

Department of Commerce - Budget No. 601
 Senate Bill No. 2018
 Base Level Funding Changes

4/27/21

	Senate Version				House Version				Conference Committee Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2021-23 Biennium Base Level	61.80	\$32,866,721	\$54,123,293	\$86,990,014	61.80	\$32,866,721	\$54,123,293	\$86,990,014	61.80	\$32,866,721	\$54,123,293	\$86,990,014
2021-23 Ongoing Funding Changes												
Base payroll changes		(\$49,007)	\$16,577	(\$32,430)		(\$49,007)	\$16,577	(\$32,430)		(\$49,007)	\$16,577	(\$32,430)
Salary increase		266,126	56,512	322,638		245,150	52,824	297,974		241,092	52,824	293,916
Health insurance increase		2,341	531	2,872		2,390	531	2,921		2,341	531	2,872
Underfunds salaries		(140,000)		(140,000)		(140,000)		(140,000)		(140,000)		(140,000)
Transfers 1 FTE IT position to ITD for IT unification	(1.00)	3,525		3,525	0.00	0		0	(1.00)	3,525		3,525
Transfers the HOME program to the Housing Finance Agency	(2.00)		(8,343,371)	(8,343,371)	(2.00)		(8,343,371)	(8,343,371)	(2.00)		(8,343,371)	(8,343,371)
Adds funding for Microsoft Office 365 license expenses		5,486	1,013	6,499		5,486	1,013	6,499		5,486	1,013	6,499
Adjusts funding for the Community Services Division		(216,576)	329,488	112,912		(216,576)	329,488	112,912		(216,576)	329,488	112,912
Reduces funding for the Workforce Development Division		(199,664)		(199,664)		(199,664)		(199,664)		(199,664)		(199,664)
Reduces funding for the Economic Development and Finance Division		(195,000)		(195,000)		(195,000)		(195,000)		(195,000)		(195,000)
Reduces funding for the administration division		(396,990)	(3,283)	(400,273)		(396,990)	(3,283)	(400,273)		(396,990)	(3,283)	(400,273)
Reduces funding for the Operation Intern program		(100,000)		(100,000)		(100,000)		(100,000)		(100,000)		(100,000)
Adds funding for the UAS program		3,000,000	7,020,150	10,020,150		3,000,000	7,020,150	10,020,150		3,000,000	7,020,150	10,020,150
Transfers \$505,000 for contractual fees from grants to operating expenses				0				0				0
Transfers \$151,284 for the early childhood education program from operating to grants				0				0				0
Transfers \$1.5 million for the early childhood education program to DHS				0		(1,500,000)		(1,500,000)		(1,500,000)		(1,500,000)
Removes funding for the biotechnology grant program		(300,000)		(300,000)		(300,000)		(300,000)		(300,000)		(300,000)
Reduces funding for homeless shelter grants		(169,788)		(169,788)		(169,788)		(169,788)		(169,788)		(169,788)
Adds funding for rural health care grants		200,000		200,000		250,000		250,000		250,000		250,000
Adds funding for a state apprenticeship expansion program			347,157	347,157			347,157	347,157			347,157	347,157
Adjusts funding for discretionary funds		(600,000)		(600,000)		0		0		0		0
