

Department of Commerce - Budget No. 601
House Bill No. 1018
Base Level Funding Changes

Prepared for: 2/6/2023

	Executive Budget Recommendation				House Version				House Changes to Executive Budget Increase (Decrease) - Executive Budget			
	FTE	General	Other	Total	FTE	General	Other	Total	FTE	General	Other	Total
	Positions	Fund	Funds		Positions	Fund	Funds		Positions	Fund	Funds	
2023-25 Biennium Base Level	58.80	\$31,502,140	\$53,544,379	\$85,046,519	58.80	\$31,502,140	\$53,544,379	\$85,046,519	0.00	\$0	\$0	\$0
2023-25 Ongoing Funding Changes												
Base payroll changes		\$444,238	\$283,274	\$727,512		\$444,238	\$283,274	\$727,512				\$0
Adds funding for the cost to continue salary increases		80,150	20,345	100,495		80,150	20,345	100,495				0
Salary increase		863,384	157,900	1,021,284		643,838	118,204	762,042		(\$219,546)	(\$39,696)	(259,242)
Health insurance increase		247,062	56,730	303,792		252,745	58,035	310,780		5,683	1,305	6,988
Adds funding for salary equity increases		100,000		100,000				0		(100,000)		(100,000)
Restores underfunded salaries		140,000		140,000		140,000		140,000				0
Adds funding for temporary salaries		91,000	500,000	591,000		91,000	500,000	591,000				0
Adds funding for an FTE position for the workforce talent attraction initiative	1.00	202,940		202,940	1.00	202,940		202,940				0
Adds funding for an FTE position for the workforce investment grant program	1.00	202,940		202,940	1.00	202,940		202,940				0
Adds funding for an FTE position for the Main Street Initiative community development program	1.00	226,922		226,922				0	(1.00)	(226,922)		(226,922)
Adds funding for an Office of Automation	1.00	1,000,000		1,000,000	1.00	1,000,000		1,000,000				0
Adds funding for a Global Engagement Office	1.00	619,404		619,404	1.00	619,404		619,404				0
Adds funding for travel		490,534		490,534		490,534		490,534				0
Adjusts funding for operating expenses, primarily professional development, services, and fees		1,006,896	(2,230)	1,004,666		1,006,896	(2,230)	1,004,666				0
Adds funding for the Operation Intern program		251,082		251,082		251,082		251,082				0
Transfers \$220,000 of federal funding for the AmeriCorps workforce community services program from grants to operating expenses				0				0				0
Adds federal funding for weatherization and furnace cooling assistance programs			2,085,834	2,085,834			2,085,834	2,085,834				0
Adds funding for the rural health care grant program				0		194,000		194,000		194,000		194,000
Transfers the homeless shelter grant program to the Housing Finance Agency		(1,330,212)		(1,330,212)		(1,330,212)		(1,330,212)				0
Transfers the emergency shelter grant program to the Housing Finance Agency		(240,000)	(1,147,341)	(1,387,341)		(240,000)	(1,147,341)	(1,387,341)				0
Total ongoing funding changes	5.00	\$4,396,340	\$1,954,512	\$6,350,852	4.00	\$4,049,555	\$1,916,121	\$5,965,676	(1.00)	(\$346,785)	(\$38,391)	(\$385,176)
One-Time Funding Items												
Adds funding for the rural workforce housing grant program		\$5,500,000		\$5,500,000		\$5,500,000		\$5,500,000				\$0
Adds funding for the workforce talent attraction initiative operating expenses		24,797,060		24,797,060		4,000,000		4,000,000		(\$20,797,060)		(20,797,060)
Adds funding for workforce investment program grants		20,000,000		20,000,000		5,000,000		5,000,000		(15,000,000)		(15,000,000)
Adds funding for automation workforce transition training grants		5,000,000		5,000,000		5,000,000		5,000,000				0
Adds funding for automation grants		10,000,000		10,000,000		5,000,000		5,000,000		(5,000,000)		(5,000,000)
Adds funding for technical skills training grants		2,000,000		2,000,000		2,000,000		2,000,000				0
Adds funding for tourism awareness marketing		5,000,000		5,000,000		5,000,000		5,000,000				0
Adds funding for a tourism destination development initiative			\$50,000,000	50,000,000			15,000,000	15,000,000			(\$35,000,000)	(35,000,000)
Adds funding for Main Street Initiative community development grants		800,000		800,000		400,000		400,000		(400,000)		(400,000)
Adds funding for rural revitalization and redevelopment grants		10,000,000		10,000,000		2,000,000		2,000,000		(8,000,000)		(8,000,000)
Adds funding for an AmeriCorps volunteer generation fund grant program		278,571	600,000	878,571				0		(278,571)	(600,000)	(878,571)
Adds funding for the BVLOS UAS grant program			30,000,000	30,000,000			30,000,000	30,000,000				0
Adds funding for the enhanced use lease grant program			7,000,000	7,000,000			28,000,000	28,000,000			21,000,000	21,000,000
Adds funding for new Americans workforce development and training grants				0		2,000,000		2,000,000		2,000,000		2,000,000
Adds funding for workforce grants to tribally controlled community colleges				0		500,000		500,000		500,000		500,000
Adds federal funding for the Americorps workforce community services program				0			785,000	785,000			785,000	785,000
Adds federal funding for the parks and recreation program				0			1,550,000	1,550,000			1,550,000	1,550,000
Adds federal funding for the energy conservation program				0			14,081,719	14,081,719			14,081,719	14,081,719
Adds federal funding for the heating and cooling grant program				0			1,172,250	1,172,250			1,172,250	1,172,250
Total one-time funding changes	0.00	\$83,375,631	\$87,600,000	\$170,975,631	0.00	\$36,400,000	\$90,588,969	\$126,988,969	0.00	(\$46,975,631)	\$2,988,969	(\$43,986,662)
Total Changes to Base Level Funding	5.00	\$87,771,971	\$89,554,512	\$177,326,483	4.00	\$40,449,555	\$92,505,090	\$132,954,645	(1.00)	(\$47,322,416)	\$2,950,578	(\$44,371,838)
2023-25 Total Funding	63.80	\$119,274,111	\$143,098,891	\$262,373,002	62.80	\$71,951,695	\$146,049,469	\$218,001,164	(1.00)	(\$47,322,416)	\$2,950,578	(\$44,371,838)
Federal funds included in other funds			\$46,555,556				\$63,519,581				\$16,964,025	
Total ongoing changes as a percentage of base level	8.5%	14.0%	3.7%	7.5%	6.8%	12.9%	3.6%	7.0%				
Total changes as a percentage of base level	8.5%	278.6%	167.3%	208.5%	6.8%	128.4%	172.8%	156.3%				

