

SB2018
Dwyer
2-24-25
25.0185.01002
Title.
Fiscal No. 1

Prepared by the Legislative Council
staff for Senate Appropriations -
Government Operations Division
Committee

February 21, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2018

Introduced by

Appropriations Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; ~~and to create and enact a new section to chapter 54-60 of the North Dakota Century Code, relating to department of commerce grant reporting requirements; to amend and reenact section 54-60-31 of the North Dakota Century Code, relating to changing the name of the office of legal immigration to the office of global talent;~~ to provide ~~for~~ a transfer; ~~to provide an exemption; and to provide for a legislative management report.~~

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from other funds derived from special funds and federal funds, to the department of commerce for the purpose of defraying the expenses of the department of commerce, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$15,785,306	\$0	\$15,785,306
Operating expenses	19,462,643	0	19,462,643
Grants	47,636,118	0	47,636,118
Discretionary funds	2,150,000	0	2,150,000

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1	Partner programs	907,920	0	907,920
2	Entrepreneurship grants and vouchers	948,467	0	948,467
3	Total all funds	\$86,890,454	\$0	\$86,890,454
4	Less other funds	53,344,371	0	53,344,371
5	Total general fund	\$33,546,083	\$0	\$33,546,083
6	Full-time equivalent positions	62.80	0.00	62.80
7	Salaries and wages	\$15,785,306	\$1,723,056	\$17,508,362
8	New and vacant FTE pool	0	582,600	582,600
9	Operating expenses	19,462,643	9,210,023	28,672,666
10	Grants	47,636,118	40,746,197	88,382,315
11	Discretionary funds	2,150,000	0	2,150,000
12	Workforce programs	0	8,000,000	8,000,000
13	Partner programs	907,920	0	907,920
14	Entrepreneurship grants and vouchers	948,467	759,044	1,707,511
15	Total all funds	\$86,890,454	\$61,020,920	\$147,911,374
16	Less other funds	53,344,371	52,870,336	106,214,707
17	Total general fund	\$33,546,083	\$8,150,584	\$41,696,667
18	Full-time equivalent positions	62.80	(1.00)	61.80

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO

SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

	<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
25	Temporary salaries	\$50,000	\$103,590	\$153,590
26	Tourism marketing awareness	0	7,000,000	7,000,000
27	Operation intern	2,000,000	0	2,000,000
28	Office of global talent	1,000,000	0	1,000,000
29	Tourism destination development grants	0	20,000,000	20,000,000
30	Beyond visual line of sight uncrewed			

1	aircraft system program	0	10,000,000	10,000,000
2	Enhanced use lease grant	0	5,000,000	5,000,000
3	Autonomous agriculture grants	0	5,000,000	5,000,000
4	Base enhancement grants	0	1,000,000	1,000,000
5	Tribally controlled community college grants	750,000	0	750,000
6	Entrepreneurship grants and vouchers	759,044	0	759,044
7	Regional workforce impact program grants	0	5,000,000	5,000,000
8	Technical skills training grants	<u>2,000,000</u>	<u>0</u>	<u>2,000,000</u>
9	Total	\$6,559,044	\$53,103,590	\$59,662,634

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The department of commerce may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. TRANSFER - INTERNSHIP FUND. The office of management and budget shall transfer ~~\$1,006,896~~ \$3,000,000 of the amount appropriated in the operating expenses line item in section 1 of this Act to the internship fund for the purpose of administering the operation intern program, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 5. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO LEGACY INVESTMENT FOR TECHNOLOGY FUND. The office of management and budget shall transfer the sum of \$5,000,000 from the strategic investment and improvements fund to the legacy investment for technology fund for the purpose of providing legacy investment technology loans, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 6. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO NORTH DAKOTA DEVELOPMENT FUND. The office of management and budget shall transfer the sum of \$30,000,000 from the strategic investment and improvements fund to the North Dakota development fund for programs under chapter 10-30.5, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 7. RURAL HEALTH CARE GRANT PROGRAM - MATCHING FUNDS REQUIREMENT. The grants line item in section 1 of this Act includes \$444,000 from the

1 general fund for providing matching funds to an organization assisting in the recruitment,
2 distribution, and supply, and enhancing the quality and efficiency of personnel providing health
3 services in rural areas of the state. The department of commerce may spend the funds
4 appropriated in this section only to the extent the organization has secured matching funds from
5 nonstate sources on a dollar-for-dollar basis.

