

**STATEMENT OF PURPOSE OF AMENDMENT:****Senate Bill No. 2018 - Department of Commerce - House Action**

	<b>Executive Budget</b>	<b>Senate Version</b>	<b>House Changes</b>	<b>House Version</b>
Salaries and wages	\$10,185,967	\$10,185,967	(\$176,627)	\$10,009,340
Operating expenses	14,428,272	15,028,272	(600,000)	14,428,272
Capital assets	25,000	25,000		25,000
Grants	53,886,058	81,436,058	(15,550,000)	65,886,058
Discretionary funds	928,083	928,083		928,083
Economic development initiatives	186,846	186,846		186,846
Agricultural products utilization	2,536,630	2,536,630		2,536,630
North Dakota Trade Office	2,000,000	2,164,000	(164,000)	2,000,000
Partner programs	2,022,044	2,022,044		2,022,044
Transfer - Workforce enhancement fund	2,000,000	2,000,000	(2,000,000)	
Transfer - Centers of excellence fund		20,000,000		20,000,000
Contingent borrowing authority		500,000	(500,000)	
Total all funds	\$88,198,900	\$137,012,900	(\$18,990,627)	\$118,022,273
Less estimated income	53,708,861	69,208,861	457,609	69,666,470
General fund	\$34,490,039	\$67,804,039	(\$19,448,236)	\$48,355,803
FTE	68.00	68.00	0.00	68.00

**Department No. 601 - Department of Commerce - Detail of House Changes**

	<b>Adjusts Funding for Biofuel Blender Pumps<sup>1</sup></b>	<b>Removes Funding for Grants to Expand Child Care<sup>2</sup></b>	<b>Decreases Funding for the North Dakota Trade Office<sup>3</sup></b>	<b>Removes Contingent Borrowing Authority<sup>4</sup></b>	<b>Removes One- Time Funding for the Workforce Enhancement Fund<sup>5</sup></b>	<b>Removes Funding for Student-Based Technology Grants<sup>6</sup></b>
Salaries and wages						
Operating expenses						
Capital assets						
Grants	(1,000,000)	(2,000,000)				(200,000)
Discretionary funds						
Economic development initiatives						
Agricultural products utilization						
North Dakota Trade Office			(164,000)			
Partner programs						
Transfer - Workforce enhancement fund					(2,000,000)	
Transfer - Centers of excellence fund						
Contingent borrowing authority				(500,000)		
Total all funds	(\$1,000,000)	(\$2,000,000)	(\$164,000)	(\$500,000)	(\$2,000,000)	(\$200,000)
Less estimated income	1,000,000	0	0	(500,000)	0	0
General fund	(\$2,000,000)	(\$2,000,000)	(\$164,000)	\$0	(\$2,000,000)	(\$200,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	<b>Removes Funding for Regional Technical Assistance Grants<sup>7</sup></b>	<b>Removes Funding for Youth Entrepreneur Grants<sup>8</sup></b>	<b>Removes Funding for Grants for University Patent Office Support<sup>9</sup></b>	<b>Removes Funding for Commercial Business District Improvement Projects<sup>10</sup></b>	<b>Removes Funding for a Great Plains Applied Energy Research Center Grant<sup>11</sup></b>	<b>Removes Funding for a Base Realignment Grant Program<sup>12</sup></b>
Salaries and wages						
Operating expenses						
Capital assets						
Grants	(1,000,000)	(400,000)	(200,000)	(200,000)	(5,000,000)	(5,000,000)
Discretionary funds						
Economic development initiatives						
Agricultural products utilization						
North Dakota Trade Office						
Partner programs						
Transfer - Workforce enhancement fund						
Transfer - Centers of excellence fund						
Contingent borrowing authority						
Total all funds	(\$1,000,000)	(\$400,000)	(\$200,000)	(\$200,000)	(\$5,000,000)	(\$5,000,000)
Less estimated income	0	0	0	0	0	0
General fund	(\$1,000,000)	(\$400,000)	(\$200,000)	(\$200,000)	(\$5,000,000)	(\$5,000,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	<b>Removes Funding for a Grant to the Theodore Roosevelt Medora Foundation<sup>13</sup></b>	<b>Removes Funding for a Grant to the Dakota Defense Alliance Organization<sup>14</sup></b>	<b>Decreases Funding for Tourism Marketing<sup>15</sup></b>	<b>Decreases Funding for the InnovateND Program<sup>16</sup></b>	<b>Removes Salary Equity Funding<sup>17</sup></b> (\$176,627)	<b>Total House Changes</b>
Salaries and wages						(\$176,627)
Operating expenses			(500,000)	(100,000)		(600,000)
Capital assets						
Grants	(500,000)	(50,000)				(15,550,000)
Discretionary funds						
Economic development initiatives						
Agricultural products utilization						
North Dakota Trade Office						(164,000)
Partner programs						
Transfer - Workforce enhancement fund						(2,000,000)
Transfer - Centers of excellence fund						
Contingent borrowing authority						(500,000)
Total all funds	(\$500,000)	(\$50,000)	(\$500,000)	(\$100,000)	(\$176,627)	(\$18,990,627)
Less estimated income	0	0	0	0	(42,391)	457,609
General fund	(\$500,000)	(\$50,000)	(\$500,000)	(\$100,000)	(\$134,236)	(\$19,448,236)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

