

March 23, 2001

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2019

Page 1, line 2, replace "statements" with "a statement"

Page 1, line 3, replace "legislative" with "a report to the budget section"

Page 1, line 4, remove "council studies"

Page 1, replace lines 17 through 24 with:

"Salaries and wages	\$6,028,893
Operating expenses	10,480,832
Equipment	199,936
Grants	36,080,226
North Dakota development fund	2,250,000
Agricultural products utilization	5,007,270
Lewis and Clark bicentennial	805,751
Transitional expenses	<u>162,209</u>
Total all funds	\$61,015,117
Less estimated income	<u>43,590,891</u>
Total general fund appropriation	\$17,424,226"

Page 2, remove lines 1 through 31

Page 3, remove lines 1 through 11

Page 3, line 13, remove "subdivision 2 of"

Page 3, line 19, remove "subdivision 2 of"

Page 3, line 23, remove "subdivision 2 of"

Page 3, line 28, remove "within North Dakota"

Page 3, line 31, remove "An ethanol plant shall notify the agricultural products utilization"

Page 4, remove lines 1 and 2

Page 4, line 3, remove "payments authorized by this section."

Page 4, line 6, remove "in North Dakota"

Page 4, line 12, remove "an ethanol plant"

Page 4, remove line 13

Page 4, line 14, remove "incentive payments for the biennium beginning July 1, 2001, and ending June 30, 2003, or if"

Page 4, line 17, remove "funds certified by the agricultural products utilization commission"

Page 4, line 18, remove "as not needed for ethanol incentive payments or the"

Page 4, line 22, remove "subdivision 2 of"

Page 4, replace lines 26 through 31 with:

"SECTION 6. LEGISLATIVE INTENT - TOURISM OPERATING EXPENSES.

It is the intent of the legislative assembly that the sum of \$3,300,437 included in the operating expenses line item in section 1 of this Act be allocated for tourism-related activities, including tourism-related administrative costs as approved by the tourism division director for the biennium beginning July 1, 2001, and ending June 30, 2003.

SECTION 7. DEPARTMENT OF COMMERCE - PERFORMANCE REPORT - BUDGET SECTION. The director of the department of commerce shall establish performance measures and report to the budget section at the budget section's first meeting after June 30, 2002, on the department's progress in achieving its performance measures for the biennium beginning July 1, 2001, and ending June 30, 2003."

Page 5, line 2, replace "\$1,616,000" with "\$2,250,000"

Page 5, remove lines 18 through 31

Page 6, remove lines 1 through 31

Page 7, remove lines 5 through 27

Page 8, line 13, remove the overstrike over "~~seven~~" and remove "eight"

Page 8, line 20, replace "four" with "five"

Page 9, line 30, replace "23" with "13"

Page 10, line 1, replace "22" with "12"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2019 - Summary of House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Department of Economic Development and Finance				
Total all funds	\$20,411,391	\$0	\$0	\$0
Less estimated income	<u>6,396,902</u>			
General fund	\$14,014,489	\$0	\$0	\$0
Department of Commerce				
Total all funds	\$0	\$0	\$61,015,117	\$61,015,117
Less estimated income			<u>43,590,891</u>	<u>43,590,891</u>
General fund	\$0	\$0	\$17,424,226	\$17,424,226
Department of Commerce - Administration				
Total all funds	\$0	\$1,164,990	(\$1,164,990)	\$0
Less estimated income		<u>249,487</u>	<u>(249,487)</u>	
General fund	\$0	\$915,503	(\$915,503)	\$0
Department of Commerce - Economic Development				
Total all funds	\$0	\$15,299,941	(\$15,299,941)	\$0
Less estimated income		<u>5,390,203</u>	<u>(5,390,203)</u>	
General fund	\$0	\$9,909,738	(\$9,909,738)	\$0
Department of Commerce - Community Services				
Total all funds	\$0	\$38,585,339	(\$38,585,339)	\$0
Less estimated income		<u>37,503,285</u>	<u>(37,503,285)</u>	
General fund	\$0	\$1,082,054	(\$1,082,054)	\$0
Department of Commerce - Tourism				
Total all funds	\$0	\$5,077,351	(\$5,077,351)	\$0
Less estimated income		<u>363,000</u>	<u>(363,000)</u>	
General fund	\$0	\$4,714,351	(\$4,714,351)	\$0
Department of Commerce - Workforce Development				
Total all funds	\$0	\$941,287	(\$941,287)	\$0
Less estimated income		<u>60,584</u>	<u>(60,584)</u>	
General fund	\$0	\$880,703	(\$880,703)	\$0
Bill Total				
Total all funds	\$20,411,391	\$61,068,908	(\$53,791)	\$61,015,117
Less estimated income	<u>6,396,902</u>	<u>43,566,559</u>	<u>24,332</u>	<u>43,590,891</u>
General fund	\$14,014,489	\$17,502,349	(\$78,123)	\$17,424,226

