

**HOUSE BILL NO. 1018**

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 department of  
2 commerce; to provide exemptions; to provide for transfers; ~~to amend and reenact section~~  
3 ~~54-60-17 of the North Dakota Century Code, relating to internships, apprenticeships, and work-~~  
4 ~~experience opportunities;~~ and to declare an emergency.

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

6 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds  
7 as may be necessary, are appropriated out of any moneys in the general fund in the state  
8 treasury, not otherwise appropriated, and from special funds derived from federal funds and  
9 other income, to the department of commerce for the purpose of defraying the expenses of the  
10 department of commerce, for the biennium beginning July 1, 2015, and ending June 30, 2017,  
11 as follows:

|  | <u>Base Level</u>       | <u>Adjustments or<br/>Enhancements</u> | <u>Appropriation</u>    |
|--|-------------------------|--|-------------------------|
| 14 <del>Salaries and wages</del>                           | <del>\$12,361,114</del> | <del>\$1,107,917</del>                 | <del>\$13,469,031</del> |
| 15 <del>Accrued leave payments</del>                       | <del>243,767</del>      | <del>(243,767)</del>                   | <del>0</del>            |
| 16 <del>Operating expenses</del>                           | <del>15,135,749</del>   | <del>3,249,374</del>                   | <del>18,385,123</del>   |
| 17 <del>Capital assets</del>                               | <del>10,000</del>       | <del>(10,000)</del>                    | <del>0</del>            |
| 18 <del>Grants</del>                                       | <del>45,622,950</del>   | <del>30,576,506</del>                  | <del>76,199,456</del>   |
| 19 <del>Discretionary funds</del>                          | <del>928,082</del>      | <del>0</del>                           | <del>928,082</del>      |
| 20 <del>Workforce enhancement fund</del>                   | <del>0</del>            | <del>1,500,000</del>                   | <del>1,500,000</del>    |
| 21 <del>Economic development initiatives</del>             | <del>186,846</del>      | <del>(186,846)</del>                   | <del>0</del>            |
| 22 <del>Flood impact grants/loans</del>                    | <del>0</del>            | <del>12,860,802</del>                  | <del>12,860,802</del>   |
| 23 <del>Agricultural products utilization commission</del> | <del>3,240,494</del>    | <del>85,963</del>                      | <del>3,326,457</del>    |
| 24 <del>Research North Dakota</del>                        | <del>0</del>            | <del>8,000,000</del>                   | <del>8,000,000</del>    |

Sixty-fourth  
Legislative Assembly

|    |   |                         |                         |                          |
|----|---|-------------------------|-------------------------|--------------------------|
| 1  | <del>North Dakota trade office</del>            | <del>2,613,400</del>    | <del>0</del>            | <del>2,613,400</del>     |
| 2  | <del>Entrepreneurship grants and vouchers</del> | <del>1,500,000</del>    | <del>1,000,000</del>    | <del>2,500,000</del>     |
| 3  | <del>Partner programs</del>                     | <del>1,922,044</del>    | <del>400,000</del>      | <del>2,322,044</del>     |
| 4  | <del>Total all funds</del>                      | <del>\$83,764,446</del> | <del>\$58,339,949</del> | <del>\$142,104,395</del> |
| 5  | <del>Less estimated income</del>                | <del>51,707,386</del>   | <del>19,367,691</del>   | <del>71,075,077</del>    |
| 6  | <del>Total general fund</del>                   | <del>\$32,057,060</del> | <del>\$38,972,258</del> | <del>\$71,029,318</del>  |
| 7  | <del>Full-time equivalent positions</del>       | <del>69.25</del>        | <del>0.15</del>         | <del>69.40</del>         |
| 8  | Salaries and wages                              | \$12,361,114            | \$846,420               | \$13,207,534             |
| 9  | Accrued leave payments                          | 243,767                 | (243,767)               | 0                        |
| 10 | Operating expenses                              | 15,635,749              | 2,680,125               | 18,315,874               |
| 11 | Capital assets                                  | 10,000                  | (10,000)                | 0                        |
| 12 | Grants  | 56,622,950              | 3,507,928               | 60,130,878               |
| 13 | Discretionary funds                             | 928,082                 | 0                       | 928,082                  |
| 14 | Workforce enhancement fund                      | 0                       | 1,000,000               | 1,000,000                |
| 15 | Economic development initiatives                | 186,846                 | (186,846)               | 0                        |
| 16 | Flood impact grants/loans                       | 0                       | 12,859,869              | 12,859,869               |
| 17 | Agricultural products utilization commission    | 3,240,494               | 79,524                  | 3,320,018                |
| 18 | Research North Dakota                           | 0                       | 4,000,000               | 4,000,000                |
| 19 | North Dakota trade office                       | 2,613,400               | 0                       | 2,613,400                |
| 20 | Entrepreneurship grants and vouchers            | 0                       | 2,500,000               | 2,500,000                |
| 21 | Partner programs                                | 2,022,044               | 100,000                 | 2,122,044                |
| 22 | Total all funds                                 | \$93,864,446            | \$27,133,523            | \$120,997,699            |
| 23 | Less estimated income                           | 51,707,386              | 16,820,311              | 68,527,697               |
| 24 | Total general fund                              | \$42,157,060            | \$10,312,942            | \$52,470,002             |
| 25 | Full-time equivalent positions                  | 69.25                   | 0.15                    | 69.40                    |