Other Sections in Department of Commerce - Budget No. 601

	<u>Executive Budget Recommendation</u>	<u>House Version</u>
Transfer - General fund to internship fund	Section 25 would require OMB to transfer \$1 million appropriated from the general fund in Section 1 to the internship fund for the Department of Commerce to administer the Operation Intern program during the 2023-25 biennium.	Section 3 requires OMB to transfer \$1,006,896 appropriated from the general fund in Section 1 to the internship fund for the Department of Commerce to administer the Operation Intern program during the 2023-25 biennium.
Transfer - Legacy earnings fund to innovation loan fund to support technology advancement	Section 26 would require OMB to transfer \$20 million from the legacy earnings fund to the innovation loan fund to support technology advancement for providing innovation technology loans.	Section 4 requires OMB to transfer \$20 million from the legacy earnings fund to the innovation loan fund to support technology advancement for providing innovation technology loans.
Transfer - Legacy earnings fund to North Dakota Development Fund	Section 27 would require OMB to transfer \$30 million from the legacy earnings fund to the North Dakota Development Fund.	
Estimated income - Strategic investment and improvements fund - One-time funding		Section 5 identifies \$73 million of one-time funding appropriated in Section 1 is from the strategic investment and improvements fund for the tourism destination development initiative (\$15 million), BVLOS UAS grants (\$30 million), and enhanced use lease grants (\$28 million).
Rural workforce housing grant program - One-time funding		Section 6 identifies \$5.5 million one one-time funding appropriated in Section 1 from the general fund is for the rural workforce housing grant program. The Department of Commerce is required to develop guidelines for awarding grants. Funding may be awarded to cities with a population of fewer than 10,000 residents.
Discretionary funds - State magazine		Section 7 identifies of the funding appropriated from the general fund for discretionary funds in Section 1, \$150,000 is designated for supporting the continuation of the North Dakota state magazine.
Amendment - Workforce enhancement council		Section 8 amends North Dakota Century Code Section 54-60-22 to expands recommendations provided by the Workforce Enhancement Council to the Commissioner of the Department of Commerce regarding the approval of training grants to include training providers and businesses, rather than only providing recommendations for grants to institutions of higher education.
Amendment - UAS program and fund		Sections 9 and 10 amend Sections 54-60-28 and 54-60-29 related to administration of the UAS program and fund
Amendment - 2021 Session Laws - North Dakota Development Fund transfer - 2021-23 biennium	Section 32 would amend subsection 35 of Section 1 of Chapter 550 of the 2021 Session Laws to provide the transfer OMB is to make from the federal State Fiscal Recovery Fund to the North Dakota Development Fund during the 2021-23 biennium is for the purpose of a North Dakota Development Fund grant program.	Section 11 amends subsection 35 of Section 1 of Chapter 550 of the 2021 Session Laws to provide the transfer OMB is to make from the federal State Fiscal Recovery Fund to the North Dakota Development Fund during the 2021-23 biennium is for the purpose of a North Dakota Development Fund grant program.
Exemption - Nonresident nurse employment recruitment program	Section 7 would provide an exemption to continue unexpended 2019-21 biennium funds for the nonresident nurse employment recruitment program that was continued into the 2021-23 biennium into the 2023-25 biennium. A total of \$500,000 was appropriated from the general fund to the department for this purpose for the 2019-21 biennium and the department received authorization to continue \$320,000 of this funding into the 2021-23 biennium.	Subsection 1 of Section 12 provides an exemption to continue unexpended 2019-21 biennium funds for the nonresident nurse employment recruitment program that was continued into the 2021-23 biennium into the 2023-25 biennium. A total of \$500,000 was appropriated from the general fund to the department for this purpose for the 2019-21 biennium and the department received authorization to continue \$320,000 of this funding into the 2021-23 biennium.