Senate Bill No. 2019 - Department of Commerce - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages			\$6,028,893	\$6,028,893
Operating expenses			10,480,832	10,480,832
Equipment			199,936	199,936
Grants			36,080,226	36,080,226
North Dakota development fund			2,250,000	2,250,000
Agricultural products utilization			5,007,270	5,007,270
Lewis and Clark Bicentennial Transitional expenses			<u>805,751</u>	<u>805,751</u>
			<u>162,209</u>	<u>162,209</u>
Total all funds	\$0	\$0	\$61,015,117	\$61,015,117
Less estimated income			<u>43,590,891</u>	<u>43,590,891</u>
General fund	\$0	\$0	\$17,424,226	\$17,424,226
FTE	0.00	0.00	57.00	57.00

Dept. 605 - Department of Commerce - Detail of House Changes

	COMBINE FUNDING 1	ADD TRANSITIONAL FUNDING 2	REDUCE DEVELOPMENT FUND 3	TRANSFER GRANTS TO OPERATING 4	ADD FUNDING FOR GRANTS 5	ADD FUNDING FOR LEWIS AND AND CLARK 6
Salaries and wages	\$6,028,893					
Operating expenses	10,450,832			\$30,000		
Equipment	199,936					
Grants	36,010,226			(30,000)	\$100,000	
North Dakota development fund	2,616,000		(\$366,000)			
Agricultural products utilization	5,007,270					
Lewis and Clark Bicentennial Transitional expenses	655,751					\$150,000
		<u>\$162,209</u>				

Total all funds	\$60,968,908	\$162,209	(\$366,000)	\$0	\$100,000	\$150,000
Less estimated income	<u>43,566,559</u>	<u>24,332</u>				
General fund	\$17,402,349	\$137,877	(\$366,000)	\$0	\$100,000	\$150,000
FTE	53.00	4.00	0.00	0.00	0.00	0.00

TOTAL
HOUSE
CHANGES

Salaries and wages	\$6,028,893
Operating expenses	10,480,832
Equipment	199,936
Grants	36,080,226
North Dakota development fund	2,250,000
Agricultural products utilization	5,007,270
Lewis and Clark Bicentennial Transitional expenses	805,751
	<u>162,209</u>
Total all funds	\$61,015,117
Less estimated income	<u>43,590,891</u>
General fund	\$17,424,226
FTE	57.00

¹ Funding for the Department of Commerce is combined into one subdivision as recommended by Governor Hoeven. The Senate appropriated funding separately to each of the divisions of the department.

² A transitional expenses line item is added providing funding for 4 FTE administrative positions currently employed by the Department of Economic Development and Finance, Division of Community Services, and the Tourism Department for one year of the 2001-03 biennium. The 4 FTE positions are authorized only for the first year of the biennium. These 4 FTE positions were removed in Governor Hoeven's recommendation and the Senate version.

³ Funding for the development fund is provided at \$2,250,000 from the general fund, \$634,000 more than the Senate version (\$1,616,000), \$366,000 less than Governor Hoeven's recommendation (\$2,616,000), and \$1,500,000 more than Governor Schafer's recommendation (\$750,000).

