

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of ~~the~~ the department
 2 of commerce; to create and enact section 15-69-07, a new chapter to title 17, and a new
 3 ~~chapter to title 54, and two new sections to chapter 54-60~~section to chapter 54-60 of the North
 4 Dakota Century Code, relating to the centers of excellence program, biofuel blender pump
 5 incentive program, ~~centers of research excellence program, centers of entrepreneurship~~
 6 ~~excellence grants~~, and the internship fund; to amend and reenact sections 10-30.5-02,
 7 15-69-01, ~~15-69-02, 15-69-03~~, 15-69-04, and 15-69-05, ~~15-69-06, 54-44.5-09, 54-60-21,~~
 8 ~~54-60-22, and 54-60-23~~ of the North Dakota Century Code, relating to the North Dakota
 9 development fund, incorporated, and centers of excellence program, ~~the office of renewable~~
 10 ~~energy and efficiency, and centers of workforce excellence grants~~; to repeal chapter 15-69 of
 11 the North Dakota Century Code, relating to the centers of excellence program; to provide a
 12 continuing appropriation; to provide exemptions; to provide for transfers; to provide an effective
 13 date; to provide an expiration date; and to declare an emergency.

14 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

15 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
 16 as may be necessary, are appropriated out of any moneys in the general fund in the state
 17 treasury, not otherwise appropriated, and from special funds derived from federal funds and
 18 other income, to the department of commerce for the purpose of defraying the expenses of the
 19 department of commerce, for the biennium beginning July 1, 2011, and ending June 30, 2013,
 20 as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
21			
22			
23	Salaries and wages	\$851,139	\$10,871,979
24	Operating expenses	14,478,272	14,108,260

Sixty-second
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1	<u>Operating expenses</u>	<u>14,478,272</u>	<u>(595,012)</u>	<u>13,883,260</u>
2	Capital assets	25,000	45,018	70,018
3	Grants	65,411,058	(4,783,064)	60,627,994
4	<u>Grants</u>	<u>65,411,058</u>	<u>851,936</u>	<u>66,262,994</u>
5	North Dakota development fund	0	400,000	400,000
6	<u>North Dakota development fund</u>	<u>0</u>	<u>250,000</u>	<u>250,000</u>
7	Discretionary funds	928,083	(1)	928,082
8	Centers of workforce excellence	0	2,000,000	2,000,000
9	<u>Workforce enhancement</u>	<u>0</u>	<u>2,000,000</u>	<u>2,000,000</u>
10	Economic development initiatives	186,846	0	186,846
11	Agricultural products utilization	2,536,630	203,137	2,739,767
12	Centers of excellence	0	13,000,000	13,000,000
13	North Dakota trade office	2,064,000	489,000	2,553,000
14	Partner programs	2,022,044	100,000	2,122,044
15	<u>Partner programs</u>	<u>2,022,044</u>	<u>0</u>	<u>2,022,044</u>
16	Division of energy	0	619,691	619,691
17	Federal fiscal stimulus funds	0	24,496,750	24,496,750
18	Total all funds	\$97,672,773	\$37,051,658	\$134,724,431
19	<u>Total all funds</u>	<u>\$97,672,773</u>	<u>\$28,591,967</u>	<u>\$126,264,740</u>
20	Less estimated income	<u>69,666,470</u>	<u>18,968,467</u>	<u>88,634,937</u>
21	Total general fund	\$28,006,303	\$18,083,191	\$46,089,494
22	<u>Total general fund</u>	<u>\$28,006,303</u>	<u>\$9,623,500</u>	<u>\$37,629,803</u>
23	Full-time equivalent positions	68.00	2.25	70.25
24	<u>Full-time equivalent positions</u>	<u>68.00</u>	<u>.25</u>	<u>68.25</u>

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

SIXTY-THIRD LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13 one-time funding items included in the appropriation in section 1 of this Act:

	<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
30	Transfer to centers of workforce excellence fund	\$1,000,000	\$2,000,000
31	<u>Workforce enhancement fund</u>	<u>\$1,000,000</u>	<u>\$2,000,000</u>

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1	WorkKeys	0	125,000
2	Child care credential grants	0	150,000
3	American Indian business office	0	100,000
4	Biofuel blender pumps	1,000,000	0
5	Promotion and marketing of U.S.S. North Dakota	100,000	0
6	Lewis and Clark foundation grants	1,500,000	0
7	Theodore Roosevelt Medora foundation grant	500,000	0
8	<u>Tourism infrastructure grant</u>	<u>0</u>	<u>1,000,000</u>
9	Child care grants and loans	1,820,000	920,338
10	<u>Child care grants and loans</u>	<u>1,820,000</u>	<u>370,338</u>
11	<u>Child care service providers</u>	<u>0</u>	<u>4,935,000</u>
12	<u>recruitment, training, and retention grants</u>		
13	Centers of excellence	19,500,000	13,000,000
14	<u>Centers of excellence</u>	<u>19,500,000</u>	<u>0</u>
15	Great plains applied energy research center	5,000,000	0
16	<u>Minot air force base realignment grant</u>	<u>0</u>	<u>250,000</u>
17	Equine processing study	50,000	0
18	Federal fiscal stimulus	<u>68,594,635</u>	<u>24,496,750</u>
19	Total all funds	\$99,064,635	\$40,792,088
20	<u>Total all funds</u>	<u>\$99,064,635</u>	<u>\$33,052,088</u>
21	Less estimated income	<u>68,594,635</u>	<u>24,496,750</u>
22	Total general fund	\$30,470,000	\$16,295,338
23	<u>Total general fund</u>	<u>\$30,470,000</u>	<u>\$8,555,338</u>

24 The 2011-13 one-time funding amounts are not a part of the entity's base budget for the
 25 2013-15 biennium. The department of commerce shall report to the appropriations committees
 26 of the sixty-third legislative assembly on the use of this one-time funding for the biennium
 27 beginning July 1, 2011, and ending June 30, 2013.

