

**FIRST ENGROSSMENT
with Conference Committee Amendments
ENGROSSED 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 workforce development; to provide for a
4 legislative management study; 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 Enhancements</u>	<u>Appropriation</u>
14 Salaries and wages	\$12,361,114	\$810,693	\$13,171,807
15 Accrued leave payments	243,767	(243,767)	0
16 Operating expenses	15,635,749	3,036,541	18,672,290
17 Capital assets	10,000	(10,000)	0
18 Grants	56,622,950	12,364,121	68,987,071
19 Discretionary funds	928,082	0	928,082
20 Workforce enhancement fund	0	1,000,000	1,000,000
21 Economic development initiatives	186,846	(186,846)	0
22 Flood impact grants/loans	0	12,859,869	12,859,869
23 Agricultural products utilization commission	3,240,494	78,117	3,318,611

Sixty-fourth
Legislative Assembly

1	Research North Dakota	0	4,500,000	4,500,000
2	North Dakota trade office	2,613,400	0	2,613,400
3	Entrepreneurship grants and vouchers	0	3,250,000	3,250,000
4	Partner programs	<u>2,022,044</u>	<u>200,000</u>	<u>2,222,044</u>
5	Total all funds	\$93,864,446	\$37,658,728	\$131,523,174
6	Less estimated income	<u>51,707,386</u>	<u>22,812,087</u>	<u>74,519,473</u>
7	Total general fund	\$42,157,060	\$14,846,641	\$57,003,701
8	Full-time equivalent positions	69.25	0.15	69.40

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

10 **SIXTY-FIFTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding
11 items approved by the sixty-third legislative assembly for the 2013-15 biennium and the
12 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

13	<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
14	Workforce enhancement fund	\$2,000,000	\$1,000,000
15	Flood impact grants/loans	18,358,866	12,859,869
16	Research North Dakota	12,000,000	4,500,000
17	Unmanned aircraft system	5,000,000	2,718,620
18	Base retention grants	1,500,000	1,500,000
19	Tourism large infrastructure grants	750,000	750,000
20	Visual North Dakota	250,000	0
21	Innovation grants	300,000	0
22	Federal fiscal stimulus	796,770	0
23	Enhanced use lease grant	2,500,000	7,500,000
24	Child care facility grants	0	2,250,000
25	Homeless shelter grants	0	1,500,000
26	Rural health services grant	0	0
27	Tribal community college grants	0	3,000,000
28	Nursing home grants	2,000,000	0
29	Value-added renewable energy study	500,000	0
30	Workplace safety training facility grant	0	4,000,000
31	Workforce recruitment campaign	0	300,000

Sixty-fourth
Legislative Assembly

1	Tourism midwest markets	0	1,000,000
2	Entrepreneurship grants and vouchers	0	1,750,000
3	Tourism international	0	247,836
4	Educators and industry externships	<u>0</u>	<u>50,000</u>
5	Total all funds	\$45,955,636	\$44,926,325
6	Less estimated income	<u>23,655,636</u>	<u>21,359,869</u>
7	Total general fund	\$22,300,000	\$23,566,456

8 The 2015-17 one-time funding amounts are not a part of the entity's base budget for the
9 2017-19 biennium. The department of commerce shall report to the appropriations committees
10 of the sixty-fifth legislative assembly on the use of this one-time funding for the biennium
11 beginning July 1, 2015, and ending June 30, 2017.

12 **SECTION 3. GRANT - CONTINGENCY - WORKPLACE SAFETY FACILITY.** The grants
13 line item in section 1 of this Act includes the sum of \$4,000,000 from the general fund for
14 providing a grant to an organization that provides workplace safety training for the purpose of
15 constructing a workplace safety training facility, for the biennium beginning July 1, 2015, and
16 ending June 30, 2017. The grant is contingent upon the organization providing \$800,000 of
17 nonstate funds for the construction of the workplace safety training facility.

18 **SECTION 4. BASE RETENTION GRANT PROGRAM.** The grants line item in section 1 of
19 this Act includes the sum of \$1,500,000 from the general fund for a base retention grant
20 program to be developed by the department of commerce, for the biennium beginning July 1,
21 2015, and ending June 30, 2017. The grant program must award direct grants and not cost
22 reimbursement grants. The department may award grants of up to \$500,000 to each community
23 with an air force base or air national guard facilities.

