

SENATE APPROPRIATIONS

January 15, 2025
Commissioner Chris Schilken

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A photograph of a young man with long hair, wearing a white lab coat, leaning over a laboratory bench. He is looking at something on the bench, possibly a microscope or a piece of equipment. The background is slightly blurred, showing other lab equipment and shelves.

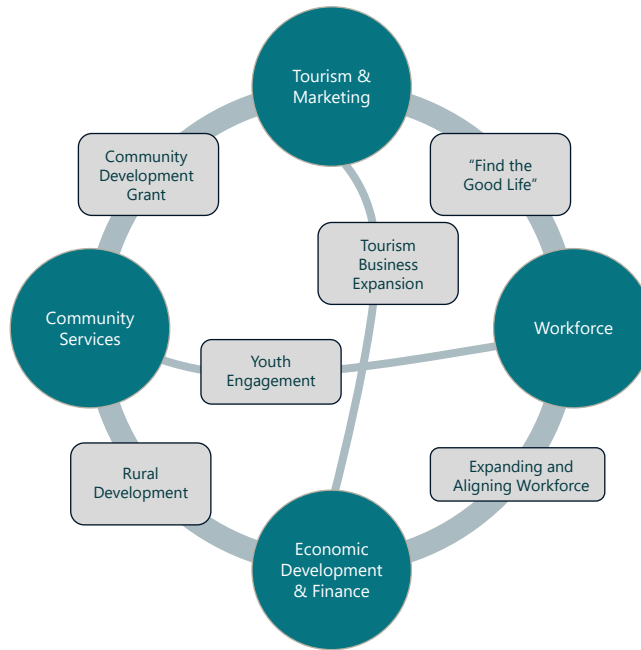
NORTH
Dakota | Commerce
Be Legendary.

**COMMERCE
MISSION**

We lead the efforts to attract, retain and expand wealth and talent in North Dakota.
ND Century Code Chapter 54-60

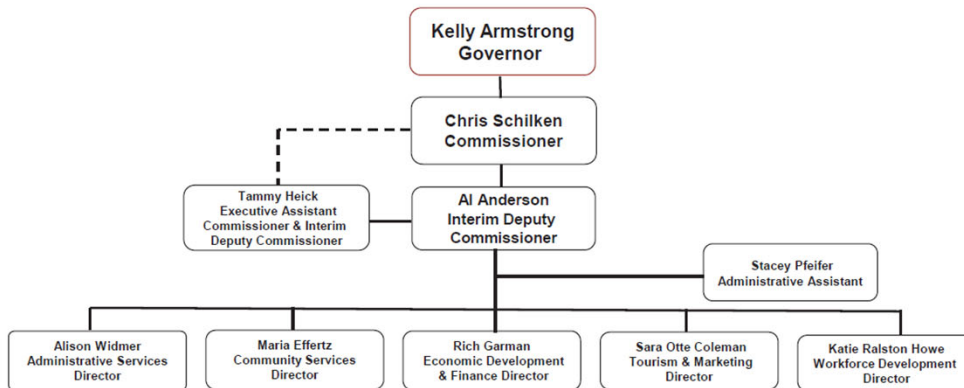
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**IMPROVING LIFE IN
NORTH DAKOTA**



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**Department of Commerce
Organizational Chart**



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Status of Approved New Positions

- Workforce Talent Attraction Initiative [Hired 7/6/2023 \$202,940 from pool]
- Workforce Investment Grant Program [Hired 4/1/2024 \$140k from pool]
- Office of Legal Immigration- 2 positions [Hired 7/6/2023 & vacant]
- 3 FTEs – Weatherization & Energy Programs [one time funding]
 1. Hired 3/04/2024
 2. Hired 9/23/2024
 3. Vacant

Current Vacant Positions

- Program Administrator- Temporary – will be posted in January 2025 (temporary Federal funds FTE)
- Global Talent Coordinator- position closes January 15, 2025

2025-2027 FTE Requests

- 1 FTE – Procurement Officer
- 1 FTE – Development Fund

We cannot request additional funding from the FTE pool until March 1, 2025.

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Employee Retention and Recruitment

IN ORDER TO COMPETE WITH PRIVATE SECTOR TO RECRUIT AND RETAIN TALENT

- Total Rewards package
- 3% performance increases in years one and two

Private sector has caught up on benefits. We are behind on salaries.

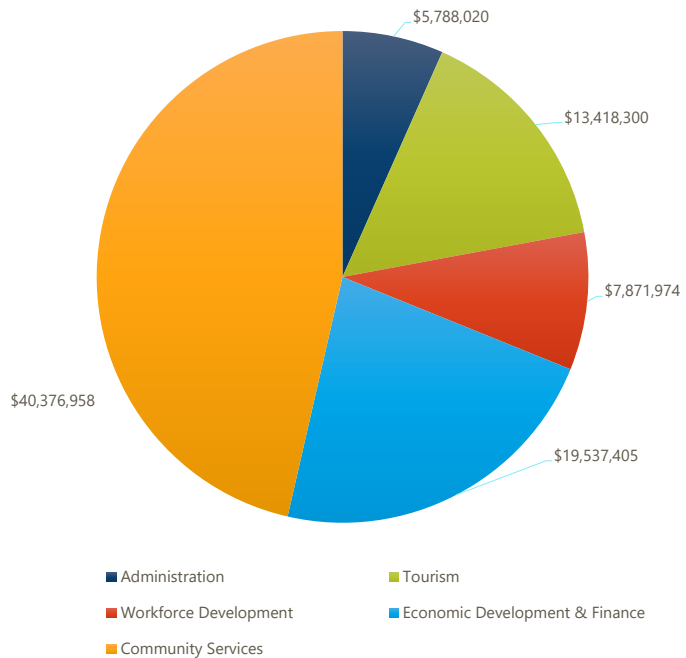
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2025 – 2027 Base Budget Request