Other Sections in Department of Commerce - Budget No. 601

	Executive Budget Recommendation	House Version
Exemption - CARES Act funding	Section 23 would provide an exemption to continue unexpended 2019-21 biennium federal CARES Act funded programs that was continued into the 2021-23 biennium into the 2023-25 biennium. A total of \$11,393,078 was appropriated from federal COVID-19 funds to the department in House Bill No. 1394 (2021) for the community development block grant program (\$3,000,000), community services block grant program (\$7,393,078), and emergency solutions grant program (\$1,000,000) for the 2021-23 biennium.	Subsection 2 of Section 12 provides an exemption to continue unexpended 2019-21 biennium federal CARES Act funded programs that was continued into the 2021-23 biennium into the 2023-25 biennium. A total of \$11,393,078 was appropriated from federal COVID-19 funds to the department in House Bill No. 1394 (2021) for the community development block grant program (\$3,000,000), community services block grant program (\$7,393,078), and emergency solutions grant program (\$1,000,000) for the 2021-23 biennium.
Exemption - State small business credit initiative	Section 22 would provide an exemption to continue unexpended 2021-23 biennium funds for the state small business credit initiative program into the 2023-25 biennium. A total of \$56,234,176 was appropriated from federal COVID-19 funds to the department in House Bill No. 1394 (2021) for this purpose for the 2021-23 biennium.	Subsection 3 of Section 12 provides an exemption to continue unexpended 2021-23 biennium funds for the state small business credit initiative program into the 2023-25 biennium. A total of \$56,234,176 was appropriated from federal COVID-19 funds to the department in House Bill No. 1394 (2021) for this purpose for the 2021-23 biennium.
Exemption - Discretionary funds	Section 3 would provide an exemption to continue unexpended 2021-23 biennium funds for discretionary funds into the 2023-25 biennium. A total of \$2.15 million was appropriated from the general fund to the department in Senate Bill No. 2018 (2021) for this purpose for the 2021-23 biennium.	Subsection 4 of Section 12 provides an exemption to continue unexpended 2021-23 biennium funds for discretionary funds into the 2023-25 biennium. A total of \$2.15 million was appropriated from the general fund to the department in Senate Bill No. 2018 (2021) for this purpose for the 2021-23 biennium.
Exemption - Additional discretionary funds	Section 4 would provide an exemption to continue unexpended 2021-23 biennium funds for discretionary funds into the 2023-25 biennium. A total of \$1 million was appropriated from the general fund to the department in House Bill No. 1015 (2021) for this purpose for the 2021-23 biennium.	Subsection 5 of Section 12 provides an exemption to continue unexpended 2021-23 biennium funds for discretionary funds into the 2023-25 biennium. A total of \$1 million was appropriated from the general fund to the department in House Bill No. 1015 (2021) for this purpose for the 2021-23 biennium.
Exemption - UAS program	Section 8 would provide an exemption to continue unexpended 2021-23 biennium funds for the UAS program into the 2023-25 biennium. A total of \$3 million was appropriated as ongoing funding from the general fund to the department for this purpose for the 2021-23 biennium.	Subsection 6 of Section 12 provides an exemption to continue unexpended 2021-23 biennium funds for the UAS program into the 2023-25 biennium. A total of \$3 million was appropriated as ongoing funding from the general fund to the department for this purpose for the 2021-23 biennium.
Exemption - BVLOS UAS program	Section 5 would provide an exemption to continue unexpended 2021-23 biennium funds for the BVLOS UAS program into the 2023-25 biennium. A total of \$19 million was appropriated from the strategic investment and improvements fund to the department for this purpose for the 2021-23 biennium.	Subsection 7 of Section 12 provides an exemption to continue unexpended 2021-23 biennium funds for the BVLOS UAS program into the 2023-25 biennium. A total of \$19 million was appropriated from the strategic investment and improvements fund to the department for this purpose for the 2021-23 biennium.