24 **SECTION 5. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - ENHANCED**
25 **USE LEASE GRANT PROGRAM.** The grants line item in section 1 of this Act includes the sum
26 of \$7,500,000 from the strategic investment and improvements fund for an enhanced use lease
27 grant program to be developed by the department of commerce, for the biennium beginning
28 July 1, 2015, and ending June 30, 2017. Grants are available for constructing infrastructure
29 required for an enhanced use lease private sector business development project located on or
30 adjacent to the Grand Forks air force base. The department may award up to \$3,100,000, or
31 additional amounts as necessary, for taxi-way reconnection and alert pad refurbishment after an

1 agreement is reached for the first private sector single-tenant or multitenant building on the
2 property. Remaining funds may also be awarded either after an agreement is reached for a
3 second private sector single-tenant or multitenant building on the property or after an
4 agreement is reached with any data intensive tenant for data connectivity and redundancy
5 infrastructure requirements or for data services, such as analysis, modeling or storage, to be
6 provided to tenants or prospective tenants. The department of commerce shall establish
7 accountability requirements for grants awarded under this section.

8 **SECTION 6. CHILD CARE FACILITY GRANT PROGRAM.** The grants line item in
9 section 1 of this Act includes the sum of \$2,250,000 from the general fund for a child care
10 facility grant program to be developed by the department of commerce, for the biennium
11 beginning July 1, 2015, and ending June 30, 2017. The department shall establish guidelines to
12 qualify for a grant under this section which must include a matching requirement one dollar of
13 matching funds for every three dollars of grant funds and a maximum grant amount of
14 \$187,500.

15 **SECTION 7. ENTREPRENEURSHIP GRANTS AND VOUCHER PROGRAM -**
16 **EXEMPTION.** Section 1 of this Act includes the sum of \$3,250,000, of which \$3,100,000 is from
17 the general fund and \$150,000 from special funds, for an entrepreneurship grants and voucher
18 program to be developed and administered by the department of commerce, for the biennium
19 beginning July 1, 2015, and ending June 30, 2017. The department shall establish guidelines to
20 provide grants to entrepreneurial centers certified by the department. The department shall
21 provide a \$300,000 grant to a nonprofit organization entrepreneurial center assisting individuals
22 with business ideas located in the city where the state capitol is located and provide a \$300,000
23 grant to each of the two entrepreneurial centers associated with a research university located in
24 a city with a population of at least 50,000 according to the most recent decennial census. The
25 department also shall establish guidelines to award vouchers to entrepreneurs to procure
26 business development assistance from certified entrepreneurial centers or to provide grants to
27 entrepreneurs working with an entrepreneurial center. The amount appropriated for
28 entrepreneurship grants in section 1 of this Act is not subject to section 54-44.1-11 and any
29 unexpended funds from this line item are available during the biennium beginning July 1, 2017,
30 and ending June 30, 2019.

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

6 **SECTION 9. TRIBAL COLLEGE GRANTS.** The grants line item in section 1 of this Act
7 includes the sum of \$3,000,000 for tribal college grants, \$2,000,000 of which is from the general
8 fund and \$1,000,000 is from the student loan trust fund, for the biennium beginning July 1,
9 2015, and ending June 30, 2017.

10 **SECTION 10. DEPARTMENT OF COMMERCE GRANT - ART AND GALLERY**
11 **ASSOCIATION.** Of the funds appropriated in the discretionary funds line item in section 1 of this
12 Act, the department shall use \$150,000 from the general fund to provide a grant to an arts and
13 gallery association located in the city where the state capitol is located.

14 **SECTION 11. APPROPRIATION - ADJUTANT GENERAL.** There is appropriated out of any
15 moneys in the general fund in the state treasury, not otherwise appropriated, the sum of
16 \$200,000, or so much of the sum as may be necessary, to the adjutant general for the purpose
17 of coordinating and conducting joint training, involving the department of emergency services,
18 federal health and human services' disaster mortuary operational response team, and other
19 state and local emergency personnel, for the biennium beginning July 1, 2015, and ending
20 June 30, 2017.

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

24 **SECTION 13. TRADE OFFICE - MATCHING FUND REQUIREMENT.** The total North
25 Dakota trade office special line item and the general fund appropriation in section 1 of this Act
26 include \$2,613,400 of funding relating to the North Dakota trade office. The department of
27 commerce may spend seventy percent of this amount without requiring any matching funds
28 from the trade office. Any additional amounts may be spent only to the extent that the North
29 Dakota trade office provides one dollar of matching funds from private or other public sources
30 for each one dollar provided by the department for the biennium beginning July 1, 2015, and
31 ending June 30, 2017. Matching funds may include money spent by businesses or

1 organizations to pay salaries to export assistants, provide training to export assistants, or buy
2 computer equipment as part of the North Dakota trade office's export assistance program.

3 **SECTION 14. TRANSFER - WORKFORCE ENHANCEMENT FUND.** The office of
4 management and budget shall transfer the amount appropriated in the workforce enhancement
5 fund line item in section 1 of this Act to the workforce enhancement fund for the purpose of
6 implementing and administering sections 54-60-21 and 54-60-22, for the biennium beginning
7 July 1, 2015, and ending June 30, 2017.

