	Replacement Rate (average weekly UI benefit as a percent of the average weekly wage)
Iowa	53%	\$319.76	\$443	45.2%
Kansas	48%	\$354.38	\$423	49.0%
Montana	61%	\$270.27	\$407	43.1%
Nebraska	42%	\$249.45	\$308	36.0%
North Dakota	43%	\$310.52	\$406	46.3%
South Dakota	27%	\$253.90	\$298	40.9%
Wyoming	49%	\$347.40	\$415	44.2%
US Average	40%	\$309.58	N/A	36.0%

How Does North Dakota Determine Who Qualifies for UI?

There are three main categories of decisions that determine whether a worker qualifies for state unemployment benefits:

- **Monetary eligibility** - each state uses a one year look back period called a base period to determine if the jobless worker has sufficient recent wages to show workforce attachment. In North Dakota, an applicant must earn a minimum of \$2795 from the highest 2 1/2 quarters of their base period to be eligible for UI benefits.
- **Reason for separation** - states have eligibility rules that determine if the worker lost a job through no fault of his own. In North Dakota, if a worker loses his job due to misconduct or voluntarily leaves employment without good cause, he or she can be disqualified from receiving UI benefits.
- **Able and available for work**- states require that the UI applicant actively seek work and that they are available and able to work.

The majority of the UI modernization reforms that qualify for federal incentive funds were designed to encourage states to broaden these categories of eligibility.

North Dakota’s UI Program Has Become Less Effective over Time

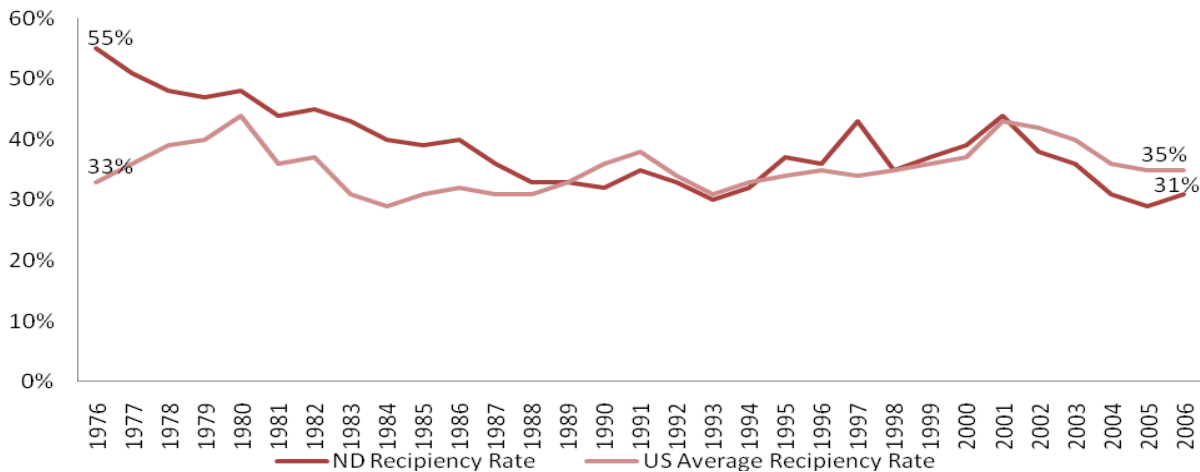
For many years, North Dakota provided state unemployment benefits at rates well above the national average. From 1976 to 2006, the average national “reciency rate” held steady, remaining around

35% with the exception of increases during recessionary periods as can be expected with spikes in job loss. In contrast, in 1976 North Dakota’s UI program provided benefits to 55% of jobless workers, which was well above the national average of 33%.⁴

However, 30 years later, by 2006, the rate in North Dakota had dropped precipitously to just 31%, which was slightly below the national average of 35% (Chart 1). It remained unchanged in 2007 as the Great Recession began in December of that year. Generally, during economic downturns states see their UI reciprocity rates increase in response to severe job loss. This trend was also the case for North Dakota in 2009 when its unemployment rate peaked at 4.4%. Nevertheless, 57% of jobless North Dakota residents still did not collect state unemployment benefits in 2009.