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Object/Revenue		2025-27 Base Budget Request
Description	Code	
Administration	601-200	5,788,020
Tourism	601-300	13,418,300
Workforce Development	601-400	7,871,974
Economic Development & Finance	601-500	19,537,405
Division of Community Services	601-600	40,376,958
TOTAL BY APPROPRIATIONS ORGS		86,992,657
Salaries and Wages	60110	17,280,669
Operating Expenses	60130	18,503,136
Grants	60160	47,502,465
COVID-19 Response	60161	-
Discretionary Funds	60162	1,850,000
Workforce Enhancement Fund	60163	-
Economic Develop Initiatives	60164	-
Workforce Innovation Network Grant Program	60167	-
Unmanned Aircraft System	60171	-
Partner Programs	60174	907,920
Entrepreneurship Grants	60175	948,467
Legal Immigration	60176	-
CARES Act Funding - 2020	60179	-
American Rescue Plan Act	60180	-
Weatherization and Energy Program	60181	-
TOTAL BY OBJECT SERIES		86,992,657
General	GEN	33,491,049
Federal	FED	43,931,168
Special	SPEC	9,570,440
TOTAL BY FUNDS		86,992,657
TOTAL AUTHORIZED EMPLOYEES		62.80

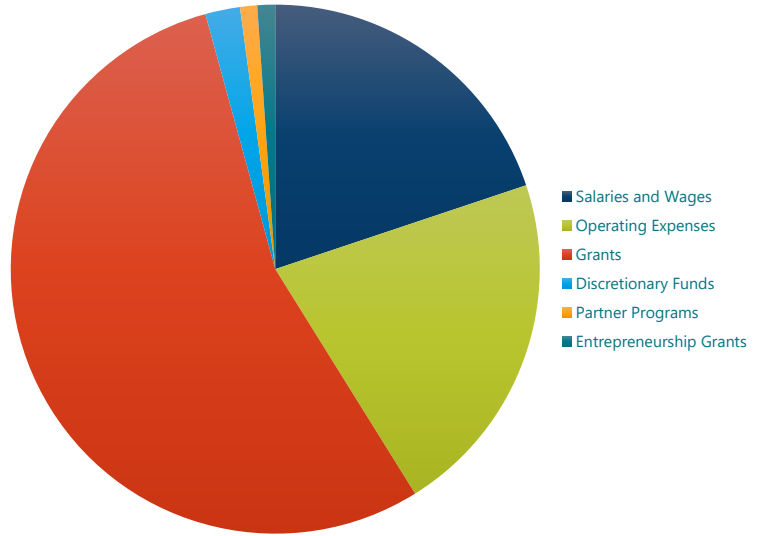
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2025-2027 Base Budget Request by Division



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2025-2027 Base Budget Request by Line



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2025 – 2027 Funding Item Request

Request Name	2025-27 Executive Recommendation					FTE
	General Fund	Federal Fund	Special Fund	Total		
	9,827,851	388,583	150,543,568	160,760,002		2.00
FAA Data	One Time	-	-	11,000,000	11,000,000	-
Housing Package	One Time	-	-	50,000,000	50,000,000	-
Drone Replacement	One Time	-	-	15,000,000	15,000,000	-
Agency Operations	Ongoing	1,338,703	290,000	290,413	1,919,116	-
Workforce Division Office of Legal Immigration	Ongoing/One Time	2,000,000	-	-	2,000,000	-
Regional Workforce Grant Program	One Time	-	-	10,000,000	10,000,000	-
North Dakota Development Fund	Transfer & Ongoing	-	-	273,305	273,305	1.00
Property valuation increase through improvements	One Time	-	-	5,000,000	5,000,000	-
Tourism Marketing Awareness	One Time	-	-	5,000,000	5,000,000	-
Destination Development	One Time	-	-	15,000,000	15,000,000	-
Technical Skills Training Grant	One Time	2,000,000	-	-	2,000,000	-
Beyond Visual Line of Sight Uncrewed Aircraft System Program	One Time	-	-	20,000,000	20,000,000	-
Procurement Officer	Ongoing	230,104	-	-	230,104	1.00
Find the Good Life	One Time	-	-	5,000,000	5,000,000	-
Beyond Visual Line of Sight Uncrewed Aircraft System Program – Test Site	One Time	1,000,000	-	-	1,000,000	-
Operation Intern	One Time	2,000,000	-	-	2,000,000	-
Legacy Investment for Technology Funds	Transfer	-	-	-	-	-
Entrepreneurship and Innovation Grant	One Time	1,259,044	-	-	1,259,044	-
Building Codes	Ongoing	-	98,583	-	98,583	-
Enhanced Use Lease	One Time	-	-	5,000,000	5,000,000	-
Autonomous Agriculture Grant	One Time	-	-	10,000,000	10,000,000	-

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TOURISM & MARKETING

We build the positive public image of North Dakota as a dynamic place to live and work.

