

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2018 - Department of Commerce - Senate Action

	Executive Budget	Senate Changes	Senate Version
Salaries and wages	\$10,185,967		\$10,185,967
Operating expenses	14,428,272	1,600,000	16,028,272
Capital assets	25,000		25,000
Grants	53,886,058	27,550,000	81,436,058
Discretionary funds	928,083		928,083
Economic development initiatives	186,846		186,846
Agricultural products utilization	2,536,630		2,536,630
North Dakota Trade Office	2,000,000	164,000	2,164,000
Partner programs	2,022,044		2,022,044
Transfer - Workforce enhancement fund	2,000,000		2,000,000
Transfer - Centers of excellence fund		20,000,000	20,000,000
Contingent borrowing authority		500,000	500,000
Total all funds	\$88,198,900	\$49,814,000	\$138,012,900
Less estimated income	53,708,861	15,500,000	69,208,861
General fund	\$34,490,039	\$34,314,000	\$68,804,039
FTE	68.00	0.00	68.00

Department No. 601 - Department of Commerce - Detail of Senate Changes

	Provides Funding for the Centers of Excellence Program¹	Decreases Funding for Grants to Expand Child Care²	Provides Funding for Out-of-State Recruitment³	Provides Funding for a Grant to the Dakota Defense Alliance Organization⁴	Increases Funding for the InnovateND Program⁵	Provides Funding for Student-Based Technology Startup Grants⁶
Salaries and wages						
Operating expenses			1,000,000		100,000	
Capital assets						
Grants		(1,500,000)		50,000		200,000
Discretionary funds						
Economic development initiatives						
Agricultural products utilization						
North Dakota Trade Office						
Partner programs						
Transfer - Workforce enhancement fund						
Transfer - Centers of excellence fund	20,000,000					
Contingent borrowing authority						
Total all funds	\$20,000,000	(\$1,500,000)	\$1,000,000	\$50,000	\$100,000	\$200,000
Less estimated income	0	0	0	0	0	0
General fund	\$20,000,000	(\$1,500,000)	\$1,000,000	\$50,000	\$100,000	\$200,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Provides Funding for Regional Technical Assistance Grants⁷	Provides Funding for Youth Entrepreneur Grants⁸	Provides Funding for University Patent Office Support⁹	Increases Funding for Tourism Marketing¹⁰	Increases Funding Relating to the Neighborhood Stabilization Program¹¹	Provides Funding for Commercial Business District Improvement Projects¹²
Salaries and wages						
Operating expenses				500,000		
Capital assets						
Grants	1,000,000	400,000	200,000		15,000,000	200,000
Discretionary funds						
Economic development initiatives						
Agricultural products utilization						
North Dakota Trade Office						
Partner programs						
Transfer - Workforce enhancement fund						
Transfer - Centers of excellence fund						
Contingent borrowing authority						
Total all funds	\$1,000,000	\$400,000	\$200,000	\$500,000	\$15,000,000	\$200,000
Less estimated income	0	0	0	0	15,000,000	0
General fund	\$1,000,000	\$400,000	\$200,000	\$500,000	\$0	\$200,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Increases Funding for the North Dakota Trade Office¹³	Provides Contingent Borrowing Authority¹⁴	Provides Funding for a Great Plains Applied Energy Research Center Grant¹⁵	Provides Funding for a Base Realignment Grant Program¹⁶	Provides Funding for a Grant to the Lewis and Clark Foundation¹⁷	Provides Funding for a Grant to the Theodore Roosevelt Medora Foundation¹⁸
Salaries and wages						
Operating expenses						
Capital assets						
Grants			5,000,000	5,000,000	1,500,000	500,000
Discretionary funds						
Economic development initiatives						
Agricultural products utilization						
North Dakota Trade Office	164,000					
Partner programs						
Transfer - Workforce enhancement fund						
Transfer - Centers of excellence fund						
Contingent borrowing authority		500,000				
Total all funds	\$164,000	\$500,000	\$5,000,000	\$5,000,000	\$1,500,000	\$500,000
Less estimated income	0	500,000	0	0	0	0
General fund	\$164,000	\$0	\$5,000,000	\$5,000,000	\$1,500,000	\$500,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Total Senate Changes
Salaries and wages	
Operating expenses	1,600,000
Capital assets	
Grants	27,550,000
Discretionary funds	
Economic development initiatives	
Agricultural products utilization	
North Dakota Trade Office	164,000
Partner programs	
Transfer - Workforce enhancement fund	
Transfer - Centers of excellence fund	20,000,000
Contingent borrowing authority	500,000
Total all funds	\$49,814,000
Less estimated income	15,500,000
General fund	\$34,314,000
FTE	0.00

¹ This amendment provides a \$20 million general fund appropriation to the Department of Commerce for funding the centers of excellence program for the 2009-11 biennium. The executive budget provided funding of \$20 million, of which \$15 million is from the general fund and \$5 million is from Bank of North Dakota loan proceeds, for the centers of excellence program in House Bill No. 1015--the Office of Management and Budget appropriation bill.