28 **SECTION 3. AMENDMENT.** Section 10-30.5-02 of the North Dakota Century Code is
 29 amended and reenacted as follows:

1 **10-30.5-02. (Effective through July 31, 2011~~2013~~) Purpose and fund uses.**

- 2 1. It is the purpose of this chapter to create a statewide nonprofit development
3 corporation that will have the authority to take equity positions in, to provide loans to,
4 or to use other innovative financing mechanisms to provide capital for new or
5 expanding businesses in this state, or relocating businesses to this state. The
6 corporation's principal mission is the development and expansion of primary sector
7 business in this state. The corporation may form additional corporations, limited
8 liability companies, partnerships, or other forms of business associations in order to
9 further its mission of primary sector economic development.
- 10 2. The exclusive focus of this corporation is business development in this state; however,
11 it is not excluded from participation with other states or organizations in projects that
12 have a clear economic benefit to state residents in the creation of jobs or secondary
13 business. Emphasis should be to develop jobs that provide an income adequate to
14 support a family above the poverty level.
- 15 3. Moneys in the development fund may be used to provide working capital or for
16 financing the purchase of fixed assets but not to refinance existing debt. Moneys may
17 also be used to make matching grants to county-authorized or city-authorized
18 development corporations for the acquisition, leasing, or remodeling of real estate
19 facilities for locating a prospective new primary sector business. A grant must be made
20 as part of a package of financing in which the state is a participant.
- 21 4. The commissioner of commerce shall adopt rules, subject to the approval of the board
22 of directors, necessary to implement the administration of the fund. The rules to
23 implement the grant program must be developed to encourage local fundraising
24 initiatives for developing locations for businesses financed by the corporation.
- 25 5. Moneys in the development fund may be used to provide financing to early childhood
26 facilities licensed under chapter 50-11.1. Moneys also may be used to make grants or
27 loans to match grants or loans made by county-authorized or city-authorized
28 development corporations, job development authorities created under chapter 11-11.1
29 or 40-57.4, and regional planning councils for acquiring, leasing, or remodeling of real
30 estate facilities or for acquiring equipment for establishing or expanding a licensed
31 early childhood facility. In providing financing under this subsection, the corporation

1 shall ensure funds are distributed fairly among for-profit early childhood facilities,
2 nonprofit early childhood facilities, and public early childhood facilities. An award under
3 this subsection may not exceed ~~one~~two hundred thousand dollars per award.

4 **(Effective after July 31, 2011~~2013~~) Purpose and fund uses.**

- 5 1. It is the purpose of this chapter to create a statewide nonprofit development
6 corporation that will have the authority to take equity positions in, to provide loans to,
7 or to use other innovative financing mechanisms to provide capital for new or
8 expanding businesses in this state, or relocating businesses to this state. The
9 corporation's principal mission is the development and expansion of primary sector
10 business in this state. The corporation may form additional corporations, limited
11 liability companies, partnerships, or other forms of business associations in order to
12 further its mission of primary sector economic development.
- 13 2. The exclusive focus of this corporation is business development in this state; however,
14 it is not excluded from participation with other states or organizations in projects that
15 have a clear economic benefit to state residents in the creation of jobs or secondary
16 business. Emphasis should be to develop jobs that provide an income adequate to
17 support a family above the poverty level.
- 18 3. Moneys in the development fund may be used to provide working capital or for
19 financing the purchase of fixed assets but not to refinance existing debt. Moneys may
20 also be used to make matching grants to county-authorized or city-authorized
21 development corporations for the acquisition, leasing, or remodeling of real estate
22 facilities for locating a prospective new primary sector business. A grant must be made
23 as part of a package of financing in which the state is a participant.
- 24 4. The commissioner of commerce shall adopt rules, subject to the approval of the board
25 of directors, necessary to implement the administration of the fund. The rules to
26 implement the grant program must be developed to encourage local fundraising
27 initiatives for developing locations for businesses financed by the corporation.

28 **SECTION 4. AMENDMENT.** Section 15-69-01 of the North Dakota Century Code is
29 amended and reenacted as follows:

30 **~~15-69-01. (Effective through July 31, 2011~~2021~~) Definitions.~~**

31 In this chapter, unless the context otherwise requires:

- 1 1. "Board" means the state board of higher education.
- 2 2. "Center" means a center of excellence relating to economic development which has
- 3 been designated or named under this chapter.
- 4 3. "Commission" means the centers of excellence commission.
- 5 4. "Department" means the department of commerce.
- 6 5. "Foundation" means the North Dakota economic development foundation.

7 ~~5. "Industry cluster" means one of the following industries:~~

8 ~~a. Advanced manufacturing;~~

9 ~~b. Energy;~~

10 ~~c. Information and technology;~~

11 ~~d. Tourism;~~

12 ~~e. Value-added agriculture; or~~

13 ~~f. An industry, including the aerospace industry, specifically identified by the~~
14 ~~department of commerce as an industry that will contribute to the gross state~~
15 ~~product.~~

- 16 6. "Infrastructure" means new building construction or major building renovation. The
- 17 term does not include a purchase of equipment or remodel of an existing building.

18 ~~**SECTION 5. AMENDMENT.** Section 15-69-02 of the North Dakota Century Code is~~
19 ~~amended and reenacted as follows:~~

20 ~~**15-69-02. (Effective through July 31, 20112021) Centers of excellence.**~~

21 ~~1. The board shall establish a centers of excellence program relating to economic~~
22 ~~development. Workforce may not be the primary need addressed by a center. Through~~
23 ~~the program the commission shall make funding award recommendations for~~
24 ~~commission-approved applications to the board, the foundation, the emergency~~
25 ~~commission, and the budget section of the legislative management. A center must be~~
26 ~~an institution of higher education under the control of the board or a nonprofit~~
27 ~~university-related or college-related foundation of an institution of higher education~~
28 ~~under the control of the board. In order to be considered for center designation, the~~
29 ~~institution of higher education or nonprofit foundation must be working in partnership~~
30 ~~with the private sector. In addition to any center designated under this chapter, the~~

1 ~~North Dakota state university center for technology enterprise and the university of~~
2 ~~North Dakota center for innovation are centers.~~

3 ~~2. A commission funding award recommendation must be for a specified amount.~~

4 ~~Designation of a center occurs upon board, foundation, and budget section approval~~
5 ~~of a commission funding award recommendation. In considering whether to designate~~
6 ~~a center, the board, foundation, and budget section may not modify the commission~~
7 ~~recommendation. The budget section may not take action on an original commission~~
8 ~~funding award recommendation until the emergency commission reviews the~~
9 ~~commission recommendation and makes a recommendation to the budget section.~~
10 ~~Upon receipt of a commission funding award recommendation, the budget section~~
11 ~~shall approve the recommendation, reject the recommendation, or rerefer the~~
12 ~~recommendation to the commission with recommended modifications. If the~~
13 ~~commission receives a rereferred recommendation from the budget section, the~~
14 ~~commission shall determine whether to modify the recommendation or whether to~~
15 ~~retain the recommendation and provide additional information with the~~
16 ~~recommendation.~~

17 ~~a. If within thirty days of the budget section rereferring a recommendation the~~
18 ~~commission makes a determination of whether to modify the recommendation or~~
19 ~~to retain the recommendation and within the same thirty days the emergency~~
20 ~~commission meets to review the modified recommendation or the retained~~
21 ~~recommendation accompanied by additional information, the emergency~~
22 ~~commission shall approve or reject the recommendation. If within the thirty days~~
23 ~~following the budget section rereferral the emergency commission acts under this~~
24 ~~subdivision, the determination of the emergency commission is final and the~~
25 ~~recommendation is approved or rejected.~~

26 ~~b. If thirty days expire following the budget section's rereferral and the process~~
27 ~~under subdivision a is not completed timely, the commission shall submit to the~~
28 ~~budget section the modified recommendation or the retained recommendation.~~
29 ~~Upon receipt of the recommendation under this subdivision, the budget section~~
30 ~~shall approve or reject the recommendation. The budget section may not rerefer~~
31 ~~a recommendation received under this subdivision.~~

1 ~~3.~~ A center that receives funds distributed under this chapter is not qualified to receive
2 subsequent designations as a center until the biennium following the center's most
3 recent designation.