One of the probable reasons that the program has become less effective over time is the fundamental shift in the composition of North Dakota’s workforce, which now has far more low-wage and women workers. When the UI program was designed 75 years ago, it could not have anticipated these monumental changes. Two studies by the U.S. Government Accountability Office (GAO) have concluded that the UI program works better for higher wage workers than it does for lower wage workers.⁵ In one instance, the GAO found that even when workers had comparable work tenures, low-wage workers collected UI at a rate of 30% contrasted with a UI collection rate 55% for higher-wage workers.⁶ State eligibility rules often disqualify low-wage workers and women. Thus, North Dakota could significantly improve its UI program’s effectiveness by expanding its unemployment laws to include these large populations of its current workforce.

Chart 1. Percent of the Unemployed Collecting State Benefits in North Dakota and United States Average, 1976 – 2006



⁴ U.S. DOL Unemployment Insurance Chartbook, <http://www.doleta.gov/unemploy/chartbook.cfm>

⁵ *Unemployment Insurance: Role as Safety Net for Low-Wage Workers Is Limited*. GAO-01-181. Washington, D.C.: December 29, 2000, <http://www.gao.gov/new.items/d01181.pdf>; Government Accountability Office, UNEMPLOYMENT INSURANCE : Low-Wage and Part- Time Workers Continue to Experience Low Rates of Receipt, Report to the Chairman, Subcommittee on Income Security and Family Support, Committee on Ways and Means, House of Representatives, September 2007, <http://www.gao.gov/new.items/d071147.pdf>

⁶ Government Accountability Office, UNEMPLOYMENT INSURANCE : Low-Wage and Part- Time Workers Continue to Experience Low Rates of Receipt, Report to the Chairman, Subcommittee on Income Security and Family Support, Committee on Ways and Means, House of Representatives, September 2007, <http://www.gao.gov/new.items/d071147.pdf>

North Dakota's Changing Economy

North Dakota's population and economy have grown in recent years and it has the distinction of customarily having the nation's lowest unemployment rate. Continued development of North Dakota's natural resources, particularly in the agricultural and energy sectors, has contributed to its economic position. However, North Dakota has been affected by the recent recession along with the rest of nation. North Dakota's unemployment rate rose substantially from 3.2% 2007 when the recession began to of 4.3 % in 2009, or an increase of 34 %. Even though the current statewide unemployment rate is 3.8%, many local communities suffer from much higher rates of joblessness.

Although North Dakota's economy is better off than much of the rest of the country, it is not working equally well for everyone. In 2008, nearly 26% of the state's working families were low-income, meaning their earnings were less than 200% of the federal poverty level.⁷ Throughout this downturn North Dakota families have felt the pinch, with 36% in a 2009 national survey reporting that they had reduced their food spending.⁸ Similarly, in the same survey, 22% of families reported trying to get by with reduced work hours, while 21% were struggling to pay for the basics such as housing and heating costs.⁹

North Dakota workers also have different perspective on the economy depending on the industry in which they work. Two of North Dakota's five largest industries in 2009 were in the low-wage sectors of retail trade and accommodation and food services.¹⁰ Occupations in these categories are also projected to grow substantially over the next ten years. For example, food preparation and serving related occupations are projected to increase by 12.4% between 2008 and 2018.¹¹

North Dakota's Changing Workforce of Women and Low-Wage Workers

This trend of growth in the low-wage workforce overlaps with the increasing participation of women in North Dakota's workforce. In 2009, women made up nearly half of North Dakota's labor force at 47.1%.¹² It is important to note that nationally women make up a disproportionate share of the low-wage workforce since nearly 60% of all low-wage workers are women.¹³ Significantly, more women are working in North Dakota compared to the rest of the nation.