Exemption - BVLOS UAS program matching funds	Section 9 would provide an exemption to continue unexpended 2021-23 biennium funds for matching funds related to the BVLOS UAS program into the 2023-25 biennium. A total of \$1 million was appropriated from the general fund to the department for this purpose for the 2021-23 biennium.	Subsection 8 of Section 12 provides an exemption to continue unexpended 2021-23 biennium funds for matching funds related to the BVLOS UAS program into the 2023-25 biennium. A total of \$1 million was appropriated from the general fund to the department for this purpose for the 2021-23 biennium.
Exemption - Enhanced use lease grant program	Section 6 would provide an exemption to continue unexpended 2021-23 biennium funds for the enhanced use lease grant program into the 2023-25 biennium. A total of \$7 million was appropriated from the strategic investment and improvements fund to the department for this purpose for the 2021-23 biennium.	Subsection 9 of Section 12 provides an exemption to continue unexpended 2021-23 biennium funds for the enhanced use lease grant program into the 2023-25 biennium. A total of \$7 million was appropriated from the strategic investment and improvements fund to the department for this purpose for the 2021-23 biennium.
Exemption - Homeless shelter grant program	Section 13 would provide an exemption to continue unexpended 2021-23 biennium funds for the homeless shelter grant program into the 2023-25 biennium. A total of \$1,330,212 was appropriated from the general fund to the department for this purpose for the 2021-23 biennium.	Subsection 10 of Section 12 provides an exemption to continue unexpended 2021-23 biennium funds for the homeless shelter grant program into the 2023-25 biennium. A total of \$1,330,212 was appropriated from the general fund to the department for this purpose for the 2021-23 biennium.

Other Sections in Department of Commerce - Budget No. 601

Exemption - Workforce community services program

Executive Budget Recommendation

Section 10 would provide an exemption to continue unexpended 2021-23 biennium funds for the workforce community services program into the 2023-25 biennium. A total of \$1,074,888 was appropriated from federal funds to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.

House Version

Subsection 11 of Section 12 would provide an exemption to continue unexpended 2021-23 biennium funds for the workforce community services program into the 2023-25 biennium. A total of \$1,074,888 was appropriated from federal funds to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.

Exemption - Community development planning grant program

Section 11 would provide an exemption to continue unexpended 2021-23 biennium funds for the community development planning grant program into the 2023-25 biennium. A total of \$1 million was appropriated from federal funds to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.

Subsection 12 of Section 12 provides an exemption to continue unexpended 2021-23 biennium funds for the community development planning grant program into the 2023-25 biennium. A total of \$1 million was appropriated from federal funds to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.

Exemption - Autonomous agriculture matching grants

Section 14 would provide an exemption to continue unexpended 2021-23 biennium funds for the autonomous agriculture grant program into the 2023-25 biennium. A total of \$10 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.

Subsection 13 of Section 12 provides an exemption to continue unexpended 2021-23 biennium funds for the autonomous agriculture grant program into the 2023-25 biennium and provides the funding may be awarded without requiring matching funds from nonstate sources. A total of \$10 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.