Transfers funding for the North Dakota Trade Office to the Agriculture Commissioner		(1,600,000)		(1,600,000)		(1,600,000)		(1,600,000)		(1,600,000)		(1,600,000)
Total ongoing funding changes	(3.00)	(\$489,547)	(\$575,226)	(\$1,064,773)	(2.00)	(\$1,363,999)	(\$578,914)	(\$1,942,913)	(3.00)	(\$1,364,581)	(\$578,914)	(\$1,943,495)
One-time funding items												
Adds funding for tourism marketing		\$7,000,000		\$7,000,000		\$6,900,000		\$6,900,000		\$0	\$7,000,000	\$7,000,000
Adds funding for UAS program grants			\$1,000,000	1,000,000			\$1,000,000	1,000,000			1,000,000	1,000,000
Adds funding for the beyond visual line of sight UAS program		1,000,000	19,000,000	20,000,000		\$1,000,000	19,000,000	20,000,000		1,000,000	19,000,000	20,000,000
Adds funding for enhanced use lease grants			7,000,000	7,000,000			7,000,000	7,000,000			7,000,000	7,000,000
Adds funding for technical skills training grants		1,000,000		1,000,000		1,000,000		1,000,000		0	1,000,000	1,000,000
Adds funding for workforce grants to tribally controlled community colleges		500,000		500,000		500,000		500,000		500,000		500,000
Adds funding for a film and theater production grant				0		100,000		100,000		100,000		100,000
Adds funding for an economic development, growth, and diversification grant program				0		5,000,000		5,000,000			5,000,000	5,000,000
Adds funding for a job development and economic growth grant				0			1,500,000	1,500,000			1,500,000	1,500,000
Adds funding for a workforce safety grant				0			1,500,000	1,500,000			1,500,000	1,500,000
Adds funding for travel agent and tour operator emergency resiliency grants				0				0			2,000,000	2,000,000
Adds funding for event center emergency resiliency grants				0				0			2,000,000	2,000,000
Adds funding for a tourism transportation improvement grant				0				0			565,432	565,432
Total one-time funding changes	0.00	\$9,500,000	\$27,000,000	\$36,500,000	0.00	\$14,500,000	\$30,000,000	\$44,500,000	0.00	\$2,165,432	\$47,000,000	\$49,165,432
Total Changes to Base Level Funding	(3.00)	\$9,010,453	\$26,424,774	\$35,435,227	(2.00)	\$13,136,001	\$29,421,086	\$42,557,087	(3.00)	\$800,851	\$46,421,086	\$47,221,937
2021-23 Total Funding	58.80	\$41,877,174	\$80,548,067	\$122,425,241	59.80	\$46,002,722	\$83,544,379	\$129,547,101	58.80	\$33,667,572	\$100,544,379	\$134,211,951
<i>Total ongoing changes as a percentage of base level</i>	<i>(4.9%)</i>	<i>(1.5%)</i>	<i>(1.1%)</i>	<i>(1.2%)</i>	<i>(3.2%)</i>	<i>(4.2%)</i>	<i>(1.1%)</i>	<i>(2.2%)</i>	<i>(4.9%)</i>	<i>(4.2%)</i>	<i>(1.1%)</i>	<i>(2.2%)</i>
<i>Total changes as a percentage of base level</i>	<i>(4.9%)</i>	<i>27.4%</i>	<i>48.8%</i>	<i>40.7%</i>	<i>(3.2%)</i>	<i>40.0%</i>	<i>54.4%</i>	<i>48.9%</i>	<i>(4.9%)</i>	<i>2.4%</i>	<i>85.8%</i>	<i>54.3%</i>