The "labor force participation rate" (i.e., the percent of working or looking for work) of women workers in North Dakota was 67.7% in 2009 compared to the national average of 59.2%.¹⁴ Women in

⁷ Working Poor Families Project data , 2008 American Community Survey microdata compiled by Nadwa Mossaad, Research Associate, Population Reference Bureau and Sworn Special Agent to the U.S. Census Bureau, <http://www.workingpoorfamilies.org/indicators.html>

⁸ Lake Research Partners, Perspectives on Poverty Among Adults in North Dakota: Results from a National Survey with an Oversample of North Dakotans, August 2009

⁹ Ibid.

¹⁰ North Dakota Workforce Review, 2010 Edition, Job Service North Dakota, November 2010, http://www.ndworkforceintelligence.com/admin/gsipub/htmlarea/uploads/lmi_ndwr2010edition.pdf

¹¹ Ibid.

¹² Economic Policy Institute analysis of Current Population Survey data

¹³ Gregory Acs, Pamela Loprest, and Caroline Ratcliffe, Progress Toward Self-Sufficiency for Low-Wage Workers, The Urban Institute for the U.S. Department of Health and Human Services, January 2010, <http://www.urban.org/uploadedpdf/412173-low-wage-workers.pdf>

¹⁴ Economic Policy Institute analysis of Current Population Survey data

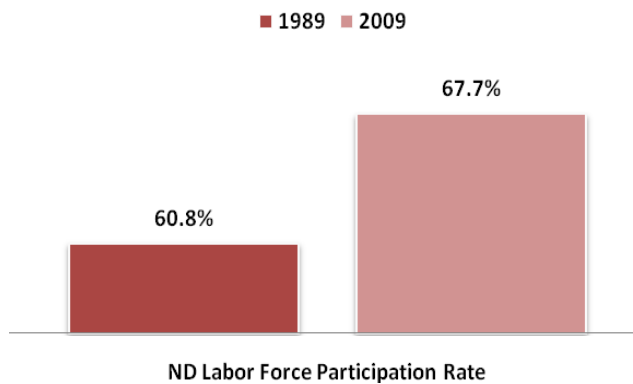
North Dakota have higher work participation when measured according to the “employment to population ratio”. This ratio looks at the proportion of employed women relative to the entire pool of working age women, not just those in the workforce. In 2009, North Dakota’s employment to population ratio for women was 20% higher than the national average.¹⁵ Not only is their participation above average, but this participation has increased over time. Chart 2 shows how women’s labor force participation in North Dakota has increased between 1989 and 2009.

Nationally, researchers found that the share of workers who are low-wage (i.e., those earning less than \$8.63 per hour) was 24% in 2003.¹⁶ An examination of the Bureau of Labor Statistics 2009 Occupational Employment and Wage Estimates for North Dakota shows that 23% of its 353,630 jobs are in the following low-wage categories:

- **Food Preparation and Serving Related Occupations** – This

category accounts for 32,290 jobs with a median hourly wage of \$8.42. It includes occupations such as cooks, waitresses, and dishwashers.

Chart 2. North Dakota Women's Labor Force Participation Increased Substantially between 1989 and 2009



- **Personal Care and Service Occupations** –

This category accounts for 11,690 jobs with a median hourly wage of \$8.92. It includes occupations such as child care workers, home care aides, and hairstylists.

- **Sales and Related Occupations** – This category accounts for 37,850 jobs with a median hourly wage of \$10.22. It includes occupations such as cashiers, retail salespersons, and counter clerks.

These and other growing industries employing mostly low-wage and women workers did not dominate the economy when North Dakota’s UI program was originally designed in the late 1930s. And it is the growth of these jobs that may explain why the program has become less effective over time at providing workers with vital economic support while they seek re-employment.

¹⁵ Author calculations of Economic Policy Institute analysis of Current Population Survey data

¹⁶ Gregory Acs, Pamela Loprest, and Caroline Ratcliffe, Progress Toward Self-Sufficiency for Low-Wage Workers, The Urban Institute for the U.S. Department of Health and Human Services, January 2010, <http://www.urban.org/uploadedpdf/412173-low-wage-workers.pdf>

Reversing the Erosion of Coverage in North Dakota's UI Program

Since the \$7 billion in UI incentive funding became available with the passage of ARRA in early 2009, thirty-four states have enacted unemployment insurance reforms bringing over 200,000 deserving workers each year into the unemployment system giving them an opportunity to get back on their feet and contribute to economic recovery. These states reflect every region of the country and their actions illustrate the broad bipartisan support these reforms have elicited. Now is the time for North Dakota to take action to reverse the decline in the percent of the unemployed who collect benefits and claim its \$14.6 million in federal incentive funding which will otherwise revert back to the federal treasury.