6 **SECTION 8. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND.**

7 The other funds line item in section 1 of this Act includes the sum of \$53,000,000 from the
8 strategic investment and improvements fund, of which:

- 9 1. \$7,000,000 is for tourism marketing awareness, including \$150,000 for supporting the
10 continuation of the North Dakota state magazine with the current publisher of the
11 magazine;
- 12 2. \$20,000,000 is for tourism destination development grants;
- 13 3. \$10,000,000 is for the beyond visual line of sight uncrewed aircraft system program;
- 14 4. \$5,000,000 is for the enhanced use lease grant program;
- 15 5. \$5,000,000 is for autonomous agriculture grants, which may be provided for
16 autonomous trucking grants;
- 17 6. \$1,000,000 is for providing base enhancement grants to communities with an air force
18 base or air national guard facilities, including \$600,000 to eligible organizations in
19 Minot, \$250,000 to eligible organizations in Grand Forks, and \$150,000 to eligible
20 organizations in Fargo; and
- 21 7. \$5,000,000 is for regional workforce impact program grants.

22 **SECTION 9. TRIBALLY CONTROLLED COMMUNITY COLLEGE GRANTS -**

23 **LEGISLATIVE MANAGEMENT REPORT.** The grants line item in section 1 of this Act includes
24 \$750,000 from the general fund for the purpose of providing workforce development grants to a
25 tribally controlled community college in the Turtle Mountain area. To be eligible for a grant under
26 this section, a tribally controlled community college shall partner with at least one high school in
27 the state for programs under section 54-60.2-02. During the 2025-26 interim, a tribally
28 controlled community college receiving funding under this program shall report to the
29 department of commerce by August 1, 2026, regarding the use of grant funds and the
30 department of commerce shall provide a report to the legislative management by October 1,
31 2026, regarding the use of grant funds.

SECTION 10. DISCRETIONARY FUNDS - NATIVE AMERICAN SMALL BUSINESS

GRANT. The discretionary funds line item in section 1 of this Act includes \$2,150,000 from the general fund, of which \$600,000 is designated for a grant to support an organization dedicated to assisting Native American small businesses in North Dakota.

SECTION 11. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Reporting requirements - Budget Section - Grant programs.

The department shall compile a report regarding grant programs administered by the department, excluding federally funded programs, to be provided semiannually to the budget section. The report must include the following for each grant program:

1. The purpose of the grant program;
2. Funding history;
3. The number of days the grant application period was open to applicants;
4. The name of each grant recipient and the amount of each grant award; and
5. The distribution date of grant funds or the anticipated distribution date of grant funds.

SECTION 12. AMENDMENT. Section 54-60-31 of the North Dakota Century Code is amended and reenacted as follows:

54-60-31. Office of ~~legal-immigration~~global talent - Duties.

There is created an office of ~~legal-immigration~~global talent within the department of commerce. Employees of the office of ~~legal-immigration~~global talent report to the commissioner. The office of ~~legal-immigration~~global talent:

1. Shall develop and implement a statewide strategy to support businesses in recruiting and retaining foreign labor, including immigrants already in the United States and integration of immigrants into the state to promote economic opportunities for immigrant communities.
2. Shall advise and make recommendations to the governor, legislative assembly, and state agencies regarding immigrant integration and foreign labor issues.
3. Shall develop a pilot program to support businesses pursuing or employing legal immigrants and to support communities to develop immigration integration plans and activities.

4. May contract with other state agencies to develop and administer programs or services related to immigration integration and access to basic needs that promote entrance and movement throughout the workforce.

5. May contract with an organization with expertise related to the goals of the office of ~~legal immigration~~ **global talent**.