Other Sections in Department of Commerce - Budget No. 601

	<u>Senate Version</u>	<u>House Version</u>	<u>Conference Committee Version</u>
Appropriation - Department of Transportation - Beyond visual line of sight unmanned aircraft system program - One-time funding	Section 3 appropriates \$28 million to the Department of Transportation from grant funds received from the Department of Commerce pursuant to Section 11 for the purpose of defraying tower infrastructure construction expenses of the beyond visual line of sight UAS program during the 2021-23 biennium. 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.	Section 3 appropriates \$5 million to the Department of Transportation from grant funds received from the Department of Commerce pursuant to Section 14 for the purpose of defraying infrastructure construction expenses of the beyond visual line of sight UAS program during the 2021-23 biennium. The Department of Transportation may bid, award, and administer any contracts necessary to complete the construction of the infrastructure. This funding is considered a one-time funding item.	Section 3 appropriates \$5 million to the Department of Transportation from grant funds received from the Department of Commerce pursuant to Section 15 for the purpose of defraying infrastructure construction expenses of the beyond visual line of sight UAS program during the 2021-23 biennium. The Department of Transportation may bid, award, and administer any contracts necessary to complete the construction of the infrastructure. This funding is considered a one-time funding item.
Internship fund transfer	Section 4 transfers \$755,000 from the general fund to the internship fund in the operating expenses line item for the Operation Intern program.	Section 4 transfers \$755,000 from the general fund to the internship fund in the operating expenses line item for the Operation Intern program.	Section 4 transfers \$755,000 from the general fund to the internship fund in the operating expenses line item for the Operation Intern program.
Entrepreneurship grants and vouchers program	Section 5 identifies \$948,467 included in Section 1, of which \$740,956 is from the general fund and \$207,511 is from the economic development fund for the entrepreneurship grants and vouchers program, also known as Innovate ND, for the 2021-23 biennium.	Section 5 identifies \$948,467 included in Section 1, of which \$740,956 is from the general fund and \$207,511 is from the economic development fund for the entrepreneurship grants and vouchers program, also known as Innovate ND, for the 2021-23 biennium.	Section 5 identifies \$948,467 included in Section 1, of which \$740,956 is from the general fund and \$207,511 is from the economic development fund for the entrepreneurship grants and vouchers program, also known as Innovate ND, for the 2021-23 biennium.
Rural health care grant program		Section 6 identifies \$250,000 from the general fund in Section 1 is provided for the purpose of providing matching funds to an organization assisting in the recruitment, distribution, and supply, and enhancing the quality and efficiency of personnel providing health services in rural areas of the state during the 2021-23 biennium.	Section 6 identifies \$250,000 from the general fund in Section 1 is provided for the purpose of providing matching funds to an organization assisting in the recruitment, distribution, and supply, and enhancing the quality and efficiency of personnel providing health services in rural areas of the state during the 2021-23 biennium.
Economic development, growth, and diversification grant program - Matching Requirement - One-time funding		Section 7 identifies \$5 million from the general fund in Section 1 is provided for the purpose of providing matching funds to an organization dedicated to expanding economic development, growth, and diversification during the 2021-23 biennium. This funding is considered a one-time funding item.	Section 7 identifies \$5 million in Section 1 is from a Bank of North Dakota loan provided to the Department of Commerce for the purpose of providing matching grant funds to an organization dedicated to expanding economic development, growth, and diversification during the 2021-23 biennium. This funding is considered a one-time funding item. The department is required to request a deficiency appropriation from the 68th Legislative Assembly to repay any outstanding loan related to this program.
Estimated income - Strategic investment and improvements fund - Beyond visual line of sight UAS program - Enhanced use lease grants program - Job development and economic growth grant - Workforce safety grant	Section 6 identifies \$26 million from the strategic investment and improvements fund in Section 1, of which \$19 million is for providing beyond visual light 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.	Section 8 identifies \$29 million from the strategic investment and improvements fund in Section 1, of which \$19 million is for providing beyond visual light of sight UAS grants, \$7 million is for providing enhanced use lease grants, \$1.5 million is for providing a job development grant to an organization dedicated to promoting job development and economic growth, and \$1.5 million is for providing a workforce safety grant to an organization that provides workforce safety during the 2021-23 biennium. This funding is considered a one-time funding item.	Section 8 identifies \$29 million from the strategic investment and improvements fund in Section 1, of which \$19 million is for providing beyond visual light of sight UAS grants, \$7 million is for providing enhanced use lease grants, \$1.5 million is for providing a job development grant to an organization dedicated to promoting job development and economic growth, and \$1.5 million is for providing a workforce safety grant to an organization that provides workforce safety during the 2021-23 biennium. This funding is considered a one-time funding item.
Federal Coronavirus Relief Fund			Section 9 identifies \$12 million of one-time funding from the federal Coronavirus Relief Fund, of which \$7 million is for tourism marketing and branding initiatives, \$1 million is for technical skills training grants, \$2 million is for travel agent and tour operator emergency resiliency grants, and \$2 million is for event center emergency resiliency grants. Of the \$7 million for tourism marketing and branding initiatives, \$434,568 is for the tourism transportation improvement grant program. This section is declared an emergency measure.