4 ~~4.~~ The board rules adopted under subsection 9 of section 15-10-17, relating to ownership
5 of intellectual property, inventions, and discoveries, must address activities and issues
6 unique to centers.

7 ~~**SECTION 6. AMENDMENT.**~~ Section 15-69-03 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 ~~**15-69-03. (Effective through July 31, 20112021) Centers of excellence commission.**~~

10 ~~The centers of excellence commission consists of six members. The foundation shall~~
11 ~~appoint three of the foundation's members to serve on the commission and the board shall~~
12 ~~appoint three of the board's members to serve on the commission. The commission members~~
13 ~~shall designate a chairman and a vice chairman of the commission. Each member of the~~
14 ~~commission shall serve for a term of three years, beginning July first; may be reappointed for~~
15 ~~additional terms; and serves at the pleasure of the appointing entity. If a commission member~~
16 ~~ceases to serve as a member of the appointing entity, that member's membership on the~~
17 ~~commission ceases immediately and the appointing entity shall appoint a new member for the~~
18 ~~remainder of the term. Terms of commission members must be staggered. On a~~
19 ~~meeting-by-meeting basis, an appointing entity may substitute a member of that appointing~~
20 ~~entity to serve in place of one of the regular members appointed by that entity. If the~~
21 ~~commission chairman and vice chairman are not present at a meeting, the commission~~
22 ~~members present at that meeting shall select a commission member to serve as chairman for~~
23 ~~that meeting. A commission member may receive compensation and travel and expense~~
24 ~~reimbursement from the appointing entity. The department of commerce shall provide the~~
25 ~~commission with appropriate staff services as may be requested by the commission.~~

26 **SECTION 5. AMENDMENT.** Section 15-69-04 of the North Dakota Century Code is
27 amended and reenacted as follows:

28 ~~**15-69-04. (Effective through July 31, 20112021) Application -- Eligibility**~~
29 ~~**requirements**~~ **Centers of excellence program.**

30 ~~1.~~ The department of commerce shall ~~provide center application forms, accept~~
31 ~~applications, review applications for completeness and compliance with board and~~

1 ~~commission policy, forward complete applications to the commission in accordance~~
2 ~~with guidelines established by the commission, and assist with preaward reviews and~~
3 ~~postaward monitoring as may be requested by the commission. No more than two~~
4 ~~applications per campus of an institution of higher education under the control of the~~
5 ~~board may be submitted to the department of commerce for each round of center~~
6 ~~funding.~~

7 ~~2.~~ The commission shall meet as necessary to review all complete applications; consider
8 ~~the potential need for independent, expert review of complete applications; approve or~~
9 ~~disapprove complete applications; make funding award recommendations for~~
10 ~~commission approved proposed centers; direct the department of commerce~~
11 ~~to~~ administer the centers of excellence program; distribute funds to the centers;
12 monitor centers for compliance with award requirements; review changes in assertions
13 made in center applications; and conduct postaward monitoring of centers.

14 ~~3.~~ In considering whether to approve or disapprove an application, the commission shall
15 ~~determine whether the applicant has conducted the due diligence necessary to put~~
16 ~~together a viable proposal, the commission shall determine whether the applicant has~~
17 ~~provided information in the application which clearly outlines how the matching fund~~
18 ~~requirement will be met, and the commission shall consider whether the center will:~~

19 ~~a.~~ Use university or college research to promote private sector job growth and
20 ~~expansion of knowledge-based industries or use university or college research to~~
21 ~~promote the development of new products, high-tech companies, or skilled jobs~~
22 ~~in this state;~~

23 ~~b.~~ Create high-value private sector employment opportunities in this state;

24 ~~c.~~ Provide for public-private sector involvement and partnerships;

25 ~~d.~~ Leverage other funding, including cash from the private sector;

26 ~~e.~~ Increase research and development activities that may involve federal funding
27 ~~from the national science foundation experimental program to stimulate~~
28 ~~competitive research;~~

29 ~~f.~~ Foster and practice entrepreneurship;

30 ~~g.~~ Promote the commercialization of new products and services in industry clusters;

31 ~~h.~~ Become financially self-sustaining; and

1 ~~_____ i. Establish and meet a deadline for acquiring and expending all public and private~~
2 ~~_____ funds specified in the application.~~

3 ~~_____ 4. In considering whether to approve an application, the commission may provide for an~~
4 ~~_____ independent, expert review of the application to determine whether the proposed~~
5 ~~_____ center is viable and whether the proposed center is likely to have the desired~~
6 ~~_____ economic impact. As necessary, the commission may contract for additional technical~~
7 ~~_____ review of applications. The commission may not approve an application unless the~~
8 ~~_____ commission determines the proposed center has a high likelihood of viability and~~
9 ~~_____ success in positively impacting economic development in the state.~~

10 ~~_____ 5. For no fewer than six years and no more than ten years following center designation,~~
11 ~~_____ the commission shall monitor the center's activities in order to determine whether the~~
12 ~~_____ center is having the desired economic impact.~~

13 **SECTION 6. AMENDMENT.** Section 15-69-05 of the North Dakota Century Code is
14 amended and reenacted as follows:

15 **15-69-05. ~~(Effective through July 31, 20112021)~~ Use of funds - Terms of funds -**
16 **Distribution of funds.**

17 1. A center shall use funds awarded under this chapter to enhance capacity and leverage
18 state, federal, and private sources of funding. A center awarded funds under this
19 chapter may not use the funds for infrastructure, to supplant funding for current
20 operations or academic instructions, or to pay indirect costs.

