



NORTH  
**Dakota** | Commerce  
Be Legendary.

# House Appropriations Education and Environment

March 17, 2025

Commissioner Chris Schilken

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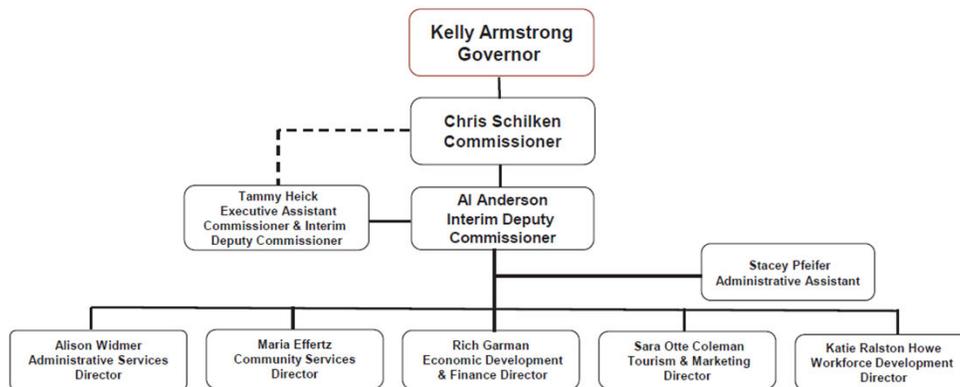
NORTH  
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## IMPROVING LIFE IN NORTH DAKOTA

**Commerce Mission**  
We lead the efforts to attract, retain and expand wealth and talent in North Dakota.  
ND Century Code Chapter 54-60

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## Department of Commerce Organizational Chart



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### Status of Approved New Positions

- Workforce Talent Attraction Initiative [Hired 7/6/2023 \$202,940 from pool]
- Workforce Investment Grant Program [Hired 4/1/2024 \$140k from pool]
- Global Talent Office - 2 positions [Hired 7/6/2023 & Start Date March 2025]
- 3 FTEs – Weatherization & Energy Programs [one time funding HB 1018] We are requesting these 3 FTEs be appropriated as ongoing. These positions are tied to the Federal Funding related to the \$120M in IJJA/IRA funding that is an exemption in our budget bill
  1. Hired 3/04/2024
  2. Hired 9/23/2024
  3. Vacant – Position Posted in January 2025

### Current Vacant Positions

- Program Administrator – posted in January 2025 (One-time Funded Federal funds FTE)
- Workforce Program Manager (Senate removed this position. Commerce requests this be added back.)

### 2025-2027 FTE Requests

- 1 FTE – Procurement Officer

We could not start requesting additional funding from the FTE pool until March 1, 2025.

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## Employee Retention and Recruitment

IN ORDER TO COMPETE WITH PRIVATE SECTOR TO RECRUIT AND RETAIN TALENT

- Total Rewards package
- 3% performance increases in years one and two

Private sector has caught up on benefits. We are behind on salaries.

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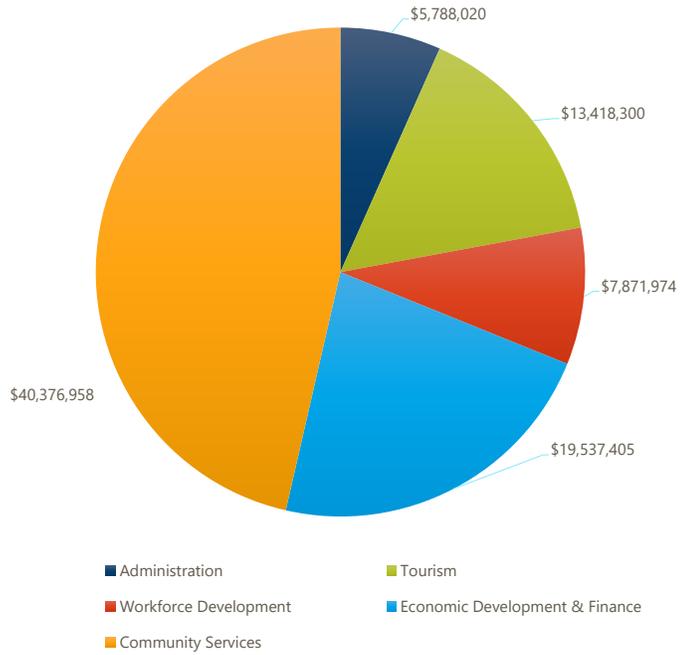
## 2025 – 2027 Base Budget Request