Other Sections in Department of Commerce - Budget No. 601

	<u>Senate Version</u>	<u>House Version</u>	<u>Conference Committee Version</u>
Beyond visual line of sight UAS program - Matching fund requirement - One-time funding	Section 7 identifies \$1 million from the general fund in Section 1 is 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.	Section 9 identifies \$1 million from the general fund in Section 1 is 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.	Section 10 identifies \$1 million from the general fund in Section 1 is 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.
North Dakota Trade Office - Advisory board - Continuing appropriation	Section 8 creates a new section to 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.	Section 10 creates a new section to 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.	Section 11 creates a new section to 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.
Rural growth incentive program - North Dakota Development Fund		Section 11 amends Section 54-34.3-13 to remove the requirement that businesses be "primary sector" businesses to qualify for the rural growth incentive program, which is administered by the North Dakota Development Fund in the rural growth incentive fund.	Section 12 amends Section 54-34.3-13 to remove the requirement that businesses be "primary sector" businesses to qualify for the rural growth incentive program, which is administered by the North Dakota Development Fund in the rural growth incentive fund.
UAS-related programs continuing appropriation	Section 9 amends 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.	Section 12 amends 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.	Section 13 amends 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.
North Dakota Trade Office - Repeal	Section 10 repeals Section 54-60-16 related to the international business and trade office, also known as the North Dakota Trade Office, as part of the transfer of the program from the Department of Commerce to the Agriculture Commissioner.	Section 13 repeals Section 54-60-16 related to the international business and trade office, also known as the North Dakota Trade Office, as part of the transfer of the program from the Department of Commerce to the Agriculture Commissioner.	Section 14 repeals Section 54-60-16 related to the international business and trade office, also known as the North Dakota Trade Office, as part of the transfer of the program from the Department of Commerce to the Agriculture Commissioner.
Exemption - Beyond visual line of sight UAS program	Section 11 provides an exemption for unexpended 2017-19 biennium funds continued into the 2019-21 biennium for the beyond visual line of sight UAS program to continue into the 2021-23 biennium. The 2019 Legislative Assembly provided a \$28 million supplemental appropriation from the general fund for this purpose for the 2017-19 biennium. The Department of Commerce may provide grants of up to \$28 million to the Department of Transportation, pursuant to the appropriation in Section 3, for the purpose of defraying tower infrastructure construction expenses of the beyond visual line of sight UAS program during the 2021-23 biennium.	Section 14 provides an exemption for unexpended 2017-19 biennium funds continued into the 2019-21 biennium for the beyond visual line of sight UAS program to continue into the 2021-23 biennium. The 2019 Legislative Assembly provided a \$28 million supplemental appropriation from the general fund for this purpose for the 2017-19 biennium. The Department of Commerce may provide grants of up to \$5 million to the Department of Transportation, pursuant to the appropriation in Section 3, for the purpose of defraying infrastructure construction expenses of the beyond visual line of sight UAS program during the 2021-23 biennium.	Section 15 provides an exemption for unexpended 2017-19 biennium funds continued into the 2019-21 biennium for the beyond visual line of sight UAS program to continue into the 2021-23 biennium. The 2019 Legislative Assembly provided a \$28 million supplemental appropriation from the general fund for this purpose for the 2017-19 biennium. The Department of Commerce may provide grants of up to \$5 million to the Department of Transportation, pursuant to the appropriation in Section 3, for the purpose of defraying infrastructure construction expenses of the beyond visual line of sight UAS program during the 2021-23 biennium.
Exemption - UAS program	Section 12 provides an exemption for the UAS program to continue any unexpended 2019-21 biennium funds for the operating expenses of this program into the 2021-23 biennium. A total of \$2.25 million was appropriated from the general fund to the department for this purpose for the 2019-21 biennium.	Section 15 provides an exemption for the UAS program to continue any unexpended 2019-21 biennium funds for the operating expenses of this program into the 2021-23 biennium. A total of \$2.25 million was appropriated from the general fund to the department for this purpose for the 2019-21 biennium.	Section 16 provides an exemption for the UAS program to continue any unexpended 2019-21 biennium funds for the operating expenses of this program into the 2021-23 biennium. A total of \$2.25 million was appropriated from the general fund to the department for this purpose for the 2019-21 biennium.
Exemption - Enhanced use lease grant program	Section 13 provides an exemption for the enhanced use lease grant program to continue any unexpended 2019-21 biennium funds for the program into the 2021-23 biennium. A total of \$3 million was appropriated from the general fund to the department for this purpose for the 2019-21 biennium.	Section 16 provides an exemption for the enhanced use lease grant program to continue any unexpended 2019-21 biennium funds for the program into the 2021-23 biennium. A total of \$3 million was appropriated from the general fund to the department for this purpose for the 2019-21 biennium.	Section 17 provides an exemption for the enhanced use lease grant program to continue any unexpended 2019-21 biennium funds for the program into the 2021-23 biennium. A total of \$3 million was appropriated from the general fund to the department for this purpose for the 2019-21 biennium.