Exemption - Workforce development incentive grant program

Section 15 would provide an exemption to continue unexpended 2021-23 biennium funds for the workforce development incentive grant program into the 2023-25 biennium. A total of \$15 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.

Subsection 14 of Section 12 provides an exemption to continue unexpended 2021-23 biennium funds for the workforce development incentive grant program into the 2023-25 biennium. A total of \$15 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.

Exemption - Technical skills training grants

Section 16 would provide an exemption to continue unexpended 2021-23 biennium funds for the technical skills training grant program into the 2023-25 biennium. A total of \$5 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.

Subsection 15 of Section 12 provides an exemption to continue unexpended 2021-23 biennium funds for the technical skills training grant program into the 2023-25 biennium. A total of \$5 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.

Grant status reports

Section 13 requires the Department of Commerce to report to the Legislative Management during the 2023-24 interim regarding the status of grant programs administered by the department.

Exemption - Workforce innovation network grant program

Section 12 would provide an exemption to continue unexpended 2021-23 biennium funds for the workforce innovation network grant program into the 2023-25 biennium. A total of \$100,000 was appropriated from special funds from the National Governor's Association to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.

Exemption - AmeriCorps workforce community services

Section 17 would provide an exemption to continue unexpended 2021-23 biennium funds for the AmeriCorps workforce community services program into the 2023-25 biennium. Authority to spend \$1.2 million of federal funds was approved by the Emergency Commission and Budget Section in March 2022 for this purpose for the 2021-23 biennium.

Exemption - Parks and recreation grant

Section 18 would provide an exemption to continue unexpended 2021-23 biennium funds for the parks and recreation program into the 2023-25 biennium. Authority to spend \$1.55 million of federal funds was approved by the Emergency Commission and Budget Section in September 2022 for this purpose for the 2021-23 biennium.

Other Sections in Department of Commerce - Budget No. 601

Exemption - Energy conservation program

Exemption - Heating and cooling grants

Exemption - Agriculture rural placemaking challenge program

Exemption - Coronavirus Relief funding

Estimated income - Legacy earnings fund - One-time funding

Estimated income - Legacy earnings fund - One-time funding

Additional appropriation authority

Exemption - Entrepreneurship grants and vouchers program

Executive Budget Recommendation

Section 19 would provide an exemption to continue unexpended 2021-23 biennium funds for the energy conservation program into the 2023-25 biennium. Authority to spend \$14,222,975 of federal funds transferred from the Department of Health and Human Services was approved by the Emergency Commission and Budget Section in September 2022 for this purpose for the 2021-23 biennium.

Section 20 would provide an exemption to continue unexpended 2021-23 biennium funds for the heating and cooling grant program into the 2023-25 biennium. Authority to spend \$1,306,112 of federal funds transferred from the Department of Health and Human Services was approved by the Emergency Commission and Budget Section in September 2022 for this purpose for the 2021-23 biennium.

Section 21 would provide an exemption to continue unexpended 2021-23 biennium funds for the agriculture rural placemaking challenge program into the 2023-25 biennium. Authority to spend \$250,000 of federal funds was approved by the Emergency Commission and Budget Section in September 2022 for this purpose for the 2021-23 biennium.

Section 24 would provide an exemption to continue unexpended 2019-21 biennium funding from the federal Coronavirus Relief Fund that was continued into the 2021-23 biennium into the 2023-25 biennium. A total of \$82,179,000 was appropriated from the Coronavirus Relief Fund to the department in House Bill No. 1395 (2021) for the 2021-23 biennium.

Section 28 would identify \$37 million of one-time funding appropriated in Section 1 is from the legacy earnings fund for BVLOS UAS grants (\$30 million) and enhanced use lease grants (\$7 million).

Section 29 would identify \$50 million of one-time funding appropriated in Section 1 is from the legacy earnings fund for a tourism destination development grant program.

Section 30 would appropriate additional income available from federal or other funds in excess of funding appropriated in Section 1 to the department during the 2023-25 biennium.

Section 31 would identify \$948,467 appropriated in Section 1 is from the general fund (\$740,956) and special funds (\$207,511) for the entrepreneurship grants and vouchers program and would provide an exemption to allow the department to continue this funding into the 2025-27 biennium.

House Version