21 2. As a condition for receipt of funds under this chapter, a center shall agree to provide
22 the ~~board~~department, foundation, and budget section of the legislative management
23 with annual audits on all funds distributed to the center under this chapter. The annual
24 audits must be provided until the completion of the ~~commission's~~department's
25 postaward monitoring of the center. As a condition for receipt of funds under this
26 chapter, a center shall agree to provide the ~~commission~~department with the
27 information necessary to monitor the postaward activities of the center. ~~Instead of~~
28 ~~requiring annual audits under this subsection, the commission may require that the~~
29 ~~center be audited on all funds distributed to the center under this chapter at the~~
30 ~~halfway point of the postaward monitoring and at the end of the postaward monitoring~~
31 ~~and that for all other years during the postaward monitoring the center contract with an~~

~~independent accountant for an agreed-upon procedures engagement. A center may use funds distributed to the center under this chapter to pay for audits required under this subsection.~~ Effective on the effective date of this Act, the department shall assume the postaward monitoring duties previously fulfilled by the commission and the center shall provide the department, rather than the commission, with the information necessary to monitor the postaward activities of the center.

3. Before the ~~commission directs the~~ department of commerce ~~to distribute~~ distributes funds awarded under this chapter, the center shall provide the ~~commission~~ department with detailed documentation of private sector participation and the availability of two dollars of matching funds for each dollar of state funds to be distributed under this chapter. Of the two dollars of matching funds, at least one dollar must be cash, of which at least fifty cents must be from the private sector. The matching funds may include funds facilitated through the collaboration of the private sector participants with other funding entities. The noncash matching funds may include in-kind assets with itemized value. Private sector participation may be established through equity investments or through contracts for services with private sector entities. ~~In making funding recommendations and designation determinations, the commission, board, foundation, and budget section shall give major consideration to the portion of the matching funds provided in cash by the private sector.~~
4. The ~~commission shall direct the~~ department of commerce ~~to~~ shall distribute the funds awarded under this chapter in disbursements consistent with the center's budget and timeframe outlined in the approved award. The ~~commission~~ department may not direct distribution of funds under this chapter if there are no private sector partners participating or if the statutorily required matching funds are not available.
5. If, before funds are distributed by the department of commerce, a center undergoes a change in the terms of or assertions made in its application, the ~~commission may direct that the~~ department of commerce may withhold all or a portion of any undistributed funds pending ~~commission~~ department review of the changes.
6. The ~~commission~~ department may use funds appropriated ~~for~~ available within the centers of excellence ~~program~~ fund to pay for the ~~commission's~~ department's administrative expenses, ~~which may include contracting for independent, expert~~

1 ~~reviews of complete applications and centers of excellence forums~~related to this
2 program. The amount of funds the commission uses each biennium for administrative
3 expenses may not exceed two and one-half percent of the funds appropriated for the
4 program that biennium.

5 ~~— SECTION 9. AMENDMENT. Section 15-69-06 of the North Dakota Century Code is~~
6 ~~amended and reenacted as follows:~~

7 ~~— 15-69-06. Centers of excellence fund – Continuing appropriation.~~

8 ~~— The centers of excellence fund is a special fund in the state treasury. All moneys in the~~
9 ~~centers of excellence fund are appropriated to the department of commerce on a continuing~~
10 ~~basis for the purpose of implementing and administering this chapter~~the centers of excellence,
11 centers of research excellence, and centers of entrepreneurship excellence programs. Interest
12 ~~earned on moneys in the fund must be credited to the fund.~~

13 **SECTION 7.** Section 15-69-07 of the North Dakota Century Code is created and enacted as
14 follows:

15 **15-69-07. Centers of excellence postaward monitoring.**

16 1. For no fewer than six years and no more than ten years following center designation,
17 the department shall monitor a center's activities in order to determine whether the
18 center is having the desired economic impact.

19 2. Instead of requiring annual audits under subsection 2 of section 15-69-05, the
20 department may require that the center be audited on all funds distributed to the
21 center under this chapter at the halfway point of the postaward monitoring and at the
22 end of the postaward monitoring and that for all other years during the postaward
23 monitoring the center contract with an independent accountant for an agreed-upon
24 procedures engagement. A center may use funds distributed to the center under this
25 chapter to pay for audits required under subsection 2 of section 15-69-05 or for an
26 agreed-upon procedures engagement.

27 3. At a minimum, an agreed-upon procedures engagement under subsection 2 must
28 include:

29 a. Verification of the accuracy of jobs data regarding jobs claimed related by the
30 center, distinguishing between the creation of private sector jobs and jobs within
31 the institution of higher education;

- b. Verification of compliance with the centers of excellence program matching fund requirements;
- c. Verification awarded center funds were used for authorized uses;
- d. Verification the center complied with the center's application timeline and any authorized revisions;
- e. Verification the center complied with the center's scope of activities as provided under the center's application and any authorized revisions;
- f. Review of a sample of center expenditures to verify the expenses were approved, supported with documentation, and made in accordance with the scope identified in the center's application;
- g. Verification of a sample of labor charged to the center;
- h. Verification business incentive agreements comply with chapter 54-60.1; and
- i. Comparison of the center's application budget to the center's actual expenditures, including documentation explaining any material differences.

SECTION 8. A new chapter to title 17 of the North Dakota Century Code is created and enacted as follows:

Definitions.

For purposes of this chapter, unless the context otherwise requires:

1. "Biodiesel" means any non-petroleum-based diesel fuel made from a renewable resource such as vegetable oil or animal fat.
2. "E85 fuel" means a petroleum product that:
 - a. Is a blend of agriculturally derived denatured ethanol and gasoline or natural gasoline;
 - b. Typically contains eighty-five percent ethanol by volume but must at a minimum contain sixty percent ethanol by volume; and
 - c. Complies with the American society for testing materials specification D 5798-96.
3. "Motor fuel retailer" means a person that acquires motor vehicle fuel from a supplier or distributor for resale to a consumer at a retail location.
4. "Retail location" means a site at which motor vehicle fuel is dispensed through a pump from an underground or aboveground storage tank into the supply tank of a motor vehicle.

1 **Biofuel blender pump incentive program - Administration.**

- 2 1. The department of commerce shall administer the biofuel blender pump incentive
3 program to provide cost-share grants of up to ~~five~~fourteen thousand dollars per
4 ~~pump~~retail location to motor fuel retailers for the installation of biofuel blender pumps
5 and associated equipment at retail locations, including the piping system and storage
6 components.
- 7 2. In determining eligibility for grant funds, the department shall establish by rule criteria
8 governing:
- 9 a. The verification of costs for biofuel blender pumps and associated equipment,
10 including the piping system and storage components;
- 11 b. The eligibility of grant recipients;
- 12 c. The application and grant award procedure; and
- 13 d. Reporting and accountability procedures for grant recipients.
- 14 3. The amount of incentives payable to any retail location under this chapter may not
15 exceed two percent of the total amount appropriated for the biofuel blender pump
16 incentive program.