What is UI Modernization Under the Recovery Act?

At the core of UI modernization is a common sense reform called the "alternative base period." States must adopt the alternative base period to qualify for the first one third of their incentive award (or \$4.9 million in North Dakota). The alternative base period helps low-wage workers. They are unfairly denied benefits in large numbers not because they failed to work enough to qualify but simply because of the antiquated eligibility rules that ignore their most recent earnings.

Indeed, a 2007 Government Accountability Office study found that low-wage workers are twice as likely as higher-wage workers to find themselves unemployed, but they are only one-half as likely to collect jobless benefits.¹⁷ With its growing workforce of women and low-wage workers, North Dakota is uniquely situated to improve its UI program by adopting alternative base period.

To qualify for the remaining two-thirds of the ARRA incentive funding (or \$9.7 million in North Dakota), states are provided a menu of options that target other major groups who fall through the cracks of the unemployment system, including part-time workers, women with families, and the long-term unemployed. Specifically, to qualify for the additional ARRA incentive funds, a state must provide benefits to workers in **at least two** of the following **four** categories:

- 1) Part-time workers who are denied benefits because they are required to actively seek full-time employment;
- 2) Individuals who leave work for compelling family reasons, specifically including domestic violence or sexual assault, caring for a sick family member or moving because a spouse has relocated to another location for employment;
- 3) Workers with dependent family members who would qualify for \$15 or more in weekly benefits per dependent (up to a total of \$50) to help cover the added expenses associated with dependent care;

¹⁷ Government Accountability Office , UNEMPLOYMENT INSURANCE : Low-Wage and Part- Time Workers Continue to Experience Low Rates of Receipt, Report to the Chairman, Subcommittee on Income Security and Family Support, Committee on Ways and Means, House of Representatives, September 2007, <http://www.gao.gov/new.items/d071147.pdf>

- 4) Permanently laid-off workers who require access to training in order to improve their skills with the help of an extra 26 weeks of additional unemployment benefits.

The Alternative Base Period Benefits Low-Wage Workers

Adopting the alternative base period is one of the primary ways that states have moved to reverse the erosion of benefits, especially for the growing numbers of low-wage workers employed in today’s economy.

Currently, North Dakota uses the standard “base period” to evaluate eligibility. The standard base period leaves out up to six months of a worker’s most recent wages (Chart 3). The standard base period was designed to provide states with lag time to collect wage information since it was being done by hand before the age of computers. Nowadays, in all states, a worker’s wage history is readily available on a computer. Therefore, the alternative base period modernizes a state’s eligibility rules by taking these technological developments into account.

Chart 3. Alternative Base Period

1 st Quarter 2009	2 nd Quarter 2009	3 rd Quarter 2009	4 th Quarter 2009	1 st Quarter 2010	2 nd Quarter 2010	
						Standard Base Period
						Alternative Base Period

In short, this reform allows states to count a worker’s more recent wages when determining if they have an adequate work history to qualify for benefits. According to data from those states that have implemented the measure, low-wage workers represent less than half of the unemployed but nearly two-thirds of those who qualify for unemployment benefits using the alternative base period. Among those qualifying for benefits using the alternative base period, less than one in ten were high-wage workers.¹⁸ If North Dakota adopted the alternative base period, it would qualify for \$4.9 million or one-third of its federal incentive funding and expand coverage to more than 400 unemployed workers.

Before the ARRA incentive program took effect in February 2009, 19 states had already adopted the alternative base period. Since then, 20 more states have do so, for a total of 39 states, thus there is now substantial state experience implementing this policy. Among the Plains states, Iowa, Kansas,

¹⁸ National Employment Law Project, Center for Economic and Policy Research, “Clearing the Path to Unemployment Insurance for Low-Wage Workers: An Analysis of Alternative Base Period Implementation” (August 2005), at page 17.