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

**SIXTY-FIFTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium and the 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

|    | One-Time Funding Description          | 2013-15                | 2015-17                |
|----|---------------------------------------|------------------------|------------------------|
| 31 | <del>Workforce enhancement fund</del> | <del>\$2,000,000</del> | <del>\$1,500,000</del> |

Sixty-fourth  
Legislative Assembly

|    |                                      |              |              |
|----|--------------------------------------|--------------|--------------|
| 1  | Flood impact grants/loans            | 18,358,866   | 12,860,802   |
| 2  | Research North Dakota                | 12,000,000   | 8,000,000    |
| 3  | Unmanned aircraft system             | 5,000,000    | 2,718,620    |
| 4  | Base retention grants                | 1,500,000    | 1,500,000    |
| 5  | Tourism large infrastructure grants  | 750,000      | 750,000      |
| 6  | Visual North Dakota                  | 250,000      | 0            |
| 7  | Innovation grants                    | 300,000      | 0            |
| 8  | Federal fiscal stimulus              | 796,770      | 0            |
| 9  | Enhanced use lease grant             | 2,500,000    | 5,000,000    |
| 10 | Child care facility grants           | 2,600,000    | 3,000,000    |
| 11 | Homeless shelter grants              | 2,000,000    | 1,000,000    |
| 12 | Rural health services grant          | 400,000      | 0            |
| 13 | Tribal community college grants      | 5,000,000    | 6,000,000    |
| 14 | Nursing home grants                  | 2,000,000    | 0            |
| 15 | Value-added renewable energy study   | 500,000      | 0            |
| 16 | Workforce recruitment campaign       | 0            | 500,000      |
| 17 | Prekindergarten community grants     | 0            | 6,000,000    |
| 18 | Educators and industry externships   | 0            | 50,000       |
| 19 | North Dakota safety council grant    | 0            | 2,000,000    |
| 20 | Special olympics grant               | 0            | 2,000,000    |
| 21 | Tourism midwest markets              | 0            | 1,000,000    |
| 22 | Entrepreneurship grants and vouchers | 0            | 1,000,000    |
| 23 | Total all funds                      | \$55,955,636 | \$54,879,422 |
| 24 | Less estimated income                | 23,655,636   | 17,860,802   |
| 25 | Total general fund                   | \$32,300,000 | \$37,018,620 |
| 26 | Workforce enhancement fund           | \$2,000,000  | \$1,000,000  |
| 27 | Flood impact grants/loans            | 18,358,866   | 12,859,869   |
| 28 | Research North Dakota                | 12,000,000   | 4,000,000    |
| 29 | Unmanned aircraft system             | 5,000,000    | 2,718,620    |
| 30 | Base retention grants                | 1,500,000    | 1,500,000    |
| 31 | Tourism large infrastructure grants  | 750,000      | 750,000      |

Sixty-fourth  
Legislative Assembly

|    |  |              |              |
|----|--|--------------|--------------|
| 1  | Visual North Dakota                      | 250,000      | 0            |
| 2  | Innovation grants                        | 300,000      | 0            |
| 3  | Federal fiscal stimulus                  | 796,770      | 0            |
| 4  | Enhanced use lease grant                 | 2,500,000    | 2,500,000    |
| 5  | Child care facility grants               | 0            | 1,875,000    |
| 6  | Homeless shelter grants                  | 0            | 1,000,000    |
| 7  | Rural health services grant              | 0            | 0            |
| 8  | Tribal community college grants          | 0            | 2,000,000    |
| 9  | Nursing home grants                      | 2,000,000    | 0            |
| 10 | Value-added renewable energy study       | 500,000      | 0            |
| 11 | Workplace safety training facility grant | 0            | 2,000,000    |
| 12 | Tourism midwest markets                  | 0            | 1,000,000    |
| 13 | Entrepreneurship grants and vouchers     | 0            | 1,000,000    |
| 14 | Total all funds                          | \$45,955,636 | \$34,203,489 |
| 15 | Less estimated income                    | 23,655,636   | 15,359,869   |
| 16 | Total general fund                       | \$22,300,000 | \$18,843,620 |