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Exemption - Early childhood education program

Section 14 provides an exemption to continue unexpended 2019-21 biennium funds for the early childhood education program into the 2021-23 biennium. A total of \$1.5 million was appropriated from the general fund to the department for this purpose for the 2019-21 biennium.

Exemption - Nonresident nurse employment recruitment program

Section 15 provides an exemption to continue \$320,000 of the \$500,000 appropriated from the general fund for the nonresident nurse employment recruitment program for the 2019-21 biennium into the 2021-23 biennium. In addition to the program eligibility guidelines established for the 2019-21 biennium, the Department of Commerce is required to provide funding for the program 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 17 provides an exemption to continue \$320,000 of the \$500,000 appropriated from the general fund for the nonresident nurse employment recruitment program for the 2019-21 biennium into the 2021-23 biennium. In addition to the program eligibility guidelines established for the 2019-21 biennium, the Department of Commerce is required to provide funding for the program 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 18 provides an exemption to continue \$320,000 of the \$500,000 appropriated from the general fund for the nonresident nurse employment recruitment program for the 2019-21 biennium into the 2021-23 biennium. In addition to the program eligibility guidelines established for the 2019-21 biennium, the Department of Commerce is required to provide funding for the program 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.

Exemption - Discretionary funds

Section 16 provides an exemption for discretionary funds to continue any unexpended 2019-21 biennium funds in the discretionary funds line item into the 2021-23 biennium. A total of \$2.15 million was appropriated from the general fund to the department for this purpose for the 2019-21 biennium.

Section 18 provides an exemption for discretionary funds to continue any unexpended 2019-21 biennium funds in the discretionary funds line item into the 2021-23 biennium. A total of \$2.15 million was appropriated from the general fund to the department for this purpose for the 2019-21 biennium.

Section 19 provides an exemption for discretionary funds to continue any unexpended 2019-21 biennium funds in the discretionary funds line item into the 2021-23 biennium, of which \$200,000 must be used to retrain up to 10 displaced energy industry workers to enhance programmer development and engineering skills. A total of \$2.15 million was appropriated from the general fund to the department for this purpose for the 2019-21 biennium.

Legislative intent - Northern Plains UAS Test Site

Section 19 provides legislative intent that the Northern Plains UAS Test Site maximize earned revenue when possible.

Section 20 provides legislative intent that the Northern Plains UAS Test Site maximize earned revenue when possible.

Legislative Management study - Data storage

Section 20 provides for the Legislative Management to consider studying data storage by state entities. The study must include input from the Information Technology Department, North Dakota University System, and K-12 Education Coordinating Council. The study must consider data security, geographical locations of storage, geographical location of corporate contractors, state and federal laws that may affect North Dakota data, ownership and control of data storage, and current and estimated data storage costs related to cloud-based, out-of-state data storage of North Dakota state and local government data.

Section 21 provides for the Legislative Management to consider studying data storage by state entities. The study must include input from the Information Technology Department, North Dakota University System, and K-12 Education Coordinating Council. The study must consider data security, geographical locations of storage, geographical location of corporate contractors, state and federal laws that may affect North Dakota data, ownership and control of data storage, and current and estimated data storage costs related to cloud-based, out-of-state data storage of North Dakota state and local government data.

Emergency

Section 21 declares this Act to be an emergency.

Section 22 declares funding appropriated from the federal Coronavirus Relief Fund in Section 1 and identified in Sections 2 and 9 to be an emergency measure