⁴ The grants line item is reduced by \$30,000 and the operating expenses line item is increased by \$30,000. This grant was previously provided by the Tourism Department to the Greater North Dakota Association for publication of the North Dakota Horizons magazine.

⁵ Funding is added for providing a grant to the North Dakota Cowboy Hall of Fame in accordance with provisions of Senate Bill No. 2195. The Senate version also included this funding.

⁶ The Lewis and Clark line item is increased by \$150,000 from the general fund for providing grants to political subdivisions for Lewis and Clark-related projects as determined by the Tourism Division director. The Senate had increased the Lewis and Clark line item by \$100,000 from the general fund for additional Lewis and Clark marketing.

This amendment:

- Adds a section of legislative intent that \$3,300,437 of the operating expenses line item be used for tourism-related activities, including tourism-related administrative costs as approved by the Tourism Division director.
- Adds a section providing that the director of the Department of Commerce establish performance measures and report to the Budget Section on the department's progress in meeting its measures after the first year of the 2001-03 biennium.
- Increases the total annual ethanol incentive payments that may be paid to an ethanol plant that produced 15 million gallons or more in the previous fiscal year and to a new ethanol plant from a total of \$400,000 to a total of \$500,000.
- Reduces the total annual ethanol incentive payments that may be paid to an ethanol plant that has production capacity of fewer than 15 million gallons from \$850,000 to \$750,000.
- Removes the provision that ethanol produced in North Dakota must be sold in North Dakota to qualify for an ethanol incentive payment.
- Removes provisions added by the Senate that in order to be eligible for ethanol incentives during the 2001-03 biennium, an ethanol plant must notify the Agricultural Products Utilization Commission by October 1, 2001, of the plant's intention to request ethanol incentives during the 2001-03 biennium.

This amendment makes the following additional funding changes to the Senate version:

- Removes \$100,000 from the general fund provided for the Economic Development Foundation.

- Removes \$40,000 from the general fund added to the Economic Development Division for marketing.
- Removes \$50,000 from the general fund added to the Economic Development Division for grants.
- Restores the \$40,000 from the general fund removed from the Community Services Division relating to renaissance zone program administration.
- Restores \$191,287, of which \$130,703 is from the general fund and 2 FTE positions to the Economic Development and Finance Division that were transferred to the Workforce Development Division.
- Removes \$50,000 from the general fund added for operating expenses of the Workforce Development Division.
- Removes \$25,000 from the general fund added for equipment of the Workforce Development Division.
- Removes \$675,000 from the general fund added for grants of the Workforce Development Division.

This amendment removes the following sections added by the Senate:

- The section providing that the Legislative Council monitor the establishment of the Department of Commerce during the 2001-02 interim.
- The section of legislative intent that the department develop a strategic plan.
- The section providing that \$250,000 of the funding provided for Economic Development Division marketing be spent for cooperative marketing grants involving local economic development corporations.
- The section providing that \$15,000 of the Economic Development Division grants line item be allocated for professional training grants to economic development professionals in communities with a population of less than 10,000.
- The section providing that \$50,000 of the Economic Development Division grants line item be used for grants for a pilot project for remodeling of abandoned public school buildings.
- The section of legislative intent providing that the development fund continue its current mission and not become involved in the new markets initiative during the 2001-03 biennium.
- The section of legislative intent that the additional \$100,000 general fund appropriation added by the Senate for Lewis and Clark marketing not be considered part of the department's base budget for the purpose of submitting the budget request for the 2003-05 biennium.
- The section providing that \$75,000 of the Workforce Development Division grants line item be allocated to United States Department of Agriculture designated Champion/REAP Alliance communities for providing funding for an economic development coordinator for each of these communities.
- The section providing that \$400,000 of the Workforce Development Division grants line item be allocated for the development of a public/private partnership statewide talent recruitment initiative.
- The section providing that \$200,000 of the Workforce Development Division grants line item be allocated for grants to local communities and regions for labor availability research and for identification of employer workforce needs.