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	Object/Revenue	2025-27 Base Budget Request
Description	Code	
Administration	601-200	5,788,020
Tourism	601-300	13,418,300
Workforce Development	601-400	7,871,974
Economic Development & Finance	601-500	19,537,405
Division of Community Services	601-600	40,376,958
<b>TOTAL BY APPROPRIATIONS ORGS</b>		<b>86,992,657</b>
Salaries and Wages	60110	17,280,669
Operating Expenses	60130	18,503,136
Grants	60160	47,502,465
COVID-19 Response	60161	-
Discretionary Funds	60162	1,850,000
Workforce Enhancement Fund	60163	-
Economic Develop Initiatives	60164	-
Workforce Innovation Network Grant Program	60167	-
Unmanned Aircraft System	60171	-
Partner Programs	60174	907,920
Entrepreneurship Grants	60175	948,467
Legal Immigration	60176	-
CARES Act Funding - 2020	60179	-
American Rescue Plan Act	60180	-
Weatherization and Energy Program	60181	-
<b>TOTAL BY OBJECT SERIES</b>		<b>86,992,657</b>
General	GEN	33,491,049
Federal	FED	43,931,168
Special	SPEC	9,570,440
<b>TOTAL BY FUNDS</b>		<b>86,992,657</b>
<b>TOTAL AUTHORIZED EMPLOYEES</b>		<b>62.80</b>

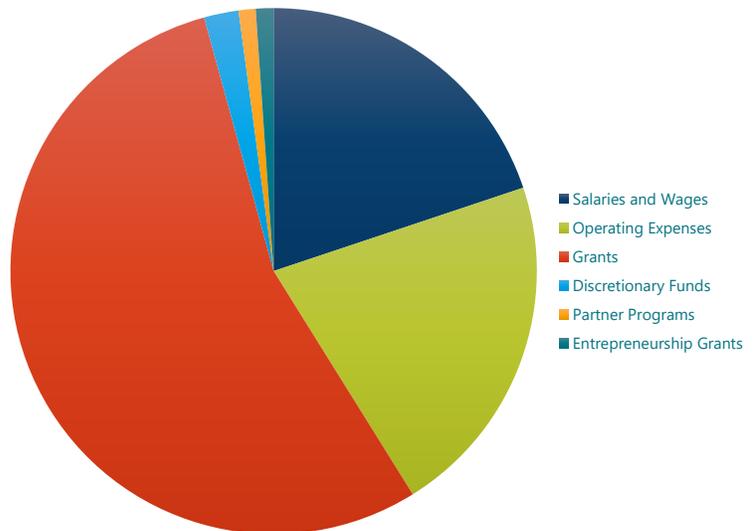
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# 2025-2027 Base Budget Request by Division



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# 2025-2027 Base Budget Request by Line



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# 2025 – 2027 Funding Item Request