By showcasing opportunities and inspiring visitors to Be Legendary, we strengthen the economy and provide opportunity for people across our communities.

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Tourism & Marketing Programs

 <p>Paid Marketing</p>	 <p>Global Marketing</p>	 <p>Workforce Recruitment</p>
 <p>Media Relations - Outreach</p>	 <p>Group Travel</p>	 <p>Communications</p>
 <p>Social Media</p>	 <p>Outdoor Promotions</p>	 <p>Destination Development</p>

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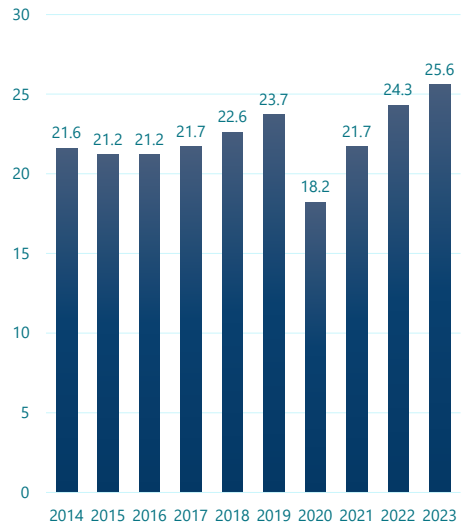
Tourism Research Results

REPORT ON ECONOMIC IMPACT OF TOURISM IN 2023

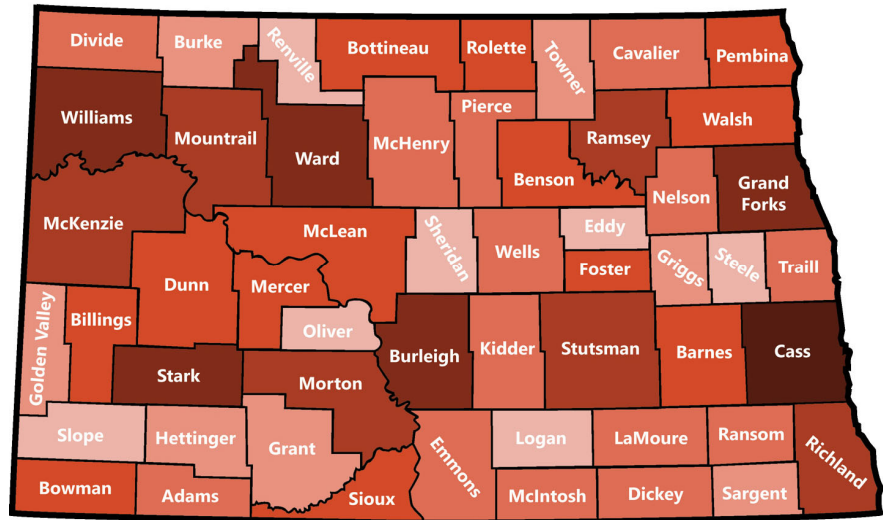
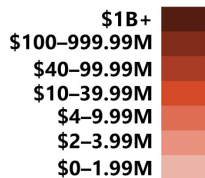
- Visitation grew 5.3% reaching 25.6M visitors
- Visitor spending grew to \$3.3B
- 17.8-million-day-visitors
- Visitors paid more than \$307M in local and state taxes
 - Creating a \$960 per household savings for North Dakotans

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Visitation



Visitor Spending by County



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Visitation Stats



Airport Arrivals

1.13M

↑ 8.3%



National Park Visits

955,727

↑ 27.2%



Hotel Occupancy

\$517M in revenue

↑ 0.9%



Border Crossings

453,052

↑ 10.9% (78% of pre-covid visitation)

Entry numbers are almost equivalent to 2017 when the exchange rate was similar.



Taxable Sales and Purchase

↑ 1.85% Accommodations and food services

↑ 8.05% Arts, entertainment and recreation

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Marketing North Dakota

Paid media: 438M impressions, 17M video views

Earned media: 5,690 media hits, with 9.8B reach

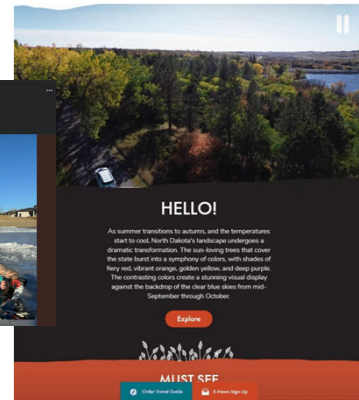
Influencers: 2.1M reach

Social media: 400k+ engagements

NDtourism.com: 3.6M sessions, up 30%



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10 Underrated National Parks to Visit This Summer