Senate Bill No. 2019 - Department of Commerce - Administration - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages		\$877,474	(\$877,474)	
Operating expenses		187,516	(187,516)	
Economic development foundation		100,000	(100,000)	
Total all funds	\$0	\$1,164,990	(\$1,164,990)	\$0

Less estimated income		<u>249,487</u>	<u>(249,487)</u>	
General fund	\$0	\$915,503	(\$915,503)	\$0
FTE	0.00	8.00	(8.00)	0.00

Dept. 606 - Department of Commerce - Administration - Detail of House Changes

	COMBINE FUNDING ¹	TOTAL HOUSE CHANGES
Salaries and wages	(\$877,474)	(\$877,474)
Operating expenses	(187,516)	(187,516)
Economic development foundation	(100,000)	(100,000)
Total all funds	(\$1,164,990)	(\$1,164,990)
Less estimated income	<u>(249,487)</u>	<u>(249,487)</u>
General fund	(\$915,503)	(\$915,503)
FTE	(8.00)	(8.00)

¹ Funding for the Department of Commerce is combined into one subdivision as recommended by Governor Hoeven. The Senate appropriated funding separately to each of the divisions of the department.

Senate Bill No. 2019 - Department of Commerce - Economic Development - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages		\$2,388,822	(\$2,388,822)	
Operating expenses		4,453,499	(4,453,499)	
Equipment		111,058	(111,058)	
Grants		1,723,292	(1,723,292)	
North Dakota development fund		1,616,000	(1,616,000)	
Agricultural products utilization		5,007,270	(5,007,270)	
Total all funds	\$0	\$15,299,941	(\$15,299,941)	\$0
Less estimated income		<u>5,390,203</u>	<u>(5,390,203)</u>	
General fund	\$0	\$9,909,738	(\$9,909,738)	\$0
FTE	0.00	19.00	(19.00)	0.00

Dept. 607 - Department of Commerce - Economic Development - Detail of House Changes

	COMBINE FUNDING ¹	TOTAL HOUSE CHANGES
Salaries and wages	(\$2,388,822)	(\$2,388,822)
Operating expenses	(4,453,499)	(4,453,499)
Equipment	(111,058)	(111,058)
Grants	(1,723,292)	(1,723,292)
North Dakota development fund	(1,616,000)	(1,616,000)
Agricultural products utilization	(5,007,270)	(5,007,270)
Total all funds	(\$15,299,941)	(\$15,299,941)
Less estimated income	<u>(5,390,203)</u>	<u>(5,390,203)</u>
General fund	(\$9,909,738)	(\$9,909,738)
FTE	(19.00)	(19.00)

¹ Funding for the Department of Commerce is combined into one subdivision as recommended by Governor Hoeven. The Senate appropriated funding separately to each of the divisions of the department.

Senate Bill No. 2019 - Department of Commerce - Community Services - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages		\$1,665,525	(\$1,665,525)	
Operating expenses		2,539,380	(2,539,380)	
Equipment		73,500	(73,500)	
Grants		<u>34,306,934</u>	<u>(34,306,934)</u>	
Total all funds	\$0	\$38,585,339	(\$38,585,339)	\$0
Less estimated income		<u>37,503,285</u>	<u>(37,503,285)</u>	

General fund	\$0	\$1,082,054	(\$1,082,054)	\$0
FTE	0.00	15.00	(15.00)	0.00

Dept. 608 - Department of Commerce - Community Services - Detail of House Changes

	COMBINE FUNDING ¹	TOTAL HOUSE CHANGES
Salaries and wages	(\$1,665,525)	(\$1,665,525)
Operating expenses	(2,539,380)	(2,539,380)
Equipment	(73,500)	(73,500)
Grants	<u>(34,306,934)</u>	<u>(34,306,934)</u>
Total all funds	(\$38,585,339)	(\$38,585,339)
Less estimated income	<u>(37,503,285)</u>	<u>(37,503,285)</u>
General fund	(\$1,082,054)	(\$1,082,054)
FTE	(15.00)	(15.00)

¹ Funding for the Department of Commerce is combined into one subdivision as recommended by Governor Hoeven. The Senate appropriated funding separately to each of the divisions of the department.