SECTION 13. EXEMPTION - UNEXPENDED APPROPRIATIONS. The following appropriations are not subject to the provisions of section 54-44.1-11 and any unexpended funds from these appropriations may be continued into the biennium beginning July 1, 2025, and ending June 30, 2027:

1. The sum of \$3,000,000 appropriated from federal COVID-19 funds for the community development block grant program in section 1 of chapter 27 of the 2021 Session Laws and continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws.
2. The sum of \$56,234,176 appropriated from federal COVID-19 funds for the state small business credit initiative program in section 2 of chapter 28 of the 2021 Session Laws and continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws.
3. The sum of \$15,000,000 appropriated from the federal State Fiscal Recovery Fund for the workforce development incentive grant program in subsection 38 of section 1 of chapter 550 of the 2021 Special Session Session Laws and continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws.
4. The sum of \$5,000,000 appropriated from the federal State Fiscal Recovery Fund for the technical skills training grant program in subsection 39 of section 1 of chapter 550 of the 2021 Special Session Session Laws and continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws.
5. The sum of \$28,500,000 appropriated from the general fund for workforce programs, of which \$12,000,000 was for workforce talent attraction initiative operating expenses, \$12,500,000 was for workforce investment program grants, \$2,000,000 was for technical skills training grants, and \$2,000,000 was for new Americans workforce development and training grants, in section 1 of chapter 18 of the 2023 Session Laws.

- 1 6. The sum of \$25,000,000 appropriated from the strategic investment and
2 improvements fund for the tourism destination development initiative in section 1 of
3 chapter 18 of the 2023 Session Laws.
- 4 7. The sum of \$10,000,000 appropriated from the strategic investment and
5 improvements fund for the enhanced use lease grant program in section 1 of
6 chapter 18 of the 2023 Session Laws.
- 7 8. The sum of \$120,000,000 appropriated from federal funds for weatherization and
8 energy assistance programs in section 1 of chapter 18 of the 2023 Session Laws.
- 9 9. The sum of \$2,150,000 appropriated from the general fund for discretionary funds in
10 section 1 of chapter 18 of the 2023 Session Laws.
- 11 10. The sum of \$3,258,084 appropriated from federal funds for heating, furnace, and
12 cooling assistance grants in section 1 of chapter 18 of the 2023 Session Laws.
- 13 11. The sum of \$14,081,719 appropriated from federal funds for energy conservation
14 assistance grants in section 1 of chapter 18 of the 2023 Session Laws.
- 15 12. The sum of \$1,550,000 appropriated from federal funds for the parks and recreation
16 program in section 1 of chapter 18 of the 2023 Session Laws.
- 17 13. The sum of \$572,143 appropriated from federal funds for the state small business
18 credit initiative program in section 1 of chapter 18 of the 2023 Session Laws.
- 19 14. The sum of \$2,000,000 appropriated from the general fund for the office of legal
20 immigration in section 1 of chapter 639 of the 2023 Special Session Session Laws.

STATEMENT OF PURPOSE OF AMENDMENT:**Senate Bill No. 2018 - Department of Commerce - Senate Action**

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$15,785,306	\$1,723,056	\$17,508,362
New and vacant FTE pool		582,600	582,600
Operating expenses	19,462,643	9,210,023	28,672,666
Grants	47,636,118	40,746,197	88,382,315
Discretionary funds	2,150,000		2,150,000
Workforce programs		8,000,000	8,000,000
Entrepreneurship grants and vouchers	948,467	759,044	1,707,511
Partner programs	907,920		907,920
Total all funds	\$86,890,454	\$61,020,920	\$147,911,374
Less estimated income	53,344,371	52,870,336	106,214,707
General fund	\$33,546,083	\$8,150,584	\$41,696,667
FTE	62.80	(1.00)	61.80