Theodore Roosevelt National Park

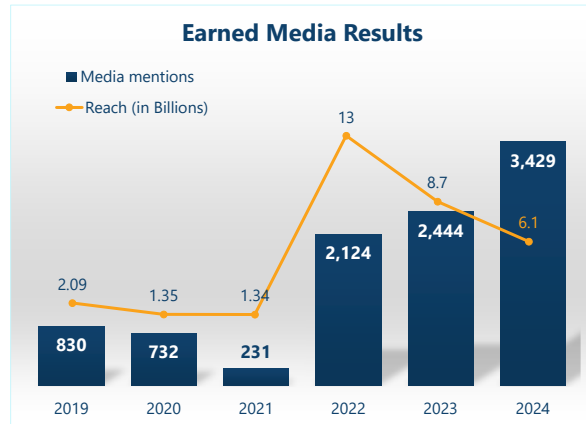
Theodore Roosevelt National Park is a historic landmark in the heart of North Dakota. The park is a beautiful blend of natural beauty and historic significance. It is a must-visit destination for anyone looking for a unique and unforgettable experience in the heart of the Great Plains.

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Public & Media Relations - Tourism

Public and media relations efforts elevate North Dakota's image through proactive outreach and storytelling, garnering positive media coverage and increasing awareness.

National Media Coverage	<ul style="list-style-type: none"> • 3,429 earned media mentions • 6.1B reach
International Media Coverage	<ul style="list-style-type: none"> • 113 media articles • 231M reach
Influencer Campaign	<ul style="list-style-type: none"> • 128M impressions • 400K+ social media engagements • 2.1M reach



Public & Media Relations - Commerce

Commerce's public and media relations efforts are generating increased national awareness of North Dakota's innovative business climate, career opportunities, and quality of life.

Workforce:	<ul style="list-style-type: none"> • 1,359 earned media mentions • 1.8B reach
Business	<ul style="list-style-type: none"> • 902 earned media mentions • 1.8B reach
Influencer Campaign:	<ul style="list-style-type: none"> • 185.1K total reach • 3.7M impressions • 5.6K engagements

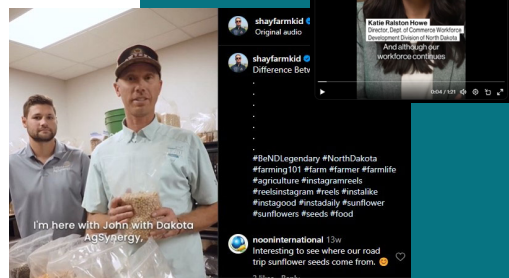
I'm a 24-year-old who lives in Medora, North Dakota, which has a population of fewer than 150 people. We don't have a grocery store in town but we do have the northern lights.

As told to Erin Spooler | Apr 27, 2024, 7:11 AM CDT



Madi Lee, 24, moved to Medora, North Dakota, after graduating from college in 2022. She says the town's population of fewer than 150 people year-round but explodes with tourists in the summer. Courtesy of Madi Lee.

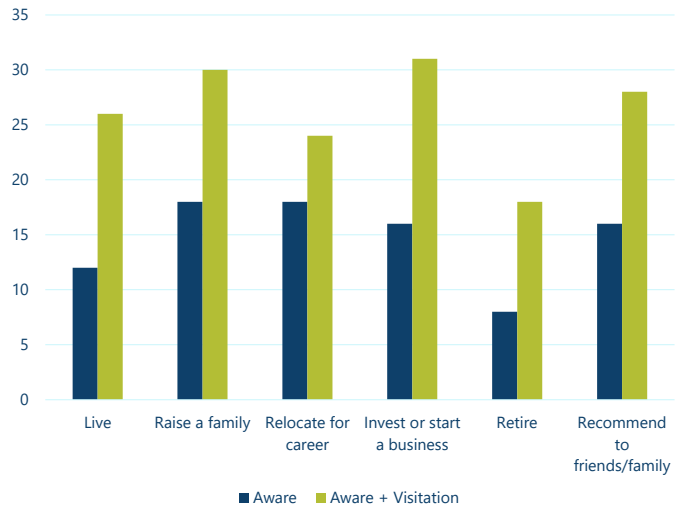
- Madi Lee is a 24-year-old who moved to the tiny town of Medora, North Dakota, after college.



Tourism Advertising Elevates North Dakota's Image

HALO EFFECT

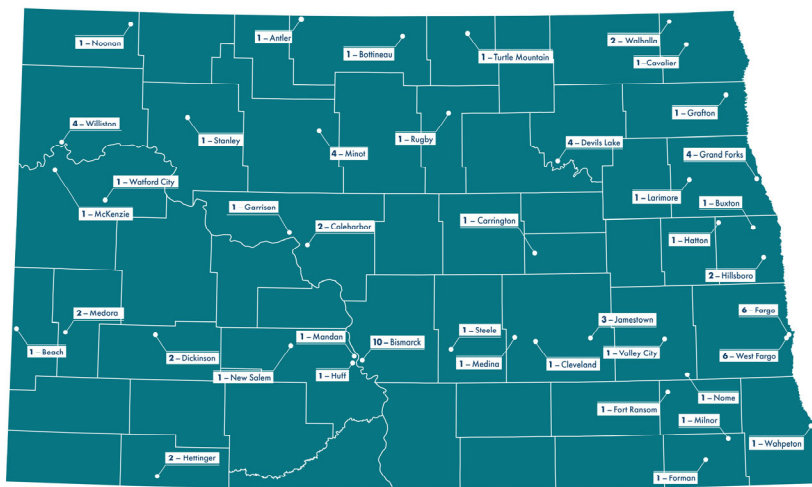
Average 13% image lift from advertising awareness.