Senate Bill No. 2019 - Department of Commerce - Tourism - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages		\$905,785	(\$905,785)	
Operating expenses		3,300,437	(3,300,437)	
Equipment		15,378	(15,378)	
Grants		100,000	(100,000)	
Lewis and Clark Bicentennial		<u>755,751</u>	<u>(755,751)</u>	
Total all funds	\$0	\$5,077,351	(\$5,077,351)	\$0
Less estimated income		<u>363,000</u>	<u>(363,000)</u>	
General fund	\$0	\$4,714,351	(\$4,714,351)	\$0
FTE	0.00	9.00	(9.00)	0.00

Dept. 609 - Department of Commerce - Tourism - Detail of House Changes

	COMBINE FUNDING ¹	TOTAL HOUSE CHANGES
Salaries and wages	(\$905,785)	(\$905,785)
Operating expenses	(3,300,437)	(3,300,437)
Equipment	(15,378)	(15,378)
Grants	(100,000)	(100,000)
Lewis and Clark Bicentennial	<u>(755,751)</u>	<u>(755,751)</u>
Total all funds	(\$5,077,351)	(\$5,077,351)
Less estimated income	<u>(363,000)</u>	<u>(363,000)</u>
General fund	(\$4,714,351)	(\$4,714,351)
FTE	(9.00)	(9.00)

¹ Funding for the Department of Commerce is combined into one subdivision as recommended by Governor Hoeven. The Senate appropriated funding separately to each of the divisions of the department.

Senate Bill No. 2019 - Department of Commerce - Workforce Development - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages		\$191,287	(\$191,287)	
Operating expenses		50,000	(50,000)	
Equipment		25,000	(25,000)	
Grants		<u>675,000</u>	<u>(675,000)</u>	
Total all funds	\$0	\$941,287	(\$941,287)	\$0
Less estimated income		<u>60,584</u>	<u>(60,584)</u>	
General fund	\$0	\$880,703	(\$880,703)	\$0
FTE	0.00	2.00	(2.00)	0.00

Dept. 610 - Department of Commerce - Workforce Development - Detail of House Changes

	COMBINE FUNDING ¹	TOTAL HOUSE CHANGES
Salaries and wages	(\$191,287)	(\$191,287)
Operating expenses	(50,000)	(50,000)
Equipment	(25,000)	(25,000)
Grants	<u>(675,000)</u>	<u>(675,000)</u>
Total all funds	(\$941,287)	(\$941,287)
Less estimated income	<u>(60,584)</u>	<u>(60,584)</u>
General fund	(\$880,703)	(\$880,703)
FTE	(2.00)	(2.00)

¹ Funding for the Department of Commerce is combined into one subdivision as recommended by Governor Hoeven. The Senate appropriated funding separately to each of the divisions of the department.

The following schedule compares Governor Schafer's recommendation, Governor Hoeven's recommendation, the Senate version, and the House version:

	2001-03 SCHAFFER RECOMMENDATION	2001-03 HOEVEN RECOMMENDATION	SENATE VERSION	HOUSE VERSION
Department of Economic Development and Finance - SB 2019 as amended	\$20,411,391			
Tourism Department - HB 1022	4,960,778			
Division of Community Services - HB 1015	39,098,238			
Department of Commerce - SB 2019 as amended		\$60,968,908	\$61,068,908	\$61,015,117
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>\$64,470,407</u>	<u>\$60,968,908</u>	<u>\$61,068,908</u>	<u>\$61,015,117</u>
General fund	\$19,805,180	\$17,402,349	\$17,502,349	\$17,424,226
Other funds	\$44,665,227	\$43,566,559	\$43,566,559	\$43,590,891
FTE	62.00	53.00	53.00	57.00