Prepared by the Legislative Council staff for
Senator Bekkedahl
February 18, 2021

PROPOSED AMENDMENTS TO SENATE BILL NO. 2018

Page 1, line 2, replace "and" with "to provide an appropriation to the department of transportation; to create and enact a new section to chapter 4.1-01 of the North Dakota Century Code, relating to the transfer of the international business and trade office from the department of commerce to the agriculture commissioner; to amend and reenact section 54-60-29 of the North Dakota Century Code, relating to the unmanned aircraft systems program fund; to repeal section 54-60-16 of the North Dakota Century Code, relating to the international business and trade office; to provide a continuing appropriation;"

Page 1, line 2, after "transfer" insert "; to provide for a report; and to provide an exemption"

Page 1, replace lines 9 through 22 with:

"

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$13,217,286	($353,133)	$12,864,153
Operating expenses	14,873,203	9,444,557	24,317,760
Grants	52,638,527	28,543,803	81,182,330
Discretionary funds	2,150,000	(600,000)	1,550,000
North Dakota trade office	1,600,000	(1,600,000)	0
Partner programs	1,562,531	0	1,562,531
Entrepreneurship grants and vouchers	948,467	0	948,467
Total all funds	$86,990,014	$35,435,227	$122,425,241
Less estimated income	54,123,293	26,424,774	80,548,067
Total general fund	$32,866,721	$9,010,453	$41,877,174
Full-time equivalent positions	61.80	(3.00)	58.80"

Page 1, line 23, after "**FUNDING**" insert "**- EFFECT ON BASE BUDGET - REPORT TO SIXTY-EIGHTH LEGISLATIVE ASSEMBLY**"

Page 1, line 24, after "biennium" insert "and the one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 2 through 14 with:

"Unmanned aircraft system	$2,225,000	$1,000,000
Beyond visual line of sight unmanned aircraft system	0	20,000,000
Enhanced use lease grant	3,000,000	7,000,000
Workforce grants to tribally controlled community colleges	500,000	500,000
Census 2020 program	1,000,000	0
Workforce safety grant	1,000,000	0
Entrepreneurship grants and vouchers	2,000,000	0
Sculpture maintenance grants	75,000	0
Nonresident nurse employment recruitment	500,000	0
Intermodal container transportation shipping fees	1,300,000	0
Job development and economic growth grant	25,000	0
Tourism marketing	0	7,000,000
Technical skills training grants	0	1,000,000
Total all funds	$11,625,000	$36,500,000

Less estimated income	4,300,000	27,000,000
Total general fund	$7,325,000	$9,500,000

The 2021-23 biennium one-time funding amounts are not a part of the entity's base budget for the 2023-25 biennium. The department of commerce shall report to the appropriations committees of the sixty-eighth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2021, and ending June 30, 2023.

SECTION 3. APPROPRIATION - DEPARTMENT OF TRANSPORTATION - BEYOND VISUAL LINE OF SIGHT UNMANNED AIRCRAFT SYSTEM PROGRAM - ONE-TIME FUNDING. There is appropriated from special funds, derived from grant funds received from the department of commerce pursuant to section 11 of this Act, not otherwise appropriated, the sum of $28,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of defraying tower infrastructure construction expenses of the beyond visual line of sight unmanned aircraft system program, for the biennium beginning July 1, 2021, and ending June 30, 2023. The department of transportation may bid, award, and administer any contracts necessary to complete the construction of the tower infrastructure. This funding is considered a one-time funding item."

Page 2, line 16, replace "$855,000" with "$755,000"

Page 2, remove lines 19 through 31

Page 3, remove lines 1 through 6

Page 3, after line 14, insert:

"**SECTION 6. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - ONE-TIME FUNDING.** The estimated income line item in section 1 of this Act includes the sum of $26,000,000 from the strategic investment and improvements fund, of which $19,000,000 is for beyond visual line of sight unmanned aircraft system grants and $7,000,000 is for enhanced use lease grants. This funding is considered a one-time funding item.

SECTION 7. BEYOND VISUAL LINE OF SIGHT UNMANNED AIRCRAFT SYSTEM PROGRAM - MATCHING FUND REQUIREMENT - ONE-TIME FUNDING. The grants line item in section 1 of this Act includes $1,000,000 from the general fund for grants to an organization dedicated to expanding workforce opportunities, training, and education related to the beyond visual line of sight unmanned aircraft system industry, which the department of commerce may provide only to the extent the organization provides one dollar of matching funds from private or other public sources for each one dollar provided by the department. This funding is considered a one-time funding item.