17 The 2015-17 one-time funding amounts are not a part of the entity's base budget for the  
 18 2017-19 biennium. The department of commerce shall report to the appropriations committees  
 19 of the sixty-fifth legislative assembly on the use of this one-time funding for the biennium  
 20 beginning July 1, 2015, and ending June 30, 2017.

21 **SECTION 3. GRANT - WORKPLACE SAFETY FACILITY.** The grants line item in section 1  
 22 of this Act includes the sum of \$2,000,000 from the general fund for providing a grant to an  
 23 organization that provides workplace safety training for the purpose of ~~constructing a workplace~~  
 24 ~~safety training facility~~acquiring land, site development, and design for a workplace safety  
 25 training facility, for the biennium beginning July 1, 2015, and ending June 30, 2017.

26 ~~SECTION 4. SPECIAL NEEDS ATHLETIC ORGANIZATION GRANT.~~ The grants line item  
 27 ~~in section 1 of this Act includes the sum of \$2,000,000 from the general fund for a grant to an~~  
 28 ~~organization that provides training and competition to athletes with special needs to be~~  
 29 ~~administered by the department of commerce, for the biennium beginning July 1, 2015, and~~  
 30 ~~ending June 30, 2017. Grants are available for costs associated with promoting and hosting a~~

1 ~~national competition for athletes with special needs, contingent upon a North Dakota site being~~  
2 ~~selected to host a national competition for athletes with special needs.~~

3 **SECTION 4. BASE RETENTION GRANT PROGRAM.** The grants line item in section 1 of  
4 this Act includes the sum of \$1,500,000 from the general fund for a base retention grant  
5 program to be developed by the department of commerce, for the biennium beginning July 1,  
6 2015, and ending June 30, 2017. The grant program must award direct grants and not cost  
7 reimbursement grants. The department may award grants of up to \$500,000 to each community  
8 with an air force base or air national guard facilities.

9 **SECTION 5. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - ENHANCED**  
10 **USE LEASE GRANT PROGRAM.** The grants line item in section 1 of this Act includes the sum  
11 of ~~\$5,000,000~~\$2,500,000 from the strategic investment and improvements fund for an  
12 enhanced use lease grant program to be developed by the department of commerce, for the  
13 biennium beginning July 1, 2015, and ending June 30, 2017. Grants are available for  
14 constructing infrastructure required for an enhanced use lease private sector business  
15 development project located on or adjacent to the Grand Forks air force base. The department  
16 may award ~~\$2,500,000~~funds for taxi-way reconnection and alert pad refurbishment after an  
17 agreement is reached and construction commences for ~~a second~~the first private sector  
18 single-tenant or multitenant building on the property. ~~The remaining \$2,500,000~~Funds may also  
19 be awarded either after an agreement is reached and construction commences for a second  
20 private sector single-tenant or multitenant building on the property or after an agreement is  
21 reached with any data ~~center~~intensive tenant for data connectivity and redundancy  
22 infrastructure requirements, such as fiber. The department of commerce shall establish  
23 accountability requirements for grants awarded under this section.

24 **SECTION 6. CHILD CARE FACILITY GRANT PROGRAM.** The grants line item in  
25 section 1 of this Act includes the sum of ~~\$3,000,000~~\$1,875,000 from the general fund for a child  
26 care facility grant program to be developed by the department of commerce, for the biennium  
27 beginning July 1, 2015, and ending June 30, 2017. The department shall establish guidelines to  
28 qualify for a grant under this section which must include a matching requirement one dollar of  
29 matching funds for every three dollars of grant funds and a maximum grant amount of  
30 \$187,500.

