

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2018

Page 1, line 2, remove "and" and replace "a transfer" with "transfers; to authorize the department of commerce to borrow funds from the Bank of North Dakota; to provide a continuing appropriation; to provide for legislative council studies; to create and enact a new section to chapter 15-69 and a new section to chapter 54-60 of the North Dakota Century Code, relating to the establishment of a centers of excellence fund and the division of workforce development's strategic plan and the North Dakota workforce development council; to amend and reenact subsection 2 of section 15-69-04 and section 15-69-05 of the North Dakota Century Code, relating to centers of excellence; and to declare an emergency"

Page 1, line 13, replace "119,584" with "1,719,584" and replace "14,428,272" with "16,028,272"

Page 1, line 15, replace "5,111,310" with "32,661,310" and replace "53,886,058" with "81,436,058"

Page 1, line 19, replace "500,000" with "664,000" and replace "2,000,000" with "2,164,000"

Page 1, line 21, replace "6,958,419" with "36,272,419" and replace "86,198,900" with "115,512,900"

Page 1, line 22, replace "(2,049,655)" with "12,950,345" and replace "53,708,861" with "68,708,861"

Page 1, line 23, replace "9,008,074" with "23,322,074" and replace "32,490,039" with "46,804,039"

Page 2, line 12, replace "3,500,000" with "2,000,000"

Page 2, after line 12, insert:

"Base realignment grant program	0	5,000,000"
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Page 2, line 15, replace "7,600,000" with "11,100,000"

Page 3, after line 24, insert:

"SECTION 10. APPROPRIATION - TRANSFER - CENTERS OF EXCELLENCE. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$20,000,000, which the office of management and budget shall transfer to the centers of excellence fund for the purpose of providing funding to centers of excellence, for the biennium beginning July 1, 2009, and ending June 30, 2011.

SECTION 11. STUDENT-BASED TECHNOLOGY GRANTS. The grants line item in section 1 of this Act includes the sum of \$200,000 from the general fund for providing student-based technology grants, for the biennium beginning July 1, 2009, and ending June 30, 2011. The department of commerce may award grants of up to \$25,000 each to the extent matching funds are available from an angel fund on a

dollar-for-dollar basis. The department of commerce may not award more than four grants to the same higher education institution during the 2009-11 biennium.

SECTION 12. REGIONAL TECHNICAL ASSISTANCE GRANTS. The grants line item in section 1 of this Act includes the sum of \$1,000,000 from the general fund for providing regional technical assistance grants to institutions of higher education assigned primary responsibility for workforce training, for the biennium beginning July 1, 2009, and ending June 30, 2011. The department of commerce may award grants of up to \$250,000 each to the extent matching funds are available from nonstate sources on a dollar-for-dollar basis. The department of commerce may not award more than one grant to each higher education institution during the 2009-11 biennium.

SECTION 13. YOUTH ENTREPRENEURSHIP GRANTS. The grants line item in section 1 of this Act includes the sum of \$400,000 from the general fund for providing youth entrepreneurship grants to institutions of higher education assigned primary responsibility for workforce training, for the biennium beginning July 1, 2009, and ending June 30, 2011. The department of commerce may award grants of up to \$100,000 each to the extent matching funds are available from nonstate sources on a dollar-for-dollar basis. The department of commerce may not award more than one grant to each higher education institution during the 2009-11 biennium.

SECTION 14. GRANTS - UNIVERSITY PATENT OFFICES. The grants line item in section 1 of this Act includes the sum of \$200,000 from the general fund for providing grants to the university of North Dakota and North Dakota state university patent offices for the biennium beginning July 1, 2009, and ending June 30, 2011. The department of commerce may award a grant of up to \$100,000 to each university for support of the patent offices to the extent matching funds are available from nonstate sources on a dollar-for-dollar basis.

SECTION 15. GRANTS - COMMERCIAL BUSINESS DISTRICT IMPROVEMENT PROJECTS. The grants line item in section 1 of this Act includes the sum of \$200,000 from the general fund for providing grants of up to \$10,000 each to cities in the state with a population of fewer than eight thousand for commercial business district improvement projects, for the biennium beginning July 1, 2009, and ending June 30, 2011. The department of commerce shall require a city receiving a grant to provide \$1 of matching funds for each \$1 of state funds provided for the project. Grant funds and required city matching funds may be used only for the purpose of defraying the cost of materials associated with the project.