Department 601 - Department of Commerce - Detail of Senate Changes

	Adds Funding for Base Payroll Changes ¹	Adds Funding for the Cost to Continue Salaries ²	Adds Funding for Salary and Benefit Increases ³	Adds Funding to Replace 2023-25 New and Vacant FTE Pool ⁴	Transfers Funding for 2025-27 New and Vacant FTE Pool ⁵	Removes FTE Position ⁶
Salaries and wages	\$150,231	\$284,024	\$1,031,972	\$1,069,307	(\$832,285)	(\$189,286)
New and vacant FTE pool					582,600	
Operating expenses						(10,000)
Grants						
Discretionary funds						
Workforce programs						
Entrepreneurship grants and vouchers						
Partner programs						
Total all funds	\$150,231	\$284,024	\$1,031,972	\$1,069,307	(\$249,685)	(\$199,286)
Less estimated income	82,578	45,544	205,662	102,571	(51,422)	0
General fund	\$67,653	\$238,480	\$826,310	\$966,736	(\$198,263)	(\$199,286)
FTE	0.00	0.00	0.00	0.00	0.00	(1.00)

	Adjusts Base Level Funding ⁷	Adds One- Time Funding for Temporary Salaries ⁸	Adds One- Time Funding for Operating and Grants ⁹	Total Senate Changes
Salaries and wages	\$55,503	\$153,590		\$1,723,056
New and vacant FTE pool				582,600
Operating expenses	370,023		\$8,850,000	9,210,023
Grants	(1,153,803)		41,900,000	40,746,197
Discretionary funds				
Workforce programs			8,000,000	8,000,000
Entrepreneurship grants and vouchers			759,044	759,044
Partner programs				
Total all funds	(\$728,277)	\$153,590	\$59,509,044	\$61,020,920
Less estimated income	(618,187)	103,590	53,000,000	52,870,336
General fund	(\$110,090)	\$50,000	\$6,509,044	\$8,150,584
FTE	0.00	0.00	0.00	(1.00)

¹ Funding is added for base payroll changes.² Funding is added for the cost to continue salary increases.

³ The following funding is added for 2025-27 biennium salary adjustments of 3 percent on July 1, 2025, and 3 percent on July 1, 2026, and increases in health insurance premiums from \$1,643 to \$1,893 per month:

	General Fund	Other Funds	Total
Salary increase	\$531,691	\$127,953	\$659,644
Health insurance increase	<u>294,619</u>	<u>77,709</u>	<u>372,328</u>
Total	\$826,310	\$205,662	\$1,031,972

⁴ Funding is added to replace 2023-25 biennium new and vacant FTE pool funding as follows:

	General Fund	Other Funds	Total
New FTE positions	\$405,880	\$0	\$405,880
Vacant FTE positions	<u>560,856</u>	<u>102,571</u>	<u>663,427</u>
Total	\$966,736	\$102,571	\$1,069,307

⁵ Funding of \$832,285 for estimated savings from vacant FTE positions is removed and funding of \$582,600 is added for a 2025-27 new and vacant FTE pool line item as follows:

	General Fund	Other Funds	Total
New FTE positions	\$0	\$0	\$0
Vacant FTE positions	<u>(660,878)</u>	<u>(171,407)</u>	<u>(832,285)</u>
Total	(\$660,878)	(\$171,407)	(\$832,285)
Funding pool line item	<u>462,615</u>	<u>119,985</u>	<u>582,600</u>
Net savings	(\$198,263)	(\$51,422)	(\$249,685)

⁶ Funding of \$199,286 from the general fund and 1 undesignated FTE position is removed.

⁷ Base level funding is adjusted as follows:

	General Fund	Other Funds	Total
Adds federal funding for temporary salaries and operating expenses to maintain building codes	\$0	\$98,583	\$98,583
Adds funding for information technology increases, including \$38,467 from federal funds and \$16,199 from special funds	0	54,666	54,666
Adjusts base level funding for operating expenses, including a \$26,853 increase from federal funds and a \$16,199 reduction from special funds	(21,481)	10,654	(10,827)
Adds federal funding for AmeriCorps program operating expenses	0	290,000	290,000
Reduces ongoing funding for the operation intern program	(6,896)	0	(6,896)
Removes funding for the continuum of care program and the state apprenticeship program, including funding from federal funds	(81,713)	(1,097,157)	(1,178,870)
Adds federal funding for AmeriCorps and weatherization grant programs	0	3,132,157	3,132,157
Reduces federal funding for the community development block grant program and the community services block grant program	0	(2,086,940)	(2,086,940)
Removes funding from the uncrewed aircraft system (UAS) fund for UAS program grants. The department has continuing appropriation authority from the UAS fund.	<u>0</u>	<u>(1,020,150)</u>	<u>(1,020,150)</u>
Total	(\$110,090)	(\$618,187)	(\$728,277)