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2023 Destination Development Grant Applications

The applications varied considerably in scope and appeal to unique visitor segments. New and expanded destination experiences will not only attract visitors but also improve our quality of life and workforce recruitment efforts.



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\$151.5 million in requests | 81 applications | 41 cities



Tourism Destination Development Grants

- Bison World
- Bottineau Winter Park
- Brews, Chews and Views – Downton Minot
- Dakota Prairie Wings Lodge
- Dickinson Museum Center
- Frost Fire Park
- Good Bear Lodge at Indian Hills Resort
- Huff Hills Ski Area (pending)
- Riverfront Festival Grounds
- Theodore Roosevelt Presidential Library
- Thrill Hills
- Turtle Mountain Band of Chippewa – comprehensive
- Western Heritage Arena
- The Shores Event Center at Woodland Resort

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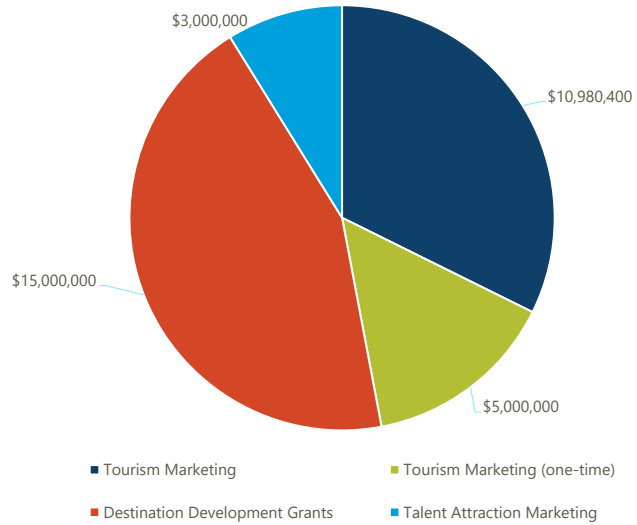


Marketing Campaign Effectiveness



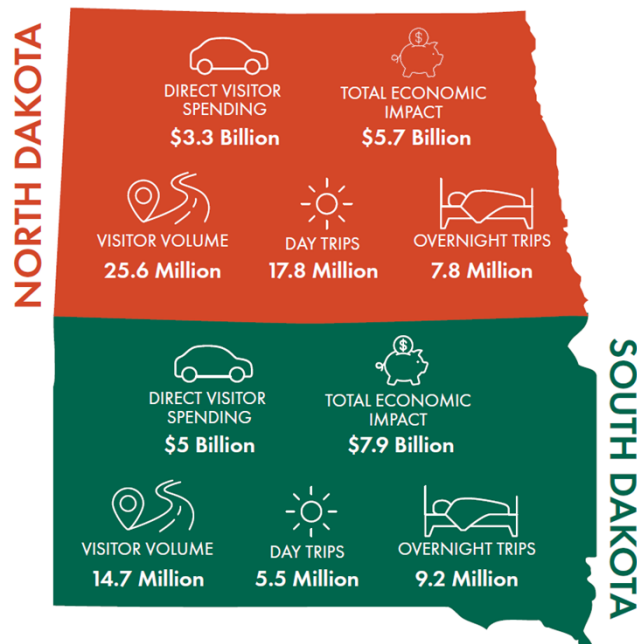
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Tourism and Marketing Division BUDGET



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Community Services Program Areas

- Housing and Urban Development (HUD)**
 - o Community Development Block Grant (CDGB)
 - o Manufactured Home oversight, licensing, and installation
- Office of HHS Administration for Children and Families**
 - o Community Services Block Grant (CSBG)
- North Dakota State Building Codes**
- North Dakota Renaissance Zone (RZ)**
- North Dakota Energy Conservation Grant (ECG)**
- Office of Community Development and Rural Prosperity (CDRP)**
- Department of Energy (DOE)**
 - o Weatherization and Low-Income Heating and Energy Assistance Program (LIHEAP)
 - o State Energy Program (SEP) annual allocation
 - o State Energy Program Inflation and Investment Jobs Act (SEP-IIJA)
 - o Home Efficiency Rebate (HER)
 - o Home Electrification and Appliance Rebate (HEAR)

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Office of Community Development and Rural Prosperity



88 Communities

Visited in the past
4 years



Monthly

Educational and
collaborative
interactions

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258K

Grant Management — Rural Sustainable Food Program

Communities were provided
funding for studies or
implementation

Total population touched by
grant dollars

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Grant Management — Rural Workforce Housing/Slum and Blight Removal

(COMMUNITY REVITALIZATION)

16 Communities received funds.

- **19** infill lots for workforce housing (Oakes/Bowman County/Sheyenne/Hankinson), and nine readily available housing options (primarily consisting of mixed-use apartments).

Project Guidelines:

- Conduct a housing study.
- Purchase blighted properties or vacant lots.
- Remove hazards or structures from blighted properties.
- Up to \$10,000 per business for improvements if the business is in a mixed-use property.