17 **Blender pumps - Requirements.**

- 18 1. To qualify for a grant under this chapter, a retailer must install an ethanol blender
19 pump and an associated storage and piping system. The pump must be the type that:
- 20 a. Dispenses at retail a blend of gasoline and ethanol in the ratio selected by the
21 purchaser;
- 22 b. Is manufactured to an industry standard and carries a warranty for compatibility
23 with dispenser components and storage and piping systems;
- 24 c. Has at least four hoses and dispenses the following:
- 25 (1) Either a blend of ten percent ethanol or the minimum blend percentage
26 approved for all vehicles by the United States environmental protection
27 agency;
- 28 (2) A blend of at least twenty percent ethanol; and
- 29 (3) E85 fuel; and
- 30 d. Complies with all alternative fuel, biofuel, and flexible fuel requirements
31 established by law.

- 1 2. In order to qualify for a grant under this chapter, a retailer must install a biodiesel
2 blender pump that:
3 a. Dispenses at retail varying blends of biodiesel and mineral diesel in the ratio
4 selected by the purchaser; and
5 b. Complies with all alternative fuel, biofuel, and flexible fuel requirements
6 established by law.

7 **Biofuel blender pump incentive program - Administrative costs.**

8 The department may use up to five percent of any amount appropriated to the biofuel
9 blender pump incentive program for administration, the dissemination of information regarding
10 the biofuel blender pump incentive program, and the dissemination of information regarding the
11 benefits of biofuels.

12 ~~— **SECTION 11.** A new chapter to title 54 of the North Dakota Century Code is created and~~
13 ~~enacted as follows:~~

14 ~~— **Definitions.**~~

15 ~~— In this chapter, unless the context otherwise requires:~~

16 ~~— 1. "Board" means the state board of higher education.~~

17 ~~— 2. "Center" means a center of research excellence that has been designated under this~~
18 ~~chapter.~~

19 ~~— 3. "Commission" means the centers of excellence commission as defined under~~
20 ~~chapter 15-69.~~

21 ~~— 4. "Department" means the department of commerce.~~

22 ~~— 5. "Industry cluster" means one of the following industries:~~

23 ~~— a. Advanced manufacturing;~~

24 ~~— b. Energy;~~

25 ~~— c. Information and technology;~~

26 ~~— d. Tourism;~~

27 ~~— e. Value-added agriculture; or~~

28 ~~— f. An industry, including the aerospace industry, specifically identified by the~~
29 ~~department of commerce as an industry that will contribute to the gross state~~
30 ~~product.~~

1 ~~6. "Infrastructure" means new building construction or major building renovation. The~~
2 ~~term does not include a purchase of equipment or remodel of an existing building.~~

3 ~~7. "Research university" means an institution under the control of the state board of~~
4 ~~higher education which has a full-time student enrollment in excess of nine thousand~~
5 ~~students.~~

6 ~~**Centers of research excellence - Application - Eligibility.**~~

7 ~~1. The department shall establish a centers of research excellence program. The~~
8 ~~commission shall make funding award determinations under this program. A center~~
9 ~~must be a research university or a nonprofit university-related or college-related~~
10 ~~foundation of a research university which is working in partnership with the private~~
11 ~~sector.~~

12 ~~2. The department shall provide center application forms, accept applications, review~~
13 ~~applications for completeness and compliance with commission policy, forward~~
14 ~~complete applications to the commission in accordance with guidelines established by~~
15 ~~the commission, and assist with preaward reviews and postaward monitoring as may~~
16 ~~be requested by the commission. No more than two applications per campus of a~~
17 ~~research university institution may be submitted to the department for each round of~~
18 ~~center funding.~~

19 ~~3. The commission shall meet as necessary to review all complete applications; consider~~
20 ~~the potential need for independent, expert review of complete applications; approve or~~
21 ~~disapprove complete applications; make funding award recommendations for~~
22 ~~commission-approved proposed centers; direct the department to distribute funds to~~
23 ~~the centers; monitor centers for compliance with award requirements; review changes~~
24 ~~in assertions made in center applications; and conduct postaward monitoring of~~
25 ~~centers.~~

26 ~~4. In considering whether to approve or disapprove a center application, the commission~~
27 ~~shall determine whether the applicant has conducted the due diligence necessary to~~
28 ~~put together a viable proposal, the commission shall determine whether the applicant~~
29 ~~has provided information in the application which clearly outline how the matching fund~~
30 ~~requirement will be met, and the commission shall consider whether the center will:~~

- 1 ~~a. Use university research to promote private sector job growth and expansion of~~
2 ~~knowledge-based industries or use university research to promote the~~
3 ~~development of new products, high-tech companies, or skilled jobs in this state;~~
4 ~~b. Create high-value private sector employment opportunities in this state;~~
5 ~~c. Provide for public-private sector involvement and partnerships;~~
6 ~~d. Leverage other funding, including cash from the private sector;~~
7 ~~e. Promote the commercialization of new products and services in industry clusters;~~
8 ~~f. Become financially self-sustaining; and~~
9 ~~g. Establish and meet a deadline for acquiring and expending all public and private~~
10 ~~funds specified in the application.~~
- 11 ~~5. In considering whether to approve an application, the commission may provide for an~~
12 ~~independent, expert review of the application to determine whether the proposed~~
13 ~~center is viable and whether the proposed center is likely to have the desired~~
14 ~~economic impact. As necessary, the commission may contract for additional technical~~
15 ~~review of applications. The commission may not approve an application unless the~~
16 ~~commission determines the proposed center has a high likelihood of viability and~~
17 ~~success in positively impacting economic development in the state.~~
- 18 ~~6. The board rules adopted under subsection 9 of section 15-10-17, relating to ownership~~
19 ~~of intellectual property, inventions, and discoveries, must address activities and issues~~
20 ~~unique to centers.~~
- 21 ~~**Use of funds - Terms of funds - Distribution of funds - Postaward monitoring:**~~
- 22 ~~1. A center shall use center grant funds to enhance capacity and leverage state, federal,~~
23 ~~and private sources of funding. A center awarded center funds under this chapter may~~
24 ~~not use the funds for infrastructure, to supplant funding for current operations or~~
25 ~~academic instructions, or to pay indirect costs.~~
- 26 ~~2. For no fewer than six years and no more than ten years following center designation,~~
27 ~~the commission shall monitor the center's activities in order to determine whether the~~
28 ~~center is having the desired economic impact.~~
- 29 ~~3. As a condition for receipt of funds under this chapter, a center shall agree to provide~~
30 ~~the board, foundation, and budget section of the legislative management with annual~~
31 ~~audits on all funds distributed to the center under this chapter. The annual audits must~~