Request Name		2025-27 Executive Recommendation				Total	FTE
		General Fund	Federal Fund	Special Fund			
		9,827,851	388,583	150,543,568	160,760,002		1.00
FAA Data – HB 1038	One Time	-	-	11,000,000	11,000,000	-	-
Housing Package	One Time	-	-	50,000,000	50,000,000	-	-
Drone Replacement	One Time	-	-	15,000,000	15,000,000	-	-
Agency Operations	Ongoing	1,338,703	290,000	290,413	1,919,116	-	-
Workforce Division Global Talent Office	Ongoing/One Time	2,000,000	-	-	2,000,000	-	-
Regional Workforce Grant Program	One Time	-	-	10,000,000	10,000,000	-	-
North Dakota Development Fund	Transfer	-	-	50,000,000	50,000,000	-	-
Property valuation increase through improvements	One Time	-	-	5,000,000	5,000,000	-	-
Tourism Marketing Awareness	One Time	-	-	5,000,000	5,000,000	-	-
Destination Development	One Time	-	-	15,000,000	15,000,000	-	-
Technical Skills Training Grant	One Time	2,000,000	-	-	2,000,000	-	-
Beyond Visual Line of Sight Uncrewed Aircraft System Program	One Time	-	-	20,000,000	20,000,000	-	-
Procurement Officer	Ongoing	230,104	-	-	230,104	-	1.00
Find the Good Life	One Time	-	-	5,000,000	5,000,000	-	-
Beyond Visual Line of Sight Uncrewed Aircraft System Program – Test Site	One Time	1,000,000	-	-	1,000,000	-	-
Operation Intern	One Time	2,000,000	-	-	2,000,000	-	-
Legacy Investment for Technology Funds	Transfer	-	-	10,000,000	-	-	-
Entrepreneurship and Innovation Grant	One Time	1,259,044	-	-	1,259,044	-	-
Building Codes	Ongoing	-	98,583	-	98,583	-	-
Enhanced Use Lease	One Time	-	-	5,000,000	5,000,000	-	-
Autonomous Agriculture Grant	One Time	-	-	10,000,000	10,000,000	-	-

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# Removed or Amended by Senate

## Ongoing Funding

- 1 FTE Workforce Program Manager.
- 1 Procurement Officer FTE.
- \$100K General Funds Temporary Salaries & \$200,000 Special Fund Salaries (NDDF).
- \$14,036 General Funds for cost to continue IT Increases.
- \$250K in ongoing operating expenses for the Global Talent Office.
- To remove the \$600K designation in our discretionary line for a grant to support an organization dedicated to assisting Native American small businesses in North Dakota.

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## Removed or Amended by Senate

### One Time Funding

- \$5M for Tourism Marketing Awareness. We also request the removal of the obligation of \$150K for the grant to support the North Dakota State Magazine.
- \$5M for the Find the Good Life Initiative.
- \$15M for an uncrewed aerial vehicle replacement grant program.
- \$1.75M for the Global Talent Office grant program.
- \$5M for the Community Property Improvement grant program.
- \$15M for the Tourism Destination Development grant program.
- \$1M for the Test Site.
- \$20M for Beyond Visual Line of Sight (Vantis).
- \$10M for the Autonomous Agriculture grants.
- \$1.25M for the Entrepreneurship Grants and Vouchers program.
- \$10M for the Regional Workforce Impact Program (RWIP) grant.

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## 2025 – 2027 Transfer Request

- \$50 Million transfer for the North Dakota Development Fund, Inc.
- \$10 Million transfer for the Legacy Investment for Technology Fund (LIFT)