SECTION 8. A new section to chapter 4.1-01 of the North Dakota Century Code is created and enacted as follows:

International business and trade office - Advisory board - Continuing appropriation.

1. The commissioner shall administer the international business and trade office. The purpose of the office is to assist North Dakota businesses to expand exports to international markets by:

   a. Advocating for exporters;

b. Offering export educational opportunities to North Dakota businesses;

c. Researching and raising awareness of export opportunities, issues, and challenges impacting North Dakota businesses;

d. Assisting North Dakota businesses in identifying, developing, and cultivating international markets for products; and

e. Organizing and carrying out trade missions that seek to facilitate contact and communication between North Dakota businesses and international markets.

2. The commissioner may designate a nonprofit corporation incorporated in this state which has the primary purpose of assisting North Dakota exporters or contract with a third party for the provision of services for the international business and trade office. If the commissioner designates a nonprofit corporation or contracts with a third party under this subsection, all data and databases collected and created by the third party in performing services for the office are the property of the department and the third party.

3. The commissioner may seek and accept any gift, grant, or donation of funds, property, services, or other assistance from public or private sources for the purpose of furthering the objectives of the international business and trade office. Any funds accepted under this subsection are appropriated to the commissioner on a continuing basis.

4. The commissioner may establish an international business and trade office advisory board with whom the commissioner may consult in administering the international business and trade office. Each member of the advisory board is entitled to receive per diem compensation at a rate established by the director not exceeding sixty-two dollars and fifty cents and reimbursement of expenses as provided by law for state officers, while attending meetings or performing duties directly related to board membership, except that per diem compensation under this section may not be paid to any member who receives compensation or salary as a regular state employee or official.

SECTION 9. AMENDMENT. Section 54-60-29 of the North Dakota Century Code is amended and reenacted as follows:

54-60-29. Unmanned aircraft systems program fund - Continuing appropriation.

1. There is created in the state treasury a special fund known as the unmanned aircraft systems fund, which ~~must~~may be used to defray the expenses of the ~~operations~~:

a. Operations of an unmanned aircraft systems test site officially designated by the federal aviation administration;

b. Beyond visual line of sight unmanned aircraft system program; and

c. Enhanced use lease grant program.

2. The fund consists of fees collected for the administration of the test site and other funds appropriated by the legislative assembly. All moneys in the fund are appropriated to the department of commerce on a continuing basis for the purpose of defraying the expenses of the ~~unmanned aircraft systems program~~programs identified in subsection 1. Interest earned on moneys in the fund must be credited to the fund.

SECTION 10. REPEAL. Section 54-60-16 of the North Dakota Century Code is repealed.

SECTION 11. EXEMPTION - BEYOND VISUAL LINE OF SIGHT UNMANNED AIRCRAFT SYSTEM PROGRAM. The amount of $28,000,000 appropriated from the general fund in the grants line item for the beyond visual line of sight unmanned aircraft system program in section 27 of chapter 40 of the 2019 Session Laws is not subject to section 54-44.1-11 and is available for the program during the biennium beginning July 1, 2021, and ending June 30, 2023. The department of commerce may provide grants of up to $28,000,000, to the department of transportation, for the purpose of defraying tower infrastructure construction expenses of the beyond visual line of sight unmanned aircraft system program during the 2021-23 biennium.

SECTION 12. EXEMPTION - UNMANNED AIRCRAFT SYSTEM PROGRAM. The amount of $2,250,000 appropriated from the general fund in the operating expenses line item for the unmanned aircraft system program in section 27 of chapter 40 of the 2019 Session Laws is not subject to section 54-44.1-11 and is available for the program during the biennium beginning July 1, 2021, and ending June 30, 2023.

SECTION 13. EXEMPTION - ENHANCED USE LEASE GRANT PROGRAM. The amount of $3,000,000 appropriated from the general fund in the grants line item for the enhanced use lease grant program in section 27 of chapter 40 of the 2019 Session Laws is not subject to section 54-44.1-11 and is available for the program during the biennium beginning July 1, 2021, and ending June 30, 2023.

SECTION 14. EXEMPTION - EARLY CHILDHOOD EDUCATION PROGRAM. The amount of $1,500,000 appropriated from the general fund in the operating expenses line item and grants line item for the early childhood education program in section 27 of chapter 40 of the 2019 Session Laws is not subject to section 54-44.1-11 and is available for the program during the biennium beginning July 1, 2021, and ending June 30, 2023.