1 ~~be provided until the completion of the commission's postaward monitoring of the~~
2 ~~center. As a condition for receipt of funds under this chapter, a center shall agree to~~
3 ~~provide the commission with the information necessary to monitor the postaward~~
4 ~~activities of the center. Instead of requiring annual audits under this subsection, the~~
5 ~~commission may require that the center be audited on all funds distributed to the~~
6 ~~center under this chapter at the halfway point of the postaward monitoring and at the~~
7 ~~end of the postaward monitoring and that for all other years during the postaward~~
8 ~~monitoring the center contract with an independent accountant for an agreed-upon~~
9 ~~procedures engagement. A center may use funds distributed to the center under this~~
10 ~~chapter to pay for audits required under this subsection.~~

11 ~~4. Before the commission directs the department to distribute center funds awarded~~
12 ~~under this chapter, the center shall provide the commission with detailed~~
13 ~~documentation of private sector participation and the availability of two dollars of~~
14 ~~matching funds for each dollar of state funds to be distributed. Of the two dollars of~~
15 ~~matching funds, at least one dollar must be cash, of which at least fifty cents must be~~
16 ~~from the private sector. The matching funds may include funds facilitated through the~~
17 ~~collaboration of the private sector participants with other funding entities. The noncash~~
18 ~~matching funds may include in-kind assets with itemized value. Private sector~~
19 ~~participation may be established through equity investments or through contracts for~~
20 ~~services with private sector entities. In making funding recommendations and~~
21 ~~designation determinations, the commission shall give major consideration to the~~
22 ~~portion of the matching funds provided in cash by the private sector.~~

23 ~~5. The commission shall direct the department to distribute the center funds awarded~~
24 ~~under this chapter in disbursements consistent with the center's budget and timeframe~~
25 ~~outlined in the approved award. The commission may not direct distribution of center~~
26 ~~funds under this chapter if there are no private sector partners participating or if the~~
27 ~~statutorily required matching funds are not available.~~

28 ~~6. If, before center funds are distributed by the department, a center undergoes a change~~
29 ~~in the terms of or assertions made in its application, the commission may direct that~~
30 ~~the department withhold all or a portion of any undistributed funds pending~~
31 ~~commission review of the changes.~~

1 ~~7. The commission may use funds appropriated for the centers of research excellence~~
2 ~~program to pay for the commission's administrative expenses.~~

3 ~~**Eminent researcher recruitment grants.**~~

4 ~~As part of the centers of research excellence program, the department of commerce shall~~
5 ~~establish and administer an eminent researcher recruitment grant program to provide challenge~~
6 ~~grants to raise funds to be used by research universities and foundations established to further~~
7 ~~the work of such research universities in attracting eminent researchers to join the faculties of~~
8 ~~the research universities. Under this program, the commission shall make grant award~~
9 ~~determinations. The commission shall adopt standards relative to the award of a grant under~~
10 ~~this section which must require that a foundation contribute at least fifty percent and not more~~
11 ~~than seventy five percent of the total amount the commission deems necessary to attract an~~
12 ~~eminent researcher. The commission may revise the contribution formulas at any time in order~~
13 ~~to maximize the benefits that may result from recruiting one or more eminent researcher in the~~
14 ~~biennium and depending on the total funds available to the grant program. In determining~~
15 ~~whether to make a grant award under this section, the commission may consider the existing~~
16 ~~programs of the North Dakota university system, the necessity for such an eminent researcher,~~
17 ~~and any duplication the recruitment of the eminent researcher might cause. The department~~
18 ~~shall work with the centers of excellence commission in establishing guidelines to qualify for a~~
19 ~~grant under this section.~~

20 ~~**SECTION 12. AMENDMENT.** Section 54-44.5-09 of the North Dakota Century Code is~~
21 ~~amended and reenacted as follows:~~

22 ~~**54-44.5-09. Office of renewable energy and energy efficiency.**~~

23 ~~The office of renewable energy and energy efficiency is established within the division of~~
24 ~~community servicesdepartment of commerce. The office shall assist in the development of~~
25 ~~renewable energy within this state to provide secure, diverse, sustainable, and competitive~~
26 ~~renewable energy supplies and promote the conservation of energy and the wise use of energy~~
27 ~~resources in both the public and private sectors. The office shall communicate and disseminate~~
28 ~~information concerning state and federal energy conservation and renewable energy incentives,~~
29 ~~including tax credits, financing and grants to business entities seeking to invest in~~
30 ~~wind-generated power and transmission, ethanol production and distribution; and the~~
31 ~~development of biodiesel, biomass, solar, hydropower, geothermal, and other renewable energy~~

~~sources. The office shall also manage and distribute all production incentive payments as authorized by chapter 17-02.~~

SECTION 9. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Internship fund - Continuing appropriation.

The internship fund is a special fund in the state treasury. All funds in the internship fund are appropriated to the department of commerce on a continuing basis for the purpose of implementing and administering section 54-60-17. Interest earned by the fund must be credited to the fund.

SECTION 10. GRANT - DIVISION OF TOURISM - TOURISM INFRASTRUCTURE

GRANTS. The grants line item in section 1 of this Act includes the sum of \$1,000,000 from the general fund for providing a tourism infrastructure grant.

SECTION 11. GRANT - MINOT AIR FORCE BASE REALIGNMENT GRANT. The grants line item in section 1 of this Act includes the sum of \$250,000 from the general fund for providing a base realignment grant to enhance economic development and employment opportunities associated with the Minot air force base resulting from action by the federal defense base closure and realignment commission.

SECTION 12. CHILD CARE GRANTS - WORKFORCE DEVELOPMENT - QUALITY IMPROVEMENT - TECHNICAL ASSISTANCE - CAPACITY BUILDING. The grants line item in section 1 of this Act includes the sum of \$4,935,000 from the general fund for providing grants to child care service providers for workforce development, quality improvement, technical assistance, and capacity building in collaboration with the department of human services under section 50-11.1-14.1.

SECTION 13. INNOVATION 2020 AWARD. The department may administer an innovation 2020 award program to provide proof-of-concept funding to a qualified entrepreneur to assist in moving a new technology from academia into the commercialization cycle, for the biennium beginning July 1, 2011, and ending June 30, 2013. The following provisions apply to an award under this section:

1. An applicant must be an individual who is associated with a North Dakota institution of higher education as a student, an employee, or other relationship the department may authorize.

- 1 2. The applicant must have an early-stage technology with high commercial potential.
- 2 3. The department shall establish the qualified uses of funds received under this section.
- 3 4. As a term for receipt of funds under this section, the recipient shall agree to the
- 4 department's repayment terms equal to two times the amount of the award.
- 5 5. The department's repayment terms may include the department taking an equity
- 6 position in, providing a loan to, or using any other innovative financing mechanism to
- 7 provide the funds to the recipient. The terms of repayment may be conditioned on the
- 8 new technology becoming income generating.
- 9 6. An award under this section may not exceed fifty thousand dollars. A recipient may not
- 10 receive more than one award under this section.
- 11 7. An award under this section is not a business incentive under chapter 54-60.1.