1       **SECTION 7. ENTREPRENEURSHIP GRANTS AND VOUCHER PROGRAM -**

2       **EXEMPTION.** Section 1 of this Act includes the sum of \$2,500,000, of which \$2,350,000 is from  
3 the general fund and \$150,000 from special funds, for an entrepreneurship grants and voucher  
4 program to be developed and administered by the department of commerce, for the biennium  
5 beginning July 1, 2015, and ending June 30, 2017. The department shall establish guidelines to  
6 provide grants to entrepreneurial centers certified by the department. The department shall use  
7 up to \$300,000 to provide a grant to a nonprofit organization entrepreneurial center assisting  
8 individuals with business ideas located in the city where the state capitol is located. The  
9 department also shall establish guidelines to award vouchers to entrepreneurs to procure  
10 business development assistance from certified entrepreneurial centers or to provide grants to  
11 entrepreneurs working with an entrepreneurial center. The amount appropriated for  
12 entrepreneurship grants in section 1 of this Act is not subject to section 54-44.1-11 and any  
13 unexpended funds from this line item are available during the biennium beginning July 1, 2017,  
14 and ending June 30, 2019.

15       **SECTION 8. UNMANNED AIRCRAFT SYSTEMS PROGRAM.** The grants line item in  
16 section 1 of this Act includes the sum of \$2,718,620 from the general fund for operations of the  
17 unmanned aircraft systems test site. Of the amount appropriated, \$1,200,000 may only be used  
18 as matching funds to incentivize private sector business development related to the test site.  
19 Matching funds provided under this section are not a business incentive under chapter 54-60.1.

20       ~~**SECTION 10. EARLY CHILDHOOD EDUCATION COMMUNITY GRANT PROGRAM.** The~~  
21 ~~grants line item in section 1 of this Act includes the sum of \$6,000,000 from the general fund for~~  
22 ~~an early childhood education community grant program to be developed by the department of~~  
23 ~~public instruction and the department of commerce, for the biennium beginning July 1, 2015,~~  
24 ~~and ending June 30, 2017. Effective July 1, 2016, community grants of \$1,000 may be made~~  
25 ~~available to providers of four-year-old prekindergarten education which meet the following~~  
26 ~~requirements:~~

27       ~~1. The licensed program follows the state's pre-kindergarten standards and~~  
28       ~~accountability.~~

29       ~~2. The instruction is taught by a teacher licensed in North Dakota with a credential in~~  
30       ~~pre-kindergarten or kindergarten.~~

1 ~~The department of commerce and department of public instruction may establish additional~~  
2 ~~guidelines to qualify for a grant under this section.~~

3 **SECTION 9. APPROPRIATION - ADJUTANT GENERAL.** There is appropriated out of any  
4 moneys in the general fund in the state treasury, not otherwise appropriated, the sum of  
5 \$200,000, or so much of the sum as may be necessary, to the adjutant general for the purpose  
6 of coordinating and conducting joint training, involving the department of emergency services,  
7 federal health and human services' disaster mortuary operational response team, and other  
8 state and local emergency personnel, for the biennium beginning July 1, 2015, and ending  
9 June 30, 2017.

10 **SECTION 10. DAKOTA DAY TRIPS PUBLICATION.** The department of commerce shall  
11 use up to \$15,000 of the funding appropriated in the operating expenses line item in section 1 of  
12 this Act for expenses relating to the printing of the Dakota day trips publication.

13 **SECTION 11. TRADE OFFICE - MATCHING FUND REQUIREMENT.** The total North  
14 Dakota trade office special line item and the general fund appropriation in section 1 of this Act  
15 include \$2,613,400 of funding relating to the North Dakota trade office. The department of  
16 commerce may spend seventy percent of this amount without requiring any matching funds  
17 from the trade office. Any additional amounts may be spent only to the extent that the North  
18 Dakota trade office provides one dollar of matching funds from private or other public sources  
19 for each one dollar provided by the department for the biennium beginning July 1, 2015, and  
20 ending June 30, 2017. Matching funds may include money spent by businesses or  
21 organizations to pay salaries to export assistants, provide training to export assistants, or buy  
22 computer equipment as part of the North Dakota trade office's export assistance program.

23 **SECTION 12. TRANSFER - WORKFORCE ENHANCEMENT FUND.** The office of  
24 management and budget shall transfer the amount appropriated in the workforce enhancement  
25 fund line item in section 1 of this Act to the workforce enhancement fund for the purpose of  
26 implementing and administering sections 54-60-21 and 54-60-22, for the biennium beginning  
27 July 1, 2015, and ending June 30, 2017.