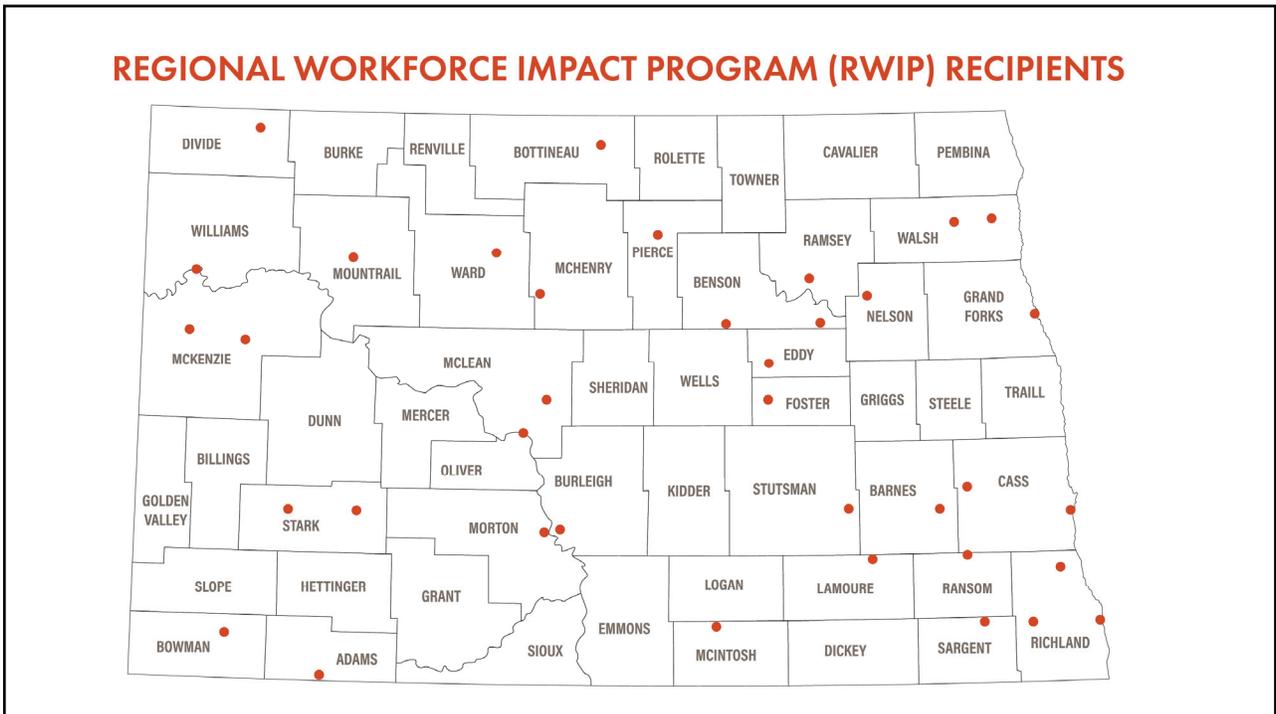
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## WORKFORCE DEVELOPMENT

The ND Department of Commerce Workforce Development Division partners with other state agencies and private sector industries to deliver specialized programs and services to assist in enhancing the workforce of ND.

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## Regional Workforce Impact Program (RWIP)



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## Pipeline Funnel



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## Mover Impact

\$25,047 per year in economic impact per worker

ND #1 in Net Migration

2023 Employment up 2.5%

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## Moving Data

**Timeline to Move**

- Immediate – 29%
- 3 Months – 20%
- 6 Months – 15%
- Within 1 Year – 12%
- 1-2 Years – 4%
- Gathering Info/No Timeline – 20%

**Top Industries**

- Healthcare
- Business Management & Admin
- Retail & Food Services
- Manufacturing
- Skilled Trades

**Top States Lived In**

- Florida
- California
- Texas
- New York
- Minnesota

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## Global Talent Office

### ACTIVITY & WINS

Establishing  
Recruitment  
Pathways

Hosted Global  
Talent Summit

Helping Businesses  
Recruit Foreign-  
Born Workers

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## Global Talent Office

### KEY ACHIEVEMENTS

200+ organizations  
engaged in learning  
opportunities

26 organizations  
recruiting  
immigrant workers

9 employers  
successfully hired  
workers

20



**124**

Businesses

**442**

Interns

**Operation Intern**

ND APPROPRIATIONS

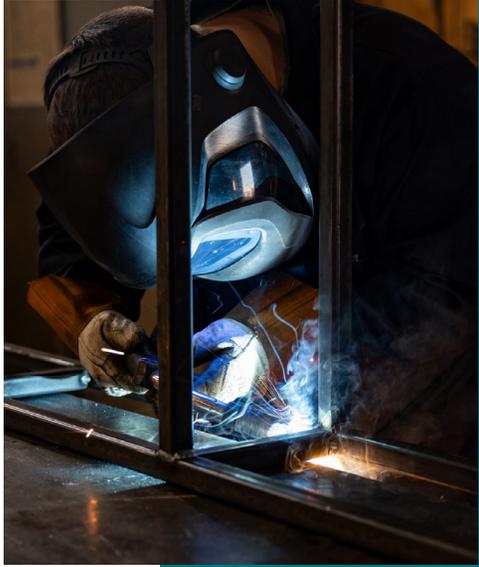
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**Technical Skills Training Grant (TSTG)**