SECTION 15. EXEMPTION - NONRESIDENT NURSE EMPLOYMENT RECRUITMENT PROGRAM - ELIGIBILITY. Of the $500,000 appropriated from the general fund in the grants line item for the nonresident nurse employment recruitment program in section 27 of chapter 40 of the 2019 Session Laws, $320,000 is not subject to section 54-44.1-11 and is available for the program during the biennium beginning July 1, 2021, and ending June 30, 2023. In addition to the program eligibility guidelines established for the 2019-21 biennium, the department of commerce shall provide funding authorized in this section to eligible nursing students in the state who have not been employed by a health care provider on a full-time basis in the year preceding the grant award.

SECTION 16. EXEMPTION - DISCRETIONARY FUNDS. The amount of $2,150,000 appropriated from the general fund in the discretionary funds line item in section 27 of chapter 40 of the 2019 Session Laws is not subject to section 54-44.1-11

and is available for the program during the biennium beginning July 1, 2021, and ending June 30, 2023."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2018 - Summary of Senate Action

	Base Budget	Senate Changes	Senate Version
Department of Commerce			
Total all funds	$86,990,014	$35,435,227	$122,425,241
Less estimated income	54,123,293	26,424,774	80,548,067
General fund	$32,866,721	$9,010,453	$41,877,174
FTE	61.80	(3.00)	58.80
Department of Transportation			
Total all funds	$0	$28,000,000	$28,000,000
Less estimated income	0	28,000,000	28,000,000
General fund	$0	$0	$0
FTE	0.00	0.00	0.00
Bill total			
Total all funds	$86,990,014	$63,435,227	$150,425,241
Less estimated income	54,123,293	54,424,774	108,548,067
General fund	$32,866,721	$9,010,453	$41,877,174
FTE	61.80	(3.00)	58.80

Senate Bill No. 2018 - Department of Commerce - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	$13,217,286	($353,133)	$12,864,153
Operating expenses	14,873,203	9,444,557	24,317,760
Grants	52,638,527	28,543,803	81,182,330
Discretionary funds	2,150,000	(600,000)	1,550,000
North Dakota Trade Office	1,600,000	(1,600,000)	
Entrepreneurship grants and vouchers	948,467		948,467
Partner programs	1,562,531		1,562,531
Total all funds	$86,990,014	$35,435,227	$122,425,241
Less estimated income	54,123,293	26,424,774	80,548,067
General fund	$32,866,721	$9,010,453	$41,877,174
FTE	61.80	(3.00)	58.80

Department 601 - Department of Commerce - Detail of Senate Changes

	Adjusts Funding for Base Payroll Changes[1]	Adds Funding for Salary and Benefit Increases[2]	Underfunds Salaries[3]	Transfers Position to ITD for IT Unification[4]	Transfers the HOME Program to HFA[5]	Adjusts Base Level Funding[6]
Salaries and wages	($32,430)	$325,510	($140,000)	($149,792)	($356,421)	
Operating expenses				153,317	(286,950)	($321,810)
Grants					(7,700,000)	(353,716)
Discretionary funds						
North Dakota Trade Office						
Entrepreneurship grants and vouchers						
Partner programs						
Total all funds	($32,430)	$325,510	($140,000)	$3,525	($8,343,371)	($675,526)
Less estimated income	16,577	57,043	0	0	(8,343,371)	327,218
General fund	($49,007)	$268,467	($140,000)	$3,525	$0	($1,002,744)
FTE	0.00	0.00	0.00	(1.00)	(2.00)	0.00

	Reduces Funding for Operation Intern[7]	Adds Funding for the UAS Program[8]	Adjusts Funding for Grants[9]	Adds Funding for Apprenticeship Expansion Program[10]	Reduces Funding for Discretionary Funds[11]	Transfers the North Dakota Trade Office[12]
Salaries and wages						
Operating expenses	($100,000)	$3,000,000				
Grants		7,020,150	($269,788)	$347,157		
Discretionary funds					($600,000)	
North Dakota Trade Office						($1,600,000)
Entrepreneurship grants and vouchers						
Partner programs						
Total all funds	($100,000)	$10,020,150	($269,788)	$347,157	($600,000)	($1,600,000)
Less estimated income	0	7,020,150	0	347,157	0	0
General fund	($100,000)	$3,000,000	($269,788)	$0	($600,000)	($1,600,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds One-Time Funding for Tourism Marketing[13]	Adds One-Time Funding for UAS Programs[14]	Ads One-Time Funding for Technical Skills Grants[15]	Adds One-Time Funding for Tribal Grants[16]	Total Senate Changes
Salaries and wages					($353,133)
Operating expenses	$7,000,000				9,444,557
Grants		$28,000,000	$1,000,000	$500,000	28,543,803
Discretionary funds					(600,000)
North Dakota Trade Office					(1,600,000)
Entrepreneurship grants and vouchers					
Partner programs					
Total all funds	$7,000,000	$28,000,000	$1,000,000	$500,000	$35,435,227
Less estimated income	0	27,000,000	0	0	26,424,774
General fund	$7,000,000	$1,000,000	$1,000,000	$500,000	$9,010,453
FTE	0.00	0.00	0.00	0.00	(3.00)