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Request

\$30 Million for
Community
Development and
Workforce Housing

\$5 Million for
Community
Revitalization

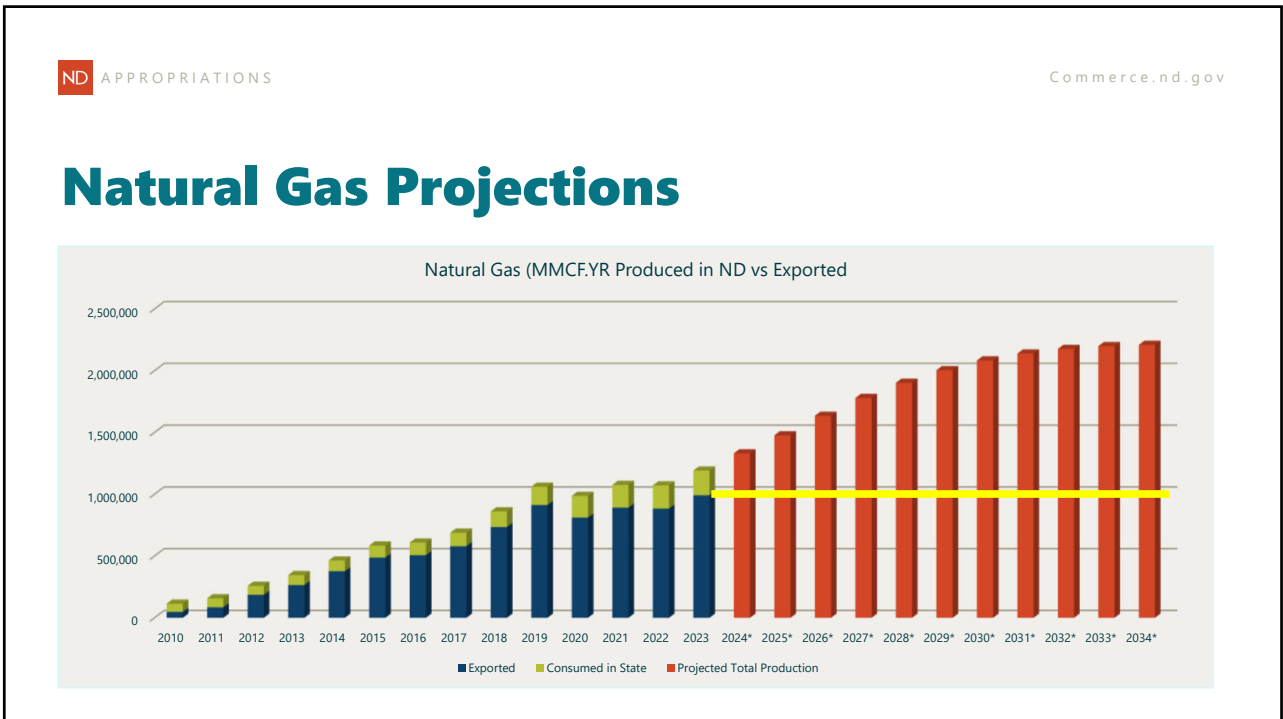
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ECONOMIC DEVELOPMENT & FINANCE

Economic Development & Finance is charged with coordinating the state's economic development resources to attract, retain and expand wealth.

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Value-Added Agriculture Successes

50% annual production
Soybean processing capacity increased from 0% to over 50% of annual production.

210M Bushels
Ethanol industry also processes over 210 million bushels of corn annually, producing 550 million gallons of ethanol and over a million tons of DDGs.

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Synergy Between Energy and Agriculture

THESE SYNERGIES STRENGTHEN AND DIVERSIFY OUR ECONOMY, ENSURING LONG-TERM RESILIENCE AND GROWTH.

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Uncrewed Aircraft Systems

North Dakota is UAS leader in UAS technology, anchored by the Northern Plains UAS Test Site and its key partner, Grand Sky.

- Project ULTRA
- Pioneering BVLOS operations
- Administering Vantis, ND's statewide UAS network for BVLOS operations
- 1st participant in the FAA's Radar Data Pathfinder program
- Dedicated UAS Infrastructure
- (HB1038) Drone buyback and radar data

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Enhanced Use Lease

- Managed by Grand Sky
- Pioneering BVLOS
- Dedicated UAS Infrastructure
- DoD projects
- Sky Range Initiative

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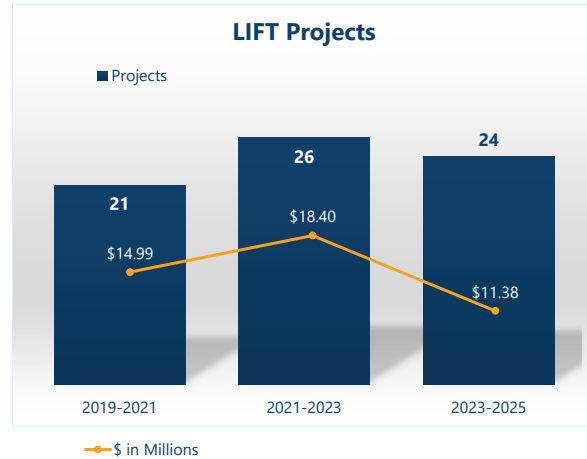


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Legacy Investment for Technology Loan Fund (LIFT)

LIFT FOSTERS TECHNOLOGY INNOVATION.

