



BUDGET SECTION - COMMERCE AND LEGAL SERVICES DIVISION

Wednesday, March 18, 2026
Room 327E, State Capitol
Bismarck, North Dakota

Representative Mike Nathe, Chairman, called the meeting to order at 1:48 p.m.

Members present: Representatives Mike Nathe, Karla Rose Hanson, Bob Martinson, David Richter, Mark Sanford*, Steve Swiontek*; Senators Randy A. Burckhard, Robert Erbele, Randy D. Lemm, Jonathan Sickler, Terry M. Wanzek*

Members absent: Representative Scott Louser; Senator Michael Dwyer

Others present: Shayden Akason, Katie Ralston Howe, and Chris Schilken, Department of Commerce
**Attended remotely*

BACKGROUND INFORMATION

Mr. Levi Kinnischtzke, Senior Fiscal Analyst, Legislative Council, presented information regarding the Department of Commerce [base budget summary](#).

DEPARTMENT OF COMMERCE

Mr. Chris Schilken, Commissioner, Department of Commerce, presented information regarding the department's organizational chart ([Appendix A](#)); a report regarding grant programs administered by the department pursuant to North Dakota Century Code Section 54-60-33 ([Appendix B](#)); the status of the department's new and vacant FTE pool activities for the 2025-27 biennium; the department's 2027-29 biennium base budget by line item and funding source, including grants and other major programs; the Tourism Destination Development Grant Program, including the process of selecting grant award recipients; the North Dakota Development Fund, including historical information and examples of successful and unsuccessful North Dakota Development Fund activities; the department's process of administering grant and loan programs and plans to streamline this process; and housing assistance programs administered by the department, housing assistance needs in the state, and potential funding requests for housing assistance programs ([Appendices C and D](#)). He noted:

- The department's 2027-29 biennium base budget totals \$88.4 million, of which \$35.3 million is from the General Fund, \$8.7 million is from special funds, and \$44.4 million is from federal funds. The largest line item in the base budget is the grants line item, which includes \$46.5 million comprised of \$644,000 from the General Fund, \$5.1 million from special funds, and \$40.7 million from federal funds.
- The North Dakota Development Fund has supported 938 projects and issued 141 child care loans totaling \$16.6 million since it was created in 1991.
- The Legislative Assembly appropriated \$15 million from the Strategic Investment and Improvements Fund to the department for the Tourism Destination Development Grant Program for the 2025-27 biennium. The department received 106 applications from 50 communities totaling \$153.2 million for the program. The department awarded the entire \$15 million to 23 community projects, including a \$4 million for a project that was declined by the grant recipient. The department is reviewing applications to award the \$4 million to a new applicant.
- The department is evaluating grant programs administered by the department and how to improve grant review transparency, increase stakeholder feedback into grant processes, and expand public access to grant award information.

- The department's Community Services Division administers federal housing assistance programs, including housing construction and rehabilitation for income-eligible households, weatherization and energy assistance programs, and workforce housing and blight remediation.

In response to a question from a committee member, Mr. Schilken noted the minimum grant application period for grants administered by the department is 30 days and that most applicants receive funds within 2 to 3 months after the recipient is notified of the grant award.

Committee members expressed concern regarding the department's process of administering grant programs.

In response to a question from a committee member, Mr. Shayden Akason, Deputy Director, Economic Development and Finance Division, Department of Commerce, noted the North Dakota Development Fund has active loans with 43 child care businesses that care for 3,754 children and because child care facilities are eligible for a loan only if a new facility is opened or an existing facility is expanded, each of the 3,754 child care spots are an expansion of child care services in the state.

Ms. Katie Ralston Howe, Deputy Commissioner, Department of Commerce, presented information regarding the department's process of administering workforce programs and plans to streamline this process. She noted:

- The department and the North Dakota Workforce Development Council recently conducted an assessment of North Dakota's workforce system, which revealed the state has many programs available, but access is limited in rural and highly rural areas, the limited ability to share data and knowledge between agencies and across programs impacts the customer experience, and there is misalignment in labor market needs between available workers and employer opportunities.
- In response to the workforce system assessment, the department and the North Dakota Workforce Development Council developed 13 recommendations and grouped the recommendations into strategic vision, customer focus, awareness and engagement, and information tracking and sharing categories.
- The Governor's office has established subcabinets among executive branch agencies based on subject matter expertise, including a workforce subcabinet to evaluate and make recommendations related to improving the state's workforce system. The subcabinet has established goals of aligning programs, technology, communication, and processes across the workforce system; is developing a future-ready workforce development system; and is addressing barriers to employment, including housing, transportation, and child care.

In response to a question from a committee member, Ms. Ralston Howe noted the in-demand occupations list is updated by the North Dakota Workforce Development Council annually using national wage and labor market information, including 10-year projections for occupation trends and wage earnings.

No further business appearing, Chairman Nathe adjourned the meeting at 3:18 p.m.

After conclusion of the meeting, Ms. Ralston Howe provided the committee with information on the methods used to create the 2025 North Dakota in-demand jobs list ([Appendix E](#)), the final 2025 North Dakota in-demand jobs list ([Appendix F](#)), and the federal Bipartisan Workforce Pell Act ([Appendix G](#)).

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ATTACH:7