

February 13, 2007

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1018

Page 1, line 2, replace "and" with "to provide an appropriation to the department of career and technical education; to provide a continuing appropriation; to provide for reports to the sixty-first legislative assembly; to provide for a report to the legislative council;" and after "exemptions" insert "; to create and enact a new section to chapter 15-20.1 and a new section to chapter 54-60 of the North Dakota Century Code, relating to a program to provide grants for innovation and to create a beginning again North Dakota pilot program; and to provide an expiration date"

Page 1, line 24, replace "4,110,668" with "446,720"

Page 2, line 4, replace "1,518,522" with "652,278"

Page 2, line 8, replace "4,915,965" with "385,773"

Page 2, line 10, replace "6,988,955" with "2,458,763"

Page 2, line 18, replace "13,642,636" with "9,978,688"

Page 2, line 23, replace "2,163,090" with "1,296,846"

Page 2, line 27, replace "81,531,029" with "77,000,837"

Page 2, line 29, replace "26,169,736" with "21,639,544"

Page 3, replace lines 15 through 25 with:

"SECTION 8. EXEMPTION - STATE EMPLOYEE COMPENSATION ADJUSTMENT GUIDELINES - REPORT. Notwithstanding the provisions of Senate Bill No. 2189, as approved by the sixtieth legislative assembly, the department of commerce shall develop and implement a system for providing compensation adjustments to its employees for the biennium beginning July 1, 2007, and ending June 30, 2009. The system must provide for the determination of each employee's compensation adjustments to be based on performance, merit, and equity. Of the funds appropriated in section 3 of this Act, the department may utilize up to \$428,542 for these compensation adjustments. The department shall provide a report on its compensation system to the human resource management services division of the office of management and budget by December 31, 2007.

SECTION 9. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The total general fund appropriation line item in section 3 of this Act includes \$3,000,000 for transfer to the development fund and \$50,000 for tax expenditure and business incentive expenditure reports which are one-time funding items. These amounts are not a part of the agency's base budget to be used in preparing the 2009-11 executive budget. The department of commerce shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 10. TRADE OFFICE - MATCHING FUND REQUIREMENT. The total general fund appropriation in section 3 of this Act includes \$1,400,000 for funding relating to the North Dakota trade office. The department of commerce may spend these funds only to the extent that the North Dakota trade office provides one dollar of matching funds from private or other public sources for each two dollars provided by the department for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 11. INTERNSHIP PROGRAM - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The department of commerce shall report to the appropriations committees of the sixty-first legislative assembly regarding the internship program. The report must include information on the program's activities, statistics, and accomplishments to date during the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 12. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$70,000, or so much of the sum as may be necessary, to the department of career and technical education for the purpose of funding grants for innovation, for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 13. A new section to chapter 15-20.1 of the North Dakota Century Code is created and enacted as follows:

Grants for innovation. The department shall design and implement a program to provide a dollar-for-dollar match to elementary or secondary teachers or schools and to institutions of higher education for the purpose of funding innovative science, technology, or innovation programs for students in kindergarten through grade twelve. The department shall award the grants on a competitive basis. A grant awarded under this section to an elementary or secondary teacher or school may not exceed seven thousand five hundred dollars and a grant awarded to an institution of higher education may not exceed twenty-five thousand dollars. The matching funds of a grant recipient may come from a public source, a private source, or any combination of public and private sources. The department shall consult with the department of commerce in making award determinations.

SECTION 14. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Beginning again North Dakota pilot program - Continuing appropriation - Report to legislative council.

1. The department shall implement and administer a beginning again North Dakota pilot program. The purpose of the program is to develop a data base of skills and other assets of communities and residents to be used to advance the internal and external attitude and image of this state and the communities in this state. The department shall implement this program in one city with a population of not more than one thousand five hundred and one city with a population of more than one thousand five hundred but not more than three thousand five hundred.
2. The department shall assemble state and local asset data from a broad range of sources. The sources for data may include the department, Bank of North Dakota, game and fish department, state historical society, Indian affairs commission, job service North Dakota, parks and recreation department, superintendent of public instruction, North Dakota university system, workforce safety and insurance, and state and local public and private entities. The nature of the data regarding skills and other assets may cover a broad range of information that may be valuable to advance the attitude or image of the state and communities in the state. The data may include natural resources, real estate, educational resources, cultural

resources, vocational resources, financial resources, and infrastructure resources.

3. The department shall use the information assembled in the data base to assist in strategic plans for development. Additionally, the department may use the information in the data base to assist local developers in strategic plans for development.
4. The department may contract with a public or private third party to provide any or all of the services necessary to implement and administer the program. The department may solicit support and contributions from public and private sources for the purpose of furthering the program. The department may charge a fee for the services provided to the community. The department shall deposit in a special account in the state treasury all funds collected under this subsection. All funds deposited under this section are appropriated to the department on a continuing basis for the purpose of furthering the program.
5. The two cities shall be willing to participate and provide significant financial resources to provide for the costs of the pilot program.
6. During the 2007-08 interim, the commissioner shall provide a report to the legislative council regarding the implementation of the program, successes and failures of the program, and whether the program should be continued or be continued and expanded to additional communities.