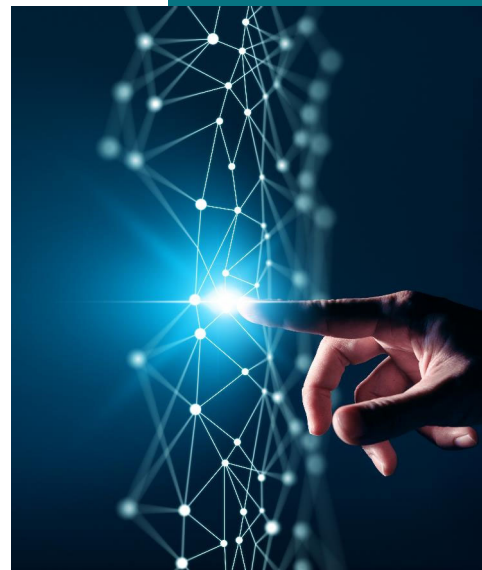
LIFT has significantly impacted various industries including healthcare, advanced computing and data management, agriculture technology, and uncrewed aircraft systems.



Innovate ND

INNOVATE ND REMAINS A CORNERSTONE OF NORTH DAKOTA'S COMMITMENT TO FOSTERING ENTREPRENEURSHIP AND DRIVING ECONOMIC DEVELOPMENT.

- Supported 72 startups leading to 23 successful graduates.
- Processed 103 applications, demonstrating strong demand.
 - 12 companies accepted.
 - 7 successfully graduated.
 - 2 remain active.
 - 3 exited the program.



North Dakota Development Fund, Inc.

Childcare Loan Program

- 19 loans issued
- 1,098 childcare spots created

Specific Investments

- Reduction to natural gas flaring
- Ag tech digital tools
- Ethanol plant
- Childcare
- Metal and machining shop

SUMMARY OF REQUESTS

Description	Base Budget	General Fund	Special Fund	Transfers	TOTAL
FAA Radar Data			\$11,000,000		\$11,000,000
Drone Replacement			\$15,000,000		\$15,000,000
Enhanced Use Lease			\$5,000,000		\$5,000,000
BVLOS - Test Site	\$3,000,000	\$1,000,000			\$4,000,000
BVLOS - Vantis	\$9,020,150				\$9,020,150
LIFT				\$10,000,000	\$10,000,000
INNOVATE ND	\$948,467	\$1,259,044			\$2,207,511
Partner Programs	\$907,920				\$907,920
Autonomous Ag Grant			\$10,000,000		\$10,000,000
NDDF			\$273,305	\$50,000,000	\$50,273,305