SECTION 16. GRANT - GREAT PLAINS APPLIED ENERGY RESEARCH CENTER - MATCHING REQUIREMENT. The grants line item in section 1 of this Act includes the sum of \$5,000,000 from the general fund for providing a grant for construction of a great plains applied energy research center on the Bismarck state college campus, for the biennium beginning July 1, 2009, and ending June 30, 2011. The department of commerce may only spend funds appropriated from the general fund to the extent other nonstate matching funds of \$3 for each \$1 of grants funds are available for all costs of the center.

SECTION 17. BASE REALIGNMENT GRANT PROGRAM - BUDGET SECTION APPROVAL. The grants line item in section 1 of this Act includes the sum of \$5,000,000 from the general fund for providing one-time funding 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, for the biennium beginning July 1, 2009, and ending June 30, 2011. Applications for program funding may include requests for infrastructure and economic development projects to accommodate growth in proximity to or at the Grand Forks air force base. Applications for program funding must include dollar-for-dollar cash matching funds from the city, county, or federal government, or private sector. Applications for program funding must be approved by a local committee consisting of representatives of Grand Forks County, Grand Forks, the

university of North Dakota, and the regional economic development corporation. Applications approved by this committee must be submitted to and approved by the board of county commissioners before submission to the department of commerce for grant approval. The commissioner of the department of commerce shall review each application and may provide a grant award for each application approved by the commissioner.

SECTION 18. GRANT - LEWIS AND CLARK FOUNDATION. The grants line item in section 1 of this Act includes the sum of \$1,500,000 from the general fund for providing a grant to the Lewis and Clark foundation, for the biennium beginning July 1, 2009, and ending June 30, 2011. The department of commerce may only spend the funds appropriated from the general fund to the extent matching funds have been secured from nonstate sources on a dollar-for-dollar basis.

SECTION 19. GRANT - THEODORE ROOSEVELT MEDORA FOUNDATION. The grants line item in section 1 of this Act includes the sum of \$500,000 from the general fund for providing a Wade Westin memorial grant to the Theodore Roosevelt Medora foundation, for the biennium beginning July 1, 2009, and ending June 30, 2011. The department of commerce may only spend the funds appropriated from the general fund to the extent matching funds of \$12,000,000 from nonstate sources have been secured by the foundation.

SECTION 20. NORTH DAKOTA TRADE OFFICE - EXPORT-RELATED WORKFORCE RECRUITMENT STUDY. The North Dakota trade office line item in section 1 of this Act includes the sum of \$50,000 from the general fund for conducting an export-related workforce recruitment study, for the biennium beginning July 1, 2009, and ending June 30, 2011. If the results of the study are deemed favorable by the department of commerce, the North Dakota trade office may submit a plan to the department for implementing an export-related workforce recruitment program.

SECTION 21. NORTH DAKOTA TRADE OFFICE - DEPARTMENT OF COMMERCE - CONTINGENT BORROWING AUTHORITY - APPROPRIATION. Based on approval by the department of commerce of the North Dakota trade office plan for implementing an export-related workforce recruitment program in accordance with provisions of section 20 of this Act, and subject to emergency commission and budget section approval, the department of commerce may borrow the sum of \$500,000, or so much of the sum as may be necessary, from the Bank of North Dakota, which is appropriated for the purpose of providing a grant to the North Dakota trade office for implementing an export-related workforce recruitment program, for the biennium beginning July 1, 2009, and ending June 30, 2011. The department of commerce shall request funding from the sixty-second legislative assembly to repay any loan obtained pursuant to provisions of this section, including accrued interest.

SECTION 22. LEGISLATIVE COUNCIL STUDY - TECHNOLOGY-BASED ENTREPRENEURSHIP AND ECONOMIC DEVELOPMENT BEST PRACTICES. During the 2009-10 interim, the legislative council shall consider studying technology-based entrepreneurship and economic development best practices. The study should include a review of best practices implemented by the department of commerce and the effectiveness of the department of commerce foundation. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-second legislative assembly.

SECTION 23. LEGISLATIVE COUNCIL STUDY - WORKFORCE SYSTEM INITIATIVE. During the 2009-10 interim, the legislative council shall consider studying the state's system for addressing workforce needs through a workforce system initiative. The study should include a review of the alignment of taxpayer investment with programs, coordination of programs, and the North Dakota workforce strategic plan. The legislative council shall report its findings and recommendations, together with any

legislation required to implement the recommendations, to the sixty-second legislative assembly.