<sup>1</sup> This amendment decreases funding for cost-share programs for installation of biofuel blender pumps by \$1 million, from \$2 million to \$1 million, and changes the funding source from the general fund to special funds.

<sup>2</sup> This amendment removes one-time funding for matching grants to local communities to establish or expand child care options to support working families.

<sup>3</sup> This amendment removes \$164,000 from the general fund added in the Senate for the North Dakota Trade Office.

<sup>4</sup> This amendment removes the authorization added by the Senate to allow the Department of Commerce to borrow up to \$500,000 from the Bank of North Dakota for providing a grant to the North Dakota Trade Office for implementing an export-related workforce recruitment program.

<sup>5</sup> One-time funding of \$2 million from the general fund for a transfer to the workforce enhancement fund is removed.

<sup>6</sup> This amendment removes \$200,000 from the general fund added by the Senate for student-based technology grants.

<sup>7</sup> Funding of \$1 million from the general fund added by the Senate for regional technical assistance grants is removed.

<sup>8</sup> Funding of \$400,000 from the general fund added by the Senate for youth entrepreneurship grants is removed.

<sup>9</sup> This amendment removes \$200,000 from the general fund added by the Senate for grants to the University of North Dakota and North Dakota State University patent offices.

<sup>10</sup> This amendment removes \$200,000 from the general fund added by the Senate for providing grants for commercial business district improvement projects.

<sup>11</sup> This amendment removes \$5 million from the general fund added by the Senate for a grant for construction of a Great Plains applied energy research center on the Bismarck State College campus.

<sup>12</sup> This amendment removes one-time funding of \$5 million from the general fund added by the Senate for a base realignment grant program to enhance economic development and employment opportunities associated with the Grand Forks Air Force Base resulting from action by the federal Defense Base Closure and Realignment Commission.

<sup>13</sup> This amendment removes \$500,000 from the general fund added by the Senate for a Wade Westin memorial grant to the Theodore Roosevelt Medora Foundation.

<sup>14</sup> This amendment removes \$50,000 from the general fund added by the Senate for a grant to the Dakota Defense Alliance organization.

<sup>15</sup> This amendment removes \$500,000 from the general fund added by the Senate for tourism marketing. This amount was in addition to the \$912,000 increase included in the executive budget.

<sup>16</sup> This amendment decreases funding for the InnovateND program as follows:

	2007-09 Legislative Appropriation	2009-11 Executive Budget	2009-11 Senate Version	2009-11 House Version
General fund	\$150,000	\$250,000	\$350,000	\$250,000
Special funds	150,000	150,000	150,000	150,000
Total	\$300,000	\$400,000	\$500,000	\$400,000

<sup>17</sup> This amendment removes funding added in the executive budget for state employee salary equity adjustments.

This amendment also:

- Removes Section 7 of the bill that provides for an audit of the ethanol production incentive fund.
- Amends Section 8 of the bill that increases the amount of North Dakota Trade Office funding that may be provided without requiring a match from 50 percent to 62.5 percent.