12 **SECTION 14. TECHNOLOGY AWARD EQUITY INVESTMENT PROGRAM.** The
13 department may administer a technology award equity investment program that provides
14 matching equity investments to technology-based businesses, for the biennium beginning
15 July 1, 2011, and ending June 30, 2013. The following provisions apply to technology award
16 equity investments:

- 17 1. An applicant must:
 - 18 a. Be a North Dakota business that is at the startup stage;
 - 19 b. Be a primary sector business in the technology field; and
 - 20 c. Have a legal structure that was established following comprehensive vetting,
 - 21 development of proof of concept, and a completed business plan.
- 22 2. Before funds are distributed under this section, the recipient shall provide the
- 23 department with detailed documentation of the availability of two dollars of angel fund
- 24 investment matching funds for each dollar of state funds distributed under this section.
- 25 Matching funds must come from a North Dakota angel fund certified under section
- 26 57-38-01.26 and be in cash. Matching funds may not be in-kind assets.
- 27 3. An equity investment under this section may not exceed fifty thousand dollars. A
- 28 recipient may not receive more than one award under this section.
- 29 4. An award equity investment under this section is not a business incentive under
- 30 chapter 54-60.1.

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

3 — **Centers of entrepreneurship excellence grants.**

4 — ~~The department shall administer a centers of entrepreneurship excellence grant program,
5 which shall provide grants to department certified entrepreneurial centers to be used to assist
6 entrepreneurs in accessing capital, to assist entrepreneurs through providing marketing
7 assistance, to support building entrepreneur infrastructure, and to develop entrepreneurial
8 talent. The centers of excellence commission, established under chapter 15-69, shall make
9 grant award determinations under this section. The department shall work with the centers of
10 excellence commission in establishing guidelines to qualify for a grant under this section which
11 may include preference for an applicant that establishes the availability of matching funds.~~

12 — **SECTION 15. AMENDMENT.** Section 54-60-21 of the North Dakota Century Code is
13 amended and reenacted as follows:

14 — ~~54-60-21. Workforce enhancement~~**Centers of workforce excellence council.**

15 — ~~The workforce enhancement~~centers of workforce excellence council consists of the private-
16 sector members of the workforce development council, the director of the department of career
17 and technical education, and the director of the division of workforce development, who shall
18 serve as chairman.

19 — **SECTION 16. AMENDMENT.** Section 54-60-22 of the North Dakota Century Code is
20 amended and reenacted as follows:

21 — ~~54-60-22. Workforce enhancement~~**Centers of workforce excellence council --**
22 **Grants****Centers of workforce excellence grants.**

23 — ~~The workforce enhancement~~centers of workforce excellence council shall recommend to
24 the commissioner the approval of centers of workforce excellence grants to institutions of higher
25 education assigned primary responsibility for workforce training in this state to be used to create
26 or enhance training programs that address workforce needs of private sector companies. A
27 grant made under this section may be used for curriculum development, equipment, recruitment
28 of participants, and training and certification for instructors but may not be used to supplant
29 funding for current operations. The department may distribute funds under this section after:

1 ~~1. The division of workforce development certifies that a proposed training program~~
2 ~~meets a critical workforce shortage in a target industry or other high-demand~~
3 ~~occupation and is expected to lead to employment in this state; and~~

4 ~~2. The proposed recipient provides the department with detailed documentation of~~
5 ~~private sector participation, including the availability of one dollar of matching funds for~~
6 ~~each dollar of state funds.~~

7 ~~**SECTION 17. AMENDMENT.** Section 54-60-23 of the North Dakota Century Code is~~
8 ~~amended and reenacted as follows:~~

9 ~~**54-60-23. Workforce enhancement**Centers of workforce excellence fund ~~Continuing~~~~
10 ~~appropriation.~~

11 ~~The centers of workforce enhancementexcellence fund is a special fund in the state~~
12 ~~treasury. All funds in the centers of workforce enhancementexcellence fund are appropriated to~~
13 ~~the department of commerce on a continuing basis for the purpose of implementing and~~
14 ~~administering sections 54-60-21 and 54-60-22. Interest earned by the fund must be credited to~~
15 ~~the fund.~~

16 **SECTION 15. EXEMPTION.** The amount appropriated for the agricultural products
17 utilization commission in section 1 of chapter 46 of the 2009 Session Laws is not subject to
18 section 54-44.1-11 and any unexpended funds from this line item for grants are available for
19 grants during the biennium beginning July 1, 2011, and ending June 30, 2013.

20 **SECTION 16. EXEMPTION.** The amount appropriated for the discretionary funds line item
21 in section 1 of chapter 46 of the 2009 Session Laws is not subject to section 54-44.1-11 and any
22 unexpended funds from this line item are available during the biennium beginning July 1, 2011,
23 and ending June 30, 2013.

24 **SECTION 17. EXEMPTION - TRANSFER.** The amount appropriated for internships
25 contained in the operating expenses line item in section 1 of chapter 46 of the 2009 Session
26 Laws is not subject to section 54-44.1-11. The office of management and budget shall transfer
27 any unexpended funds from this appropriation to the internship fund at the end of the 2011-13
28 biennium.

29 **SECTION 18. EXEMPTION - TRANSFER.** The Up to \$665,000 of the amount appropriated
30 for the great plains applied energy research center in section 1 of chapter 4626 of the 2009
31 Session Laws is not subject to section 54-44.1-11. ~~On June 30, 2011, the office of management~~

1 ~~and budget shall transfer any unexpended funds from this line item to the centers of excellence-~~
2 ~~fund, for the purpose of providing funding for centers of research excellence awarded and-~~
3 ~~centers of entrepreneurship excellence awarded projects.~~The department of commerce may
4 spend these funds for the purposes provided for in this section, for the biennium beginning
5 July 1, 2011, and ending June 30, 2013. ~~The department of commerce may use up to~~
6 ~~\$5,000,000 of the funds transferred to the centers of excellence fund for centers of~~
7 ~~entrepreneurship excellence grants.~~The department of commerce may use up to \$600,000 of
8 these funds for a grant to assist in the acquisition of the antiballistic missile site at the
9 Stanley R. Mickelson safeguard complex in Nekoma. The department of commerce may use up
10 to \$65,000 of these funds for grants to child care service providers for workforce development,
11 quality improvement, technical assistance, and capacity building in collaboration with the
12 department of human services under section 50-11.1-14.1.