SECTION 24. A new section to chapter 15-69 of the North Dakota Century Code is created and enacted as follows:

Centers of excellence fund - Continuing appropriation. The centers of excellence fund is a special fund in the state treasury. All moneys in the centers of excellence fund are appropriated to the department of commerce on a continuing basis for the purpose of implementing and administering this chapter. Interest earned on moneys in the fund must be credited to the fund.

SECTION 25. AMENDMENT. Subsection 2 of section 15-69-04 of the North Dakota Century Code is amended and reenacted as follows:

2. The commission shall meet as necessary to review all complete applications; consider the potential need for independent, expert review of complete applications; approve or disapprove complete applications; make funding award recommendations for commission-approved proposed centers; direct the ~~office of management and budget~~ department of commerce to distribute funds to the centers; monitor centers for compliance with award requirements; review changes in assertions made in center applications; and conduct postaward monitoring of centers.

SECTION 26. AMENDMENT. Section 15-69-05 of the North Dakota Century Code is amended and reenacted as follows:

15-69-05. (Effective through July 31, 2011) Use of funds - Terms of funds - Distribution of funds.

1. A center shall use funds awarded under this chapter to enhance capacity; enhance infrastructure; and leverage state, federal, and private sources of funding. A center awarded funds under this chapter may not use the funds to supplant funding for current operations or academic instructions or to pay indirect costs.
2. As a condition for receipt of funds under this chapter, a center shall agree to provide the board, foundation, and budget section of the legislative council with annual audits on all funds distributed to the center under this chapter. The annual audits must be provided until the completion of the commission's postaward monitoring of the center. As a condition for receipt of funds under this chapter, a center shall agree to provide the commission with the information necessary to monitor the postaward activities of the center.
3. Before the commission directs the ~~office of management and budget~~ department of commerce to distribute funds awarded under this chapter, the center shall provide the commission with detailed documentation of private sector participation and the availability of two dollars of matching funds for each dollar of state funds to be distributed under this chapter. The matching funds may include funds facilitated through the collaboration of the private sector participants with other funding entities. The matching funds may include a combination of cash and in-kind assets with itemized value. Private sector participation may be established through equity investments or through contracts for services with private sector entities. In making funding recommendations and designation determinations, the commission, board, foundation, and budget section shall give major consideration to the portion of the matching funds provided in cash by the private sector.

4. The commission shall direct the ~~office of management and budget~~ department of commerce to distribute the funds awarded under this chapter in disbursements consistent with the center's budget and timeframe outlined in the approved award. The commission may not direct distribution of funds under this chapter if there are no private sector partners participating or if the statutorily required matching funds are not available.
5. If, before funds are distributed by the ~~office of management and budget~~ department of commerce, a center undergoes a change in the terms of or assertions made in its application, the commission may direct that the ~~office of management and budget~~ department of commerce withhold all or a portion of any undistributed funds pending commission review of the changes.
6. The commission may use funds ~~appropriated~~ for the centers of excellence program to pay for the commission's administrative expenses, which may include contracting for independent, expert reviews of complete applications and centers of excellence forums. The amount of funds the commission uses each biennium for administrative expenses may not exceed two and one-half percent of the ~~funds~~ appropriated for transfers to the program that biennium.

SECTION 27. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Division of workforce development - Annual reports - North Dakota workforce development council - Budget acceptance.

1. Annually, job service North Dakota, the department of career and technical education, the department, and the state board of higher education each shall submit a report to the division of workforce development relating to the respective agency's current workforce initiatives and activities and that agency's plan for future workforce initiatives and activities. The division of workforce development shall consider these reports in preparing the consolidated biennial statewide strategic plan for the state's system for workforce development, workforce training, and talent attraction required under section 54-60-19.
2. Before July first of each even-numbered year, job service North Dakota, the department of career and technical education, the department, and the state board of higher education each shall submit for acceptance the respective agency's biennial budget request to the North Dakota workforce development council, created by governor's executive order 1995-01, dated January 3, 1996.

SECTION 28. EMERGENCY. Funding of \$1,200,000 in the operating expenses line item in section 1 of this Act relating to the operation intern program is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT - LC 98037.0209 FN 5

A copy of the statement of purpose of amendment is attached.