8 **SECTION 15. TRANSFER - INTERNSHIP FUND.** The office of management and budget
9 shall transfer \$1,550,000 of the amount appropriated in the operating expenses line item in
10 section 1 of this Act to the internship fund for the purpose of administering the operation intern
11 program, for the period beginning with the effective date of this Act and ending June 30, 2017.

12 **SECTION 16. TRANSFER - RESEARCH NORTH DAKOTA FUND.** The office of
13 management and budget shall transfer the amount appropriated in the research North Dakota
14 line item in section 1 of this Act to the research North Dakota fund for the purpose of
15 implementing and administering the research North Dakota grant program, for the biennium
16 beginning July 1, 2015, and ending June 30, 2017. The department of commerce shall make
17 available \$1,000,000 of the funds transferred to the research North Dakota fund for research
18 North Dakota for grants to conduct research on and commercialization for the prevention of,
19 treatment of, or cure for viral diseases, cancer, and other pathogens, for the period beginning
20 July 1, 2015, and ending December 31, 2016. If the grants are not awarded by December 31,
21 2016, the funds must be made available for other authorized purposes of research North
22 Dakota.

23 **SECTION 17. TRANSFER - CENTERS OF EXCELLENCE FUND.** After the close of the
24 biennium ending June 30, 2015, the office of management and budget shall transfer any
25 unobligated funds remaining in the centers of excellence fund to the research North Dakota
26 fund.

27 **SECTION 18. EXEMPTION.** The amount appropriated for the agricultural products
28 utilization commission in section 1 of chapter 49 of the 2013 Session Laws is not subject to
29 section 54-44.1-11 and any unexpended funds from this line item for grants are available for
30 grants during the biennium beginning July 1, 2015, and ending June 30, 2017.

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

5 **SECTION 20. EXEMPTION.** The amount appropriated for the technology-based
6 entrepreneurship grant program contained in the grants line item in section 1 of chapter 49 of
7 the 2013 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from
8 this line item are available during the biennium beginning July 1, 2015, and ending June 30,
9 2017.

10 **SECTION 21. EXEMPTION.** The amount appropriated for the child care facility grants in
11 section 14 of chapter 45 of the 2013 Session Laws is not subject to section 54-44.1-11 and any
12 unexpended funds from this line item are available during the biennium beginning July 1, 2015,
13 and ending June 30, 2017.

14 **SECTION 22. EXEMPTION.** The amount appropriated for the unmanned aircraft systems
15 program in section 1 of chapter 49 of the 2013 Session Laws is not subject to section
16 54-44.1-11 and any unexpended funds from this line item are available during the biennium
17 beginning July 1, 2015, and ending June 30, 2017.

18 **SECTION 23. EXEMPTION.** The amount appropriated for the tribal college grants in
19 section 6 of chapter 437 of the 2013 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, 2015,
21 and ending June 30, 2017.

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

29 **SECTION 25. AMENDMENT.** Section 54-60-17 of the North Dakota Century Code is
30 amended and reenacted as follows:

1 **54-60-17. Division of workforce development - Internships, apprenticeships, and work**
2 **experience opportunities.**

3 The division of workforce development shall administer a program to increase use of
4 internships, apprenticeships, and work experience opportunities for higher education students
5 and, high school students enrolled in grade eleven or twelve, and educators. The primary focus
6 of this program must be higher education internships in target industries. This program shall
7 provide services to employers, communities, and business organizations to increase internship,
8 apprenticeship, and work experience opportunities. The department shall maintain records of
9 the number of internship, apprenticeship, and work experience opportunities subsidized within
10 each funding recipient.

11 **SECTION 26. LEGISLATIVE MANAGEMENT STUDY - CIVILIAN GROUND CENTER**
12 **FOR PROCESSING FIRST RESPONDER DATA.** During the 2015-16 interim, the legislative
13 management shall consider studying issues related to the state's development of a civilian
14 ground center. The issues include: deployable pilots, sensor operators, and aircraft; a central
15 location for processing first responder data, including high definition, high-spectral, infrared and
16 thermal imagery, as well as electronic signals through cell phones and internet service,
17 generated from the deployment of unmanned aircraft and unmanned systems by first
18 responders during federal, state, and local government responses to emergencies, natural
19 disasters, emergency preparedness and law enforcement activities; training services; data
20 management, data analysis, data interpretation and information routing approximating a
21 real-time basis; and a repository of data and best practices for first responders at federal, state,
22 and local levels. The legislative management shall report its findings and recommendations,
23 together with any legislation required to implement the recommendations, to the sixty-fifth
24 legislative assembly.

25 **SECTION 27. EMERGENCY.** Funding of \$1,550,000 in the operating expenses line item in
26 section 1 relating to the operation intern program, and section 15 of this Act are declared to be
27 an emergency measure.