[1] Funding is adjusted for base payroll changes.

[2] The following funding is added for 2021-23 biennium salary adjustments of 2 percent on July 1, 2021, with a minimum monthly increase of $80 and a maximum monthly increase of $300 and 2 percent on July 1, 2022, and increases in health insurance premiums from $1,427 to $1,429 per month:

	General Fund	Other Funds	Total
Salary increase	$266,126	$56,512	$322,638
Health insurance increase	2,341	531	2,872
Total	$268,467	$57,043	$325,510

[3] Funding for salaries is reduced from the general fund by $140,000, for anticipated savings from vacant positions and employee turnover.

[4] One FTE information technology position and related funding is transferred to the Information Technology Department for the information technology unification initiative, including a decrease of $149,792 of salaries and wages and an increase of $153,317 of operating expenses.

[5] Funding of $8,343,371 for the HOME program, including 2 FTE positions, is transferred to the Housing Finance Agency, of which $7,643,371 is from federal funds and $700,000 is from the intergovernmental assistance fund, also known as the community development loan fund.

[6] Base level funding is adjusted as follows:

	General Fund	Other Funds	Total
Adds funding for Microsoft Office 365 license expenses	$5,486	$1,013	$6,499
Adjusts funding for the Community Services Division	(216,576)	329,488	112,912
Reduces funding for the Workforce Development Division	(199,664)	0	(199,664)
Reduces funding for the Economic Development and Finance Division	(195,000)	0	(195,000)
Reduces funding for the administration division	(396,990)	(3,283)	(400,273)
Transfers funding of $505,000 for contractual fees from the grants line item to the operating expenses line item	0	0	0
Transfers $151,284 for the early childhood education program from the operating expenses line item to the grants line item to provide a total of $1.5 million from the general fund, the same as provided for the 2019-21 biennium	0	0	0
Total	($1,002,744)	$327,218	($675,526)

[7] Funding for the Operation Intern program is reduced by $100,000 from the general fund to provide a total of $755,000 from the general fund. A separate section is added to provide for a transfer of $755,000 from the general fund to the internship fund.

[8] Funding of $10,020,150 is added for the unmanned aircraft systems (UAS) program, of which $3,000,000 is from the general fund, $7,000,000 is from federal funds, and $20,150 is from the UAS fund. Of the total, $3,000,000 is for operating expenses of the Northern Plains UAS Test Site and $7,020,150 is for grants. Total ongoing funding provided for the UAS program is $12,020,150, including $2,000,000 in the agency's base budget for grants, of which $1,000,000 is from federal funds and $1,000,000 is from the UAS fund.

[9] Funding of $269,788 from the general fund is reduced for grants, including the removal of $300,000 for biotechnology grants to provide a total of $0, a reduction of $169,788 for homeless shelter grants to provide a total of $1,330,212 from the general fund, and the addition of $200,000 for rural health care grants to provide a total of $200,000 from the general fund.

[10] Funding of $347,157 is added from federal funds for a state apprenticeship expansion program. The funding will be transferred to the North Dakota State College of Science for the administration of the program. In August 2020, the Emergency Commission and Budget Section approved a request to accept and spend $694,317 of federal funds for this program for the remainder of the 2019-21 biennium.

[11] Funding of $600,000 from the general fund for discretionary funds is reduced to provide a total of $1,550,000 from the general fund.

[12] Funding of $1.6 million from the general fund is transferred from the Department of Commerce to the Agriculture Commissioner for providing funding to the North Dakota Trade Office.

[13] One-time funding of $7 million is added from the general fund for tourism marketing and branding initiatives.