² This amendment decreases one-time funding from the general fund added in the executive budget for matching grants to local communities to establish or expand child care options from \$3.5 million to \$2 million.

³ Funding of \$1 million from the general fund is added for out-of-state student recruitment.

⁴ Funding of \$50,000 from the general fund is added for a grant to the Dakota Defense Alliance Organization for business development expenses associated with seeking homeland security-, energy-, or defense-related contracts for North Dakota companies during the 2009-11 biennium.

⁵ This amendment increases funding for the InnovateND program as follows:

	2007-09 Legislative Appropriation	2009-11 Executive Budget	2009-11 Senate Version
General fund	\$150,000	\$250,000	\$350,000
Special funds	150,000	150,000	150,000
Total	\$300,000	\$400,000	\$500,000

⁶ This amendment provides funding of \$200,000 from the general fund for student-based technology grants. The Department of Commerce is to provide grants of \$25,000 to the extent matching funds are available from an angel fund on a dollar-for-dollar basis. The department may only award four grants to the same higher education institution.

⁷ This amendment provides funding of \$1 million from the general fund for regional technical assistance grants to institutions of higher education assigned primary responsibility for workforce training. The Department of Commerce may award grants of

\$250,000 to the extent matching funds are available from nonstate sources on a dollar-for-dollar basis. The department may only award one grant to each higher education institution.

⁸ Funding of \$400,000 from the general fund is provided for youth entrepreneurship grants to institutions of higher education assigned primary responsibility for workforce training. The Department of Commerce may award grants of up to \$100,000 each to the extent matching funds are available from nonstate sources on a dollar-for-dollar basis. The department may only award one grant to each higher education institution.

⁹ This amendment provides funding of \$200,000 from the general fund for providing grants to the University of North Dakota and North Dakota State University patent offices. The Department of Commerce may award grants of \$100,000 to each university for support of the patent offices to the extent matching funds are available from nonstate sources on a dollar-for-dollar basis.

¹⁰ This amendment increases funding for tourism marketing by \$500,000 from the general fund. This is in addition to the \$912,000 increase included in the executive budget.

¹¹ This amendment increases special funds spending authority by \$15 million to reflect the estimated carryover of federal funds for the neighborhood stabilization program.

¹² This amendment provides funding of \$200,000 from the general fund for the purpose of providing grants of up to \$10,000 each to cities in the state with a population of fewer than 8,000 for commercial business district improvement projects during the 2009-11 biennium. The Department of Commerce is to require a city receiving a grant to provide \$1 of matching funds for each \$1 of state funds provided for the project. Grant funds and required city matching funds may be used only for the purchase of materials associated with the project.

¹³ This amendment increases funding for the North Dakota Trade Office from \$2 million, as provided for in the executive budget, to \$2,164,000. Of the additional \$164,000, \$64,000 is for an export assistance program, \$50,000 is for a global connections conference, and \$50,000 is for an export-related workforce recruitment study.

¹⁴ This amendment provides authorization to the Department of Commerce to borrow \$500,000 from the Bank of North Dakota for providing a grant to the North Dakota Trade Office for implementing an export-related workforce recruitment program based on the results of the export-related workforce recruitment study and subject to Emergency Commission and Budget Section approval.

¹⁵ Funding of \$5 million from the general fund is added for a grant for construction of a great plains applied energy research center on the Bismarck State College campus. The Department of Commerce may only spend the funding from the general fund to the extent other nonstate matching funds of \$3 for each \$1 of grant funds are available for all costs of the center.

¹⁶ This amendment provides funding of \$5 million of one-time funding from the general fund for a base realignment grant program to enhance economic development and employment opportunities associated with the Grand Forks Air Force Base resulting from action by the federal Defense Base Closure and Realignment Commission.

¹⁷ This amendment provides funding of \$1.5 million from the general fund for a grant to the Lewis and Clark Foundation. The Department of Commerce may only spend the funds appropriated from the general fund to the extent matching funds have been secured from nonstate sources on a dollar-for-dollar basis.

¹⁸ This amendment provides funding of \$500,000 from the general fund for a grant to the Theodore Roosevelt Medora Foundation. The Department of Commerce may only spend the funds appropriated from the general fund to the extent matching funds of \$12 million from nonstate sources have been secured by the foundation.

This amendment also:

- Creates a new section to North Dakota Century Code (NDCC) Chapter 15-69 to create a centers of excellence fund. All money in the fund is appropriated to the Department of Commerce on a continuing basis for the centers of excellence program.
- Amends subsection 2 of NDCC Section 15-69-04 and Section 15-69-05 relating to the centers of excellence program.

- Creates a new section to NDCC Chapter 54-60 relating to the Division of Workforce Development's strategic plan and the North Dakota Workforce Development Council.
- Adds a section providing for a Legislative Council study of technology-based entrepreneurship and economic development best practices.
- Adds a section providing for a Legislative Council study of the state's workforce system.
- Provides that the funding of \$1.2 million for the operation intern program in the operating expenses line item is an emergency measure.