⁸ One-time funding of \$153,590 is added, including \$53,590 for temporary staff salaries and an office intern, of which \$50,000 is from the general fund and \$3,590 is from the economic development fund, and \$100,000 from the economic development fund for North Dakota Development Fund temporary salaries.

⁹ One-time funding is added as follows:

	General Fund	Strategic Investment and Improvements Fund	Total
Tourism marketing awareness, of which \$6,850,000 is for operating expenses and \$150,000 is for a grant to support the North Dakota state magazine	\$0	\$7,000,000	\$7,000,000
Operation intern program operating expenses	2,000,000	0	2,000,000
Office of Global Talent, of which \$500,000 is for operating expenses and \$500,000 is for grants	1,000,000	0	1,000,000
Tourism destination development grants	0	20,000,000	20,000,000
Beyond visual line of sight UAS grants	0	10,000,000	10,000,000
Enhanced use lease grants	0	5,000,000	5,000,000
Autonomous agriculture grants	0	5,000,000	5,000,000
Base enhancement grants	0	1,000,000	1,000,000
Tribally controlled community college grants	750,000	0	750,000
Entrepreneurship grants and vouchers program	759,044	0	759,044
Regional workforce impact program grants	0	5,000,000	5,000,000
Technical skills training grants	<u>2,000,000</u>	<u>0</u>	<u>2,000,000</u>
Total	\$6,509,044	\$53,000,000	\$59,509,044

Senate Bill No. 2018 - Other Changes - Senate Action

This amendment also adds and adjusts sections to:

- Provide for the use of funding in the new and vacant FTE pool line item.
- Provide for a transfer from the general fund to the internship fund.
- Provide a \$5,000,000 transfer from SIIF to the legacy investment for technology fund (LIFT).
- Identify funding for a rural health care grant program
- Provide a \$30,000,000 transfer from SIIF to the North Dakota Development Fund.
- Identify \$53,000,000 appropriated in Section 1 from SIIF, including \$7,000,000 for tourism marketing awareness, \$20,000,000 for tourism destination development grants, \$10,000,000 for the beyond visual line of sight UAS program, \$5,000,000 for the enhanced use lease grant program, \$5,000,000 for autonomous agriculture grants, \$1,000,000 is for base enhancement grants, and \$5,000,000 is for regional workforce impact program grants. Of the \$7,000,000 for tourism marketing awareness, \$150,000 is designated for the continuation of the North Dakota state magazine with the current publisher of the magazine. Of the \$1,000,000 for base enhancement grants, \$600,000 is for eligible organizations in Minot, \$250,000 is for eligible organizations in Grand Forks, and \$150,000 is for eligible organizations in Fargo. The \$5,000,000 provided autonomous agriculture grants may be provided for autonomous trucking activities.
- Identify \$750,000 from the general fund for a grant to a tribally controlled community college in the Turtle Mountain area.
- To identify of the \$2,150,000 appropriated from the general fund for discretionary funds, \$600,000 is designated for a grant to support an organization dedicated to assisting Native American small businesses in North Dakota.
- Create a new section to Chapter 54-60 to require the Department of Commerce to report to the Budget Section semiannually regarding grants administered by the department, excluding federally funded programs.
- Amend Section 54-60-31 to change the name of the Office of Legal Immigration to the Office of Global Talent.
- Provide 14 exemptions allowing the Department of Commerce to continue funding appropriated in prior bienniums into the 2025-27 biennium.