28 **SECTION 13. TRANSFER - INTERNSHIP FUND.** The office of management and budget  
29 shall transfer ~~\$1,550,000~~\$1,500,000 of the amount appropriated in the operating expenses line  
30 item in section 1 of this Act to the internship fund for the purpose of administering the operation

1 intern program, for the period beginning with the effective date of this Act and ending June 30,  
2 2017.

3 **SECTION 14. TRANSFER - RESEARCH NORTH DAKOTA FUND.** The office of  
4 management and budget shall transfer the amount appropriated in the research North Dakota  
5 line item in section 1 of this Act to the research North Dakota fund for the purpose of  
6 implementing and administering the research North Dakota grant program, for the biennium  
7 beginning July 1, 2015, and ending June 30, 2017.

8 **SECTION 15. TRANSFER - CENTERS OF EXCELLENCE FUND.** After the close of the  
9 biennium ending June 30, 2015, the office of management and budget shall transfer any  
10 unobligated funds remaining in the centers of excellence fund to the research North Dakota  
11 fund.

12 **SECTION 16. EXEMPTION.** The amount appropriated for the agricultural products  
13 utilization commission in section 1 of chapter 49 of the 2013 Session Laws is not subject to  
14 section 54-44.1-11 and any unexpended funds from this line item for grants are available for  
15 grants during the biennium beginning July 1, 2015, and ending June 30, 2017.

16 **SECTION 17. EXEMPTION.** The amount appropriated for the discretionary funds line item  
17 in section 1 of chapter 49 of the 2013 Session Laws is not subject to section 54-44.1-11 and any  
18 unexpended funds from this line item are available during the biennium beginning July 1, 2015,  
19 and ending June 30, 2017.

20 **SECTION 18. EXEMPTION.** The amount appropriated for the technology-based  
21 entrepreneurship grant program contained in the grants line item in section 1 of chapter 49 of  
22 the 2013 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from  
23 this line item are available during the biennium beginning July 1, 2015, and ending June 30,  
24 2017.

25 **SECTION 19. EXEMPTION.** The amount appropriated for the child care facility grants in  
26 section 14 of chapter 45 of the 2013 Session Laws is not subject to section 54-44.1-11 and any  
27 unexpended funds from this line item are available during the biennium beginning July 1, 2015,  
28 and ending June 30, 2017.

29 **SECTION 20. EXEMPTION.** The amount appropriated for the unmanned aircraft systems  
30 program in section 1 of chapter 49 of the 2013 Session Laws is not subject to section

1 54-44.1-11 and any unexpended funds from this line item are available during the biennium  
2 beginning July 1, 2015, and ending June 30, 2017.

3 **SECTION 21. EXEMPTION.** The amount appropriated for the tribal college grants in  
4 section 6 of chapter 437 of the 2013 Session Laws is not subject to section 54-44.1-11 and any  
5 unexpended funds from this line item are available during the biennium beginning July 1, 2015,  
6 and ending June 30, 2017.

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

9 ~~54-60-17. Division of workforce development – Internships, apprenticeships, and work~~  
10 ~~experience opportunities.~~

11 ~~The division of workforce development shall administer a program to increase use of~~  
12 ~~internships, apprenticeships, and work experience opportunities for higher education students~~  
13 ~~and, high school students enrolled in grade eleven or twelve, and educators. The primary focus~~  
14 ~~of this program must be higher education internships in target industries. This program shall~~  
15 ~~provide services to employers, communities, and business organizations to increase internship,~~  
16 ~~apprenticeship, and work experience opportunities. The department shall maintain records of~~  
17 ~~the number of internship, apprenticeship, and work experience opportunities subsidized within~~  
18 ~~each funding recipient.~~

19 **SECTION 22. EXEMPTION.** Any amount continued pursuant to section 27 of chapter 49 of  
20 the 2013 Session Laws, relating to the antiballistic missile site acquisition grant and base  
21 realignment grant, that is unexpended as of June 30, 2015, up to \$600,000, is not subject to  
22 section 54-44.1-11 and is available during the biennium beginning July 1, 2015, and ending  
23 June 30, 2017. The department of commerce may use funds only for the purpose awarding a  
24 grant to assist in the acquisition and development of the antiballistic missile site at the  
25 Stanley R. Mickelson safeguard complex in Nekoma.

26 **SECTION 23. EMERGENCY.** Funding of ~~\$1,550,000~~\$1,500,000 in the operating expenses  
27 line item in section 1, and section 10 of this Act, relating to the operation intern program, are  
28 declared to be an emergency measure.