Montana, Nebraska, and South Dakota have all adopted the alternative base period. North Dakota and Wyoming are the only states that have yet to implement this critical reform.

Part-Time Workers Don't Have to Look for Full-Time Work to Qualify for Benefits

Another one of the Recovery Act's best practices for closing the gaps in the unemployment insurance systems is coverage for part-time workers whose availability for work is limited to part-time hours, not full-time work. Part-time employees, who are more often women and low-wage workers, are also victims of outdated UI eligibility rules that deny them benefits because they are required to actively seek full-time employment in order to receive UI. North Dakota's law does not require part-time workers to seek full-time work to qualify for UI, thus it already has one of the core provisions of the Recovery Act that qualifies for incentive funding.¹⁹

Workers Leaving Work for Compelling Family Reasons Qualify for Benefits

To address the major gaps in the UI program, the Recovery Act also rewards states that cover workers who leave their job due to compelling family circumstances, thus targeting the growing numbers of women with families who are now represented in the workforce. The federal incentive funding for these compelling family reasons provision specifically applies to those who leave work due to domestic violence/sexual assault, to care for sick or disabled family member, and to accompany a spouse who was transferred out of commuting range.

A majority of the states, thirty-two, recognize that domestic violence often follows its victims to work and can affect their ability to retain a job. North Dakota is one of only two Plains states where survivors of domestic violence who must leave their jobs to protect their safety can be disqualified from receiving unemployment benefits because domestic violence is not considered good cause for leaving a job.

Nearly half of the states, twenty-four, acknowledge that when working families face the illness of a child or family member, it can become impossible to continue working. This is especially true for women workers who are often tasked with the role of primary caregiver. Twenty-six states appreciate the importance of worker mobility to families and to state economies and offer UI coverage to a relocating spouse. If North Dakota adopted the necessary compelling family reasons reforms, it would bring an estimated 250 workers into the UI system.

Providing Additional Benefits for a Workers' Dependents

Providing a "dependent allowance" is another way that states can fill in an important shortcoming in their UI programs to support families with children and families. To qualify for the incentive funding with this option, a state must provide weekly dependent benefits of at least \$15 per dependent up to a maximum of fifty dollars. In recognition of the financial hardships that families with children face

¹⁹ In *Beck v. Job Service North Dakota*, 1998 ND App 14, 585 N.W.2d 815, the ND Court of Appeals held that the plain language meaning of "able to work" in determining eligibility as used in N.D.C.C. § 52-06-01(3) does not differentiate between full-time or part-time work and therefore does not exclude availability for only part-time work from UI eligibility.

when a wage-earner is unemployed, eight states currently provide this level of supplemental UI benefits.

Extending UI Benefits for Worker’s to Participate in Training

The final option available for states to qualify for federal incentive funding is providing twenty-six weeks of extra benefits to permanently laid-off workers who are enrolled in state-approved training programs. State UI extensions provide these workers with income support beyond the normal duration of state UI benefits. North Dakota is one of only two Plains states that have not taken advantage of the opportunity to strengthen their economy by targeting specific sectors or occupations for this type of subsidized retraining. Thanks to the Recovery Act, sixteen states have adopted this innovative reform as a re-employment strategy for permanently laid-off workers.

With Part-Time Coverage, North Dakota’s is Positioned to Qualify for Full Federal Funding

Table 2 shows the status of each reform in North Dakota and other Plains states.²⁰ Because it already has part-time worker coverage in place, North Dakota would only need to adopt one of the other three remaining options to receive \$9.7 million or the remaining two thirds of its incentive funding. North Dakota has until August 2011 to make the necessary changes to its laws and apply for funding.