SECTION 15. EXPIRATION DATE. Section 14 of this Act is effective through June 30, 2009, and after that date is ineffective."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1018 - Summary of House Action

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Board for Career and Technical Education			
Total all funds	\$0	\$70,000	\$70,000
Less estimated income			
General fund	\$0	\$70,000	\$70,000
Department of Commerce			
Total all funds	\$81,531,029	(\$4,530,192)	\$77,000,837
Less estimated income	55,361,293		55,361,293
General fund	\$26,169,736	(\$4,530,192)	\$21,639,544
Bill Total			
Total all funds	\$81,531,029	(\$4,460,192)	\$77,070,837
Less estimated income	55,361,293		55,361,293
General fund	\$26,169,736	(\$4,460,192)	\$21,709,544

House Bill No. 1018 - Board for Career and Technical Education - House Action

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Grants	\$0	\$70,000	\$70,000
Total all funds	\$0	\$70,000	\$70,000
Less estimated income			
General fund	\$0	\$70,000	\$70,000
FTE	0.00	0.00	0.00

Dept. 270 - Board for Career and Technical Education - Detail of House Changes

	ADDS INNOVATION GRANTS FUNDING ¹	TOTAL HOUSE CHANGES
Grants	\$70,000	\$70,000
Total all funds	\$70,000	\$70,000
Less estimated income		
General fund	\$70,000	\$70,000
FTE	0.00	0.00

¹ Sections are added requiring the Department of Career and Technical Education to implement an innovation grants program and appropriating \$70,000 from the general fund for innovation grants.

House Bill No. 1018 - Department of Commerce - House Action

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$8,617,235		\$8,617,235
Operating expenses	13,642,636	(\$3,663,948)	9,978,688
Capital assets	25,000		25,000
Grants	48,374,748		48,374,748
North Dakota Development Fund	3,000,000		3,000,000
Discretionary funds	1,450,127		1,450,127
Economic development initiatives	2,163,090	(866,244)	1,296,846
Agricultural products utilization	2,808,193		2,808,193
Economic development grants	50,000		50,000
North Dakota Trade Office	1,400,000		1,400,000
Total all funds	\$81,531,029	(\$4,530,192)	\$77,000,837
Less estimated income	55,361,293		55,361,293
General fund	\$26,169,736	(\$4,530,192)	\$21,639,544
FTE	73.00	(9.00)	64.00

Dept. 601 - Department of Commerce - Detail of House Changes

	REMOVES CAREER OPPORTUNITY FUNDING ¹	ADDS CAREER POSITION ²	ADDS INTERNSHIP FUNDING ³	REDUCES TOURISM PROMOTION FUNDING ⁴	ADDS FUNDING FOR TOURISM EVENTS ⁵	ADDS FUNDING FOR REPORTS ⁶
Salaries and wages						
Operating expenses				(\$3,753,948)	\$10,000	\$50,000
Capital assets						
Grants						
North Dakota Development Fund						
Discretionary funds						
Economic development initiatives	(\$1,226,244)	\$160,000	\$200,000			
Agricultural products utilization						
Economic development grants						
North Dakota Trade Office						
Total all funds	(\$1,226,244)	\$160,000	\$200,000	(\$3,753,948)	\$10,000	\$50,000
Less estimated income						
General fund	(\$1,226,244)	\$160,000	\$200,000	(\$3,753,948)	\$10,000	\$50,000
FTE	(10.00)	1.00	0.00	0.00	0.00	0.00

	ADDS FUNDING FOR BEGINNING AGAIN PROJECT 7	TOTAL HOUSE CHANGES
Salaries and wages		
Operating expenses	\$30,000	(\$3,663,948)
Capital assets		
Grants		
North Dakota Development Fund		
Discretionary funds		
Economic development initiatives		(866,244)
Agricultural products utilization		
Economic development grants		
North Dakota Trade Office		
Total all funds	\$30,000	(\$4,530,192)
Less estimated income		
General fund	\$30,000	(\$4,530,192)
FTE	0.00	(9.00)

- 1 This amendment removes the funding and positions added in the executive budget to provide students and their parents information about North Dakota career opportunities.
- 2 Funding is added for 1 FTE position and related operating expenses to administer the career promotion in workforce deficient industries program and the internship program.
- 3 Funding for internships for postsecondary students is increased to provide a total of \$600,000 from the general fund. A section is added requiring the department to report to the 61st Legislative Assembly on the status of the internship program.
- 4 This amendment reduces funding recommended in the executive budget for tourism marketing and promotion.
- 5 This amendment adds funding for the Tourism Division to match private funds for tourism-related promotions and events involving officially sanctioned statewide pageant titleholders who are over age 17. The Tourism Division may provide matching funds on a dollar-for-dollar basis of up to \$1,000 for each eligible promotion or event as determined by the Tourism Division.
- 6 Funding is added for the tax expenditure report and business incentive expenditure report pilot projects.
- 7 Funding is added for the department to contract for services relating to the beginning again North Dakota pilot program.

Sections are added that:

- Require the North Dakota Trade Office to raise \$1 of matching funds from private or other public sources for each \$2 of funds provided by the department.
- Identify the one-time funding included in the budget and provide for a report to the 61st Legislative Assembly of the agency's use of the one-time funding.
- Provide the department an exemption from the state employee compensation adjustment guidelines included in Senate Bill No. 2189 and require the department to provide 2007-09 biennium salary increases to its employees based on a system considering each employee's performance, merit, and equity. The department is to report to the Human Resource Management Services Division of the Office of Management and Budget by December 31, 2007, on its compensation system.
- Provide for the department to implement a beginning again North Dakota pilot program for the 2007-09 biennium.

Section 8 of the bill relating to the Dakota Manufacturing Initiative is removed.