[14] One-time funding of $28 million is added for grants related to the following UAS programs, of which $1 million is from the general fund, $26 million is from the strategic investment and improvements fund, and $1 million is from the UAS fund:

	General Fund	Other Funds	Total
UAS program	$0	$1,000,000	$1,000,000
Beyond visual line of sight UAS program	1,000,000	19,000,000	20,000,000
Enhanced use lease grant program	0	7,000,000	7,000,000
Total	$1,000,000	$27,000,000	$28,000,000

[15] One-time funding of $1 million is added from the general fund for a technical skills training grant program. In June 2020, the Emergency Commission and Budget Section approved an allocation of $1 million from the state's allocation from the federal Coronavirus Relief Fund for this program for the 2019-21 biennium.

[16] One-time funding of $500,000 is added from the general fund for workforce grants to tribally controlled community colleges, the same as provided for the 2019-21 biennium.

This amendment also:

- Amends a section relating to the amount of funding transferred from the general fund to the internship fund for the Operation Intern program.
- Removes a section related to biotechnology grants.

- Removes a section designating $200,000 for rural area health grants from the discretionary grants line item. This funding is appropriated in the grants line item in Section 1 of the bill.
- Removes a section related to the North Dakota Trade Office.
- Adds a section to identify $26 million in Section 1 from the strategic investment and improvements fund, of which $19 million is for providing beyond visual line of sight UAS grants and $7 million is for providing enhanced use lease grants during the 2021-23 biennium. This funding is considered a one-time funding item.
- Adds a section to identify $1 million from the general fund in Section 1 for providing grants to an organization dedicated to expanding workforce opportunities, training, and education related to the beyond visual line of sight UAS industry, which the Department of Commerce may provide only to the extent the organization provides $1 of matching funds from private or other public sources for each $1 provided by the department during the 2021-23 biennium. This funding is considered a one-time funding item.
- Adds a section to create a new section to North Dakota Century Code Chapter 4.1-01 to transfer the international business and trade office, also known as the North Dakota Trade Office, from the Department of Commerce to the Agriculture Commissioner.
- Adds a section to amend Section 54-60-29 to expand the continuing appropriation provided to the Department of Commerce from the UAS fund for expenses of the UAS program to also include expenses of the beyond visual line of sight UAS program and the enhanced use lease grant program.
- Adds a section to repeal Section 54-60-16 related to the North Dakota Trade Office, as part of the transfer of the program from the Department of Commerce to the Agriculture Commissioner.
- Adds a section to provide an exemption for the $28 million 2017-19 biennium supplemental appropriation for the beyond visual line of sight UAS program that was continued into the 2019-21 biennium to continue into the 2021-23 biennium. The Department of Commerce may provide grants of up to $28 million from this funding to the Department of Transportation for tower infrastructure construction of the beyond visual line of sight UAS program during the 2021-23 biennium.
- Adds a section to provide an exemption for the $2.25 million appropriated from the general fund for UAS program operating expenses during the 2019-21 biennium to continue into the 2021-23 biennium.
- Adds a section to provide an exemption for the $3 million appropriated from the general fund for the enhanced use lease grant program during the 2019-21 biennium to continue into the 2021-23 biennium.
- Adds a section to provide an exemption for the $1.5 million appropriated from the general fund for the early childhood education program during the 2019-21 biennium to continue into the 2021-23 biennium.
- Adds a section to provide an exemption of $320,000 for the nonresident nurse employment recruitment program and to expand program eligibility to include nursing students in the state who have not been employed by a health care provider on a full-time basis in the year preceding the grant award.
- Adds a section to provide an exemption for the $2.15 million appropriated from the general fund in the discretionary grants line item during the 2019-21 biennium to continue into the 2021-23 biennium.

Senate Bill No. 2018 - Department of Transportation - Senate Action

	Base Budget	Senate Changes	Senate Version
Grants		$28,000,000	$28,000,000
Total all funds	$0	$28,000,000	$28,000,000
Less estimated income	0	28,000,000	28,000,000
General fund	$0	$0	$0
FTE	0.00	0.00	0.00

Department 801 - Department of Transportation - Detail of Senate Changes

	Adds One-Time Funding for UAS[1]	Total Senate Changes
Grants	$28,000,000	$28,000,000
Total all funds	$28,000,000	$28,000,000
Less estimated income	28,000,000	28,000,000
General fund	$0	$0
FTE	0.00	0.00

[1] A section is added providing one-time funding of $28 million to the Department of Transportation from grant funds received from the Department of Commerce pursuant to Section 11 of the bill for tower infrastructure construction expenses of the beyond visual line of sight UAS program during the 2021-23 biennium.