Table 2. Status of Unemployment Insurance Modernization Reforms, North Dakota and Neighboring Plains States

<i>State</i>	<i>Incentive Funding Status</i>	<i>Alternative Base Period</i>	<i>Part-time worker coverage</i>	<i>Extended Benefits While training</i>	<i>Domestic Violence</i>	<i>Spouse Relocates</i>	<i>Illness & Disability</i>
<i>Iowa</i>	Full	Yes	Yes	Yes	No	No	No
<i>Kansas</i>	Full	Yes	Yes	Yes	Yes	Yes	No
<i>Montana</i>	Full	Yes	Yes	Yes	Yes	No	No
<i>Nebraska</i>	Full	Yes	Yes	Yes	Yes	Yes	Yes
<i>North Dakota</i>	None	No	Yes	No	No	No	No
<i>South Dakota</i>	Full	Yes	Yes	Yes	Yes	No	No
<i>Wyoming</i>	None	No	Yes	No	Yes	No	No
<i>US Totals</i>	33	39	29	16	32	26	24

²⁰ Recovery Act’s Unemployment Insurance Modernization Incentives Produce Bipartisan State Reforms in Eight States in 2010, National Employment Law Project, September 2010, <http://www.nelp.org/page/-/UI/2010/modernization.update.pdf?nocdn=1>

The Incentive Funds Would Pay for a Dozen Years of Benefits and Support the State's Trust Fund

Estimates from the National Employment Law Project (NELP) put the annual cost of alternative base period for North Dakota at \$600,000 to provide coverage to an additional 428 workers. Likewise, NELP estimates the annual cost of adopting the compelling family reasons reform at \$600,000 to open coverage up to an additional 254 workers.

While most states would receive an incentive award that would pay for an estimated average of 5-7 years of the expanded benefits, North Dakota would be able to cover the cost of the additional benefits for twelve years. That's because North Dakota already has the part-time worker reform in place, thus the federal funding pays instead for just one of the required two reforms in addition to the alternative base period

One of the reasons states have reacted so positively to their incentive opportunities is the amount of time the funds give states to evaluate the impact of the reforms on their individual UI programs. Regarding an evaluation of long term costs, states are expected to implement their expansions in good faith with the expectation that they will be permanent, but they are not precluded from later repealing the provisions if they determine they are not a good fit for their individual UI programs.

By taking up the available federal incentive, the state would also be able to support its UI trust fund which has been strained by the severe job losses that accompanied the recession. In 2007, North Dakota paid out approximately \$41 million in UI benefits, by 2009 the state's expenditures on UI had more than doubled to nearly \$93 million.²¹ Indeed, the \$14.6 million in available federal incentive funds represents nearly 20% of North Dakota's UI trust fund balance.²²

North Dakota Should Join the Majority of States in Modernizing its UI Program

Thus far, the federal unemployment stimulus legislation has produced an exceptional number of state reforms with broad bipartisan support. Notwithstanding the fact that the legislation has made billions of dollars available to shore up dwindling state unemployment insurance trust funds, the funds have also brought over 200,000 deserving workers each year into the unemployment system giving them an opportunity to get back on their feet and contribute to economic recovery.

Since the enactment of ARRA, thirty four states have enacted unemployment insurance reforms that qualify for incentive funding, representing every region of the country. Including the states that

²¹ U.S. DOL Unemployment Insurance Data Summary, 4th Quarter 2007 and 4th Quarter 2009, <http://workforcesecurity.doleta.gov/unemploy/content/data.asp>

²² U.S. DOL Unemployment Insurance Data Summary, 2nd Quarter 2010, <http://workforcesecurity.doleta.gov/unemploy/content/data.asp>

already had reforms in place when the incentive became available, a total of thirty-nine states now qualify for \$4.3 billion of the original \$7 billion of unemployment insurance incentive funding.

Bipartisan support for the federal incentive program has been evident since its outset and continued to grow in the 2010 legislative season. For example, in South Carolina, Nebraska, South Dakota and Utah, the measures passed Republican legislatures with the support of their Republican Governors (Alaska's provisions were adopted by regulation). Indeed, more than half the Republican Governors in the nation have now signed legislation that qualifies for federal incentive funding.

North Dakota should act in its 2011 legislative session to enact a package of modernization reforms that both helps close the growing coverage gaps in its UI program and strengthens its economy.