13 **SECTION 19. EXEMPTION.** The amount appropriated for the technology-based
14 entrepreneurship grant program contained in the grants line item in section 1 of chapter 46 of
15 the 2009 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from
16 this line item are available during the biennium beginning July 1, 2011, and ending June 30,
17 2013.

18 **SECTION 20. EXEMPTION.** The amount appropriated for early childhood facility grants in
19 section 6 of chapter 108 of the 2009 Session Laws is not subject to section 54-44.1-11 and any
20 unexpended funds from this line item are available during the biennium beginning July 1, 2011,
21 and ending June 30, 2013.

22 **SECTION 21. EXEMPTION.** The amount appropriated for the biofuel blender pump
23 incentive program in sections 1 and 2 of chapter 46 of the 2009 Session Laws is not subject to
24 section 54-44.1-11 and any unexpended funds from this line item are available during the
25 biennium beginning July 1, 2011, and ending June 30, 2013.

26 **SECTION 22. TRANSFER - ~~CENTERS OF WORKFORCE~~**
27 **~~EXCELLENCE ENHANCEMENT~~ FUND.** The office of management and budget shall transfer
28 the amount appropriated in the ~~centers of workforce excellence~~enhancement line item in
29 section 1 of this Act to the ~~centers of workforce excellence~~enhancement fund for the purpose of
30 implementing and administering sections 54-60-21 and 54-60-22 for the biennium beginning
31 July 1, 2011, and ending June 30, 2013.

1 ~~—SECTION 26. TRANSFER -- CENTERS OF EXCELLENCE FUND.~~ The office of
2 management and budget shall transfer the amount appropriated in the centers of excellence
3 line item in section 1 of this Act to the centers of excellence fund for the purpose of
4 implementing and administering the centers of research excellence grants and centers of
5 research excellence infrastructure grants for the biennium beginning July 1, 2011, and ending
6 June 30, 2013. The department of commerce may use up to \$2,000,000 of the funds
7 transferred to the centers of excellence fund for eminent researcher recruitment grants.

8 ~~—SECTION 27. TRANSFER.~~ The office of management and budget shall transfer any
9 unexpended funds from the workforce enhancement fund to the centers of workforce excellence
10 fund at the end of the 2009-11 biennium.

11 **SECTION 23. TRANSFER - EARLY CHILDHOOD FACILITY LOANS.** The office of
12 management and budget shall transfer ~~\$400,000~~\$250,000 of the amount appropriated in the
13 North Dakota development fund line item in section 1 of this Act to the North Dakota
14 development fund, incorporated, for the purpose of providing financing to early childhood
15 facilities for the biennium beginning July 1, 2011, and ending June 30, 2013.

16 **SECTION 24. TRADE OFFICE - MATCHING FUND REQUIREMENT.** The total North
17 Dakota trade office special line and the general fund appropriation in section 1 of this Act
18 include \$2,553,000 of funding relating to the North Dakota trade office. The department of
19 commerce may spend seventy percent of this amount without requiring any matching funds
20 from the trade office. Any additional amounts may be spent only to the extent that the North
21 Dakota trade office provides \$1 of matching funds from private or other public sources for each
22 \$1 provided by the department for the biennium beginning July 1, 2011, and ending June 30,
23 2013. Matching funds may include money spent by businesses or organizations to pay salaries
24 to export assistants, provide training to export assistants, or buy computer equipment as part of
25 the North Dakota trade office's export assistance program.

26 ~~—SECTION 30. CENTERS OF RESEARCH EXCELLENCE INFRASTRUCTURE GRANTS.~~
27 ~~The department of commerce may use up to \$3,000,000 of the funds transferred to the centers~~
28 ~~of excellence fund for centers of research excellence infrastructure grants during the biennium~~
29 ~~beginning July 1, 2011, and ending June 30, 2013. These centers of research excellence~~
30 ~~infrastructure grants may be made available to research universities under the control of the~~
31 ~~state board of higher education or nonprofit university-related foundations for use in~~

~~1 infrastructure or enhancement of economic development and employment opportunities.
2 Appropriate use of funds include a base realignment grant to enhance economic development
3 and employment opportunities associated with the Grand Forks air force base resulting from
4 action by the federal defense base closure and realignment commission; infrastructure and
5 economic development projects or programs to accommodate growth in proximity to or at the
6 Grand Forks air force base; and infrastructure and economic development projects or programs
7 to enhance the capacity of a research university to interface and collaborate with private
8 industry on research, development, demonstration, and commercialization of technology. The
9 commissioner of commerce shall develop application criteria, including local support criteria for
10 requests relating to the Grand Forks air force base; review submitted applications; and
11 recommend applications for approval to the centers of excellence commission.~~

~~12 — **SECTION 31. CHILD DEVELOPMENT CREDENTIAL GRANTS.** The grants line item
13 contained in section 1 of this Act includes \$150,000 for the purpose of providing grants in the
14 amount of \$1,200 to individuals seeking a child development associate credential for the
15 biennium beginning July 1, 2011, and ending June 30, 2013.~~

16 **SECTION 25. DEPARTMENT OF COMMERCE - GRANTS FOR EARLY CHILDHOOD**
17 **FACILITIES.**

- 18 1. During the biennium beginning July 1, 2011, and ending June 30, 2013, the
19 department of commerce shall establish and implement a grant program to provide
20 matching grants to North Dakota early childhood facilities.
- 21 2. A recipient of a grant under this section shall use the grant funds for technical
22 assistance, a business plan, or infrastructure. A grant awarded under this section for
23 infrastructure may not exceed \$5,000 per recipient and a grant awarded under this
24 section for technical assistance or a business plan may not exceed \$10,000 per
25 recipient.
- 26 3. To receive a grant under this section, an applicant shall establish the applicant has
27 available \$1 of matching funds for every \$3 of grant funds. The matching funds must
28 be in cash and may come from private or public sources, or from a combination of
29 private and public sources.

1 4. In making awards under this program, the department shall ensure funds are fairly
2 distributed between for-profit early childhood facilities, nonprofit early childhood
3 facilities, and public early childhood facilities.

4 **SECTION 26. REPEAL.** Chapter 15-69 of the North Dakota Century Code is repealed.

5 **SECTION 27. EFFECTIVE DATE.** Section 26 of this Act becomes effective on August 1,
6 2023.

7 **SECTION 28. EXPIRATION DATE.** Section ~~108~~ of this Act is effective through July 31,
8 2013, and after that date is ineffective.

9 **SECTION 29. EMERGENCY.** Funding of \$900,000 in the operating expenses line item in
10 section 1 of this Act, relating to the operation intern program, and sections ~~108~~, ~~139~~, and ~~2118~~
11 of this Act are declared to be an emergency measure.