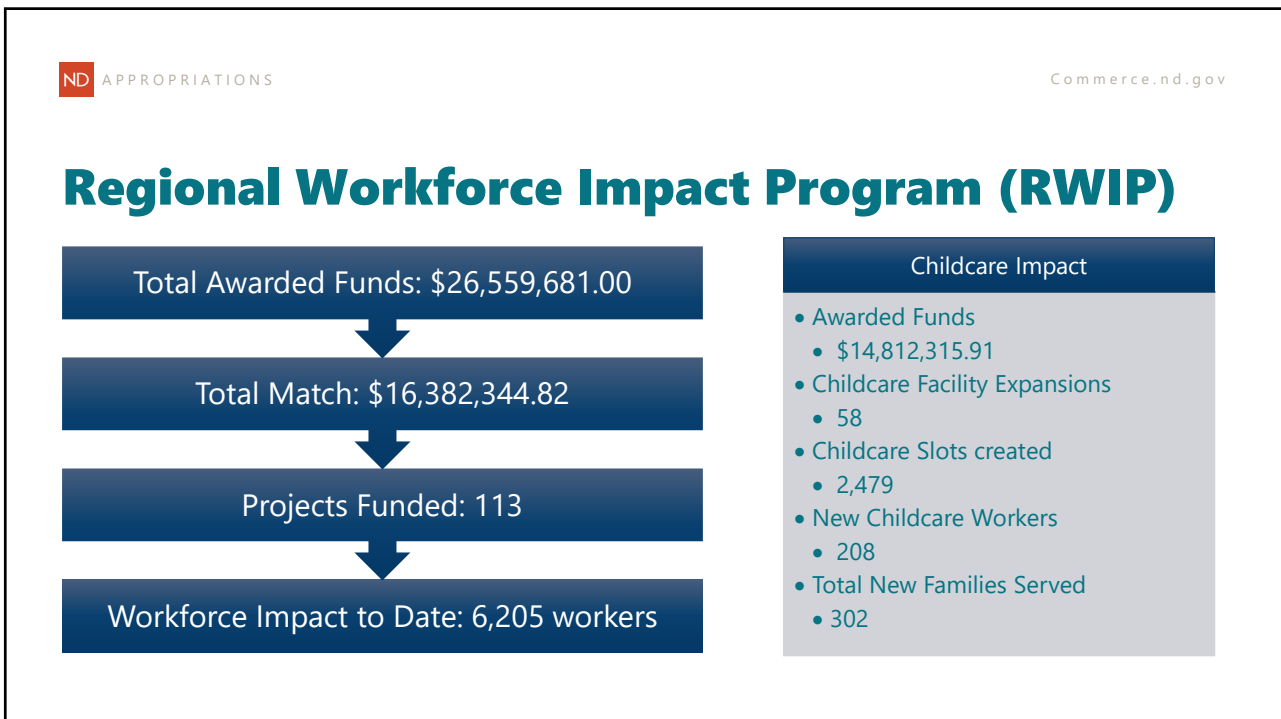




WORKFORCE DEVELOPMENT

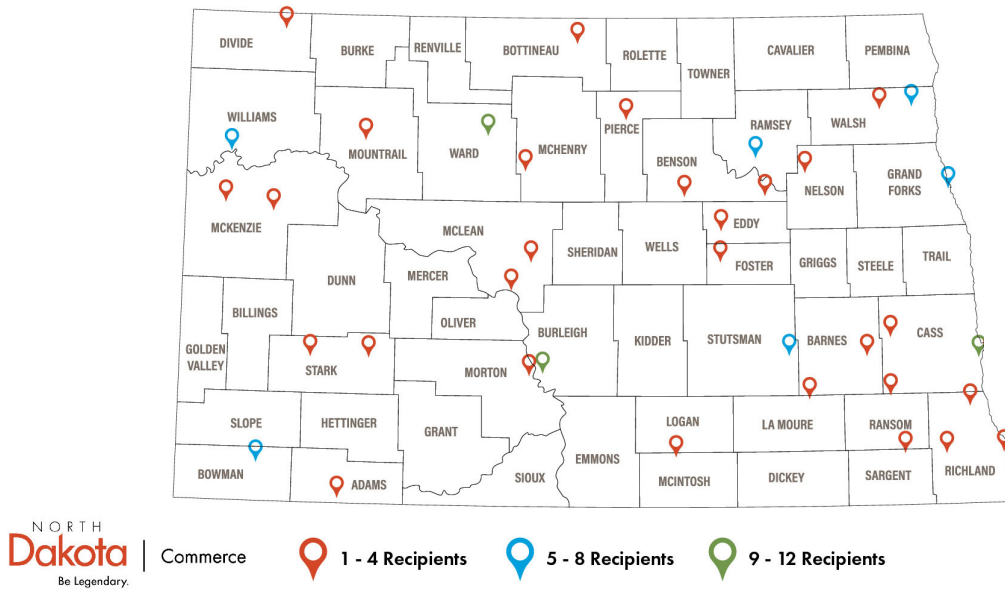
The ND Department of Commerce Workforce Development Division partners with other state agencies and private sector industries to deliver specialized programs and services to assist in enhancing the workforce of ND.

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REGIONAL WORKFORCE IMPACT PROGRAM (RWIP) RECIPIENTS



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FIND THE **goodlife**
in North Dakota

Pipeline Funnel



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Overall Pipeline

Top Industries

- Healthcare
- Business Management & Admin
- Retail & Food Services
- Manufacturing
- Skilled Trades

Top Interests

- Things to Do, Festivals & Events
- Outdoor Recreation
- Remote Work/Entrepreneurial
- Food Scene
- Arts & Entertainment

Top States Lived In

- Florida
- California
- Texas
- New York
- Minnesota

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Moving Data

Timeline to Move

- Immediate – 30%
- 3 Months – 20%
- 6 Months – 14%
- Within 1 Year – 12%
- 1-2 Years – 4%
- Gathering Info/No Timeline – 19%

ND Cities Preference

- Fargo/West Fargo
- Bismarck
- Minot
- Williston
- Grand Forks/Dickinson
- Jamestown

Population Preference

- No Preference – 68%
- Rural – 13%
- Small Town – 8%
- Larger Community – 12%

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Mover Impact

\$25,047 per
year in
economic
impact per
worker

ND
#1
In net
Migration

2023
Employment
up
2.5%

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Office of Legal Immigration (OLI)

ACTIVITY & WINS

Establishing
Recruitment
Pathways

Hosting Global
Talent Summit

Helping Businesses
Recruit Foreign-
Born Workers

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Office of Legal Immigration (OLI)

KEY ACHIEVEMENTS

200+ organizations engaged in learning opportunities

16 organizations recruiting immigrant workers

6 employers successfully completed process



124
Businesses

442
Interns

Operation Intern

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Technical Skills Training Grant (TSTG)

- Programs Supported since 2022: 70
- Programs supported in 2023-2025: 31
- Total workers trained: 1,650+



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AmeriCorps

- 6 Projects
- Average of 150 Members per Year
- 90,000+ Service Hours
- \$483,670 in Education Assistance



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SUMMARY OF REQUESTS

- RWIP: \$10M
- FTGL: \$5M
- Global Talent: \$2M
- Operation Intern: \$2M additional (\$1M in base budget)
- TSTG: \$2M
- AmeriCorps: \$552,312 (in base budget)

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New Budget Items

- Housing Opportunities Promoting Employees fund (HOPE Fund)
 - \$50M
- The Rural Slum & Blight Removal Program
 - \$5M

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