- Programs Supported since 2020: 75
- Programs supported in 2023-2025: 31
- Total workers trained: 1,650+



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## AmeriCorps

- 6 Projects
- Average of 150 Members per Year
- 90,000+ Service Hours
- \$483,670 in Education Assistance



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## SUMMARY OF REQUESTS

- RWIP: \$10M
- FTGL: \$5M
- Global Talent: \$2M
- Operation Intern: \$2M additional (\$1M in base budget)
- TSTG: \$2M
- AmeriCorps: \$552,312 (in base budget)



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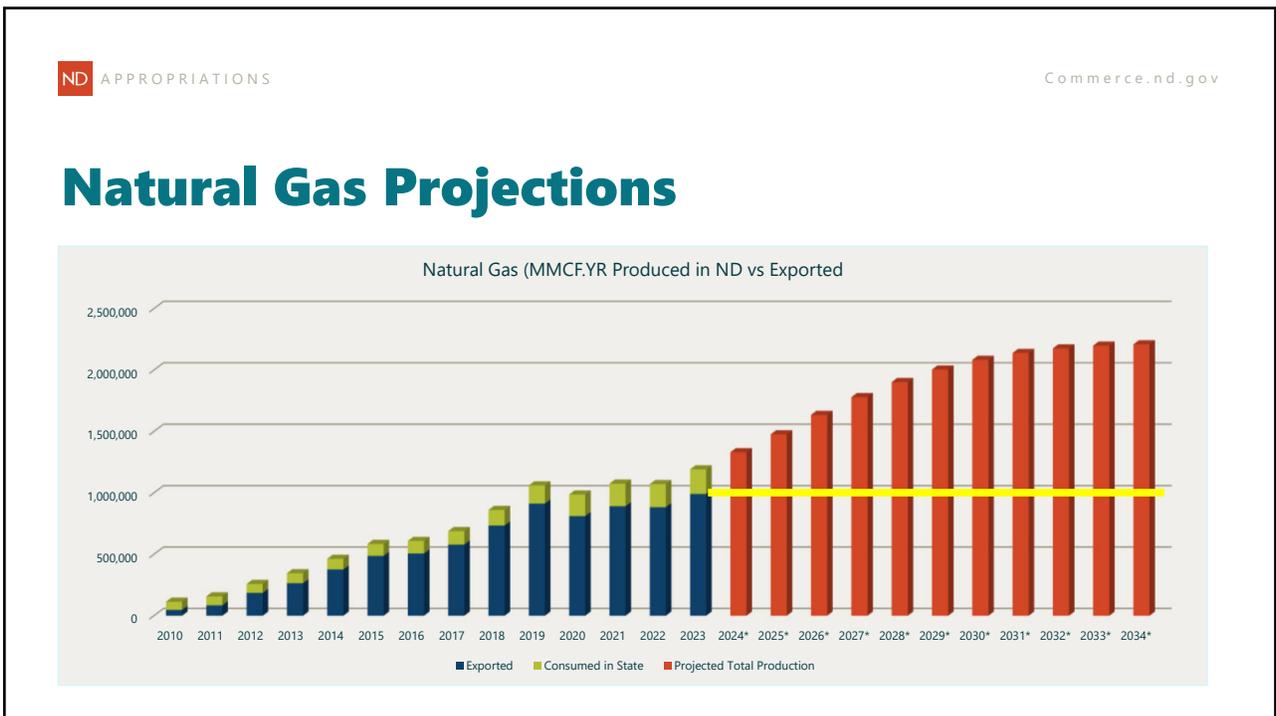
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**ECONOMIC DEVELOPMENT & FINANCE**

Economic Development & Finance is charged with coordinating the state's economic development resources to attract, retain and expand wealth.

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**Value-Added Agriculture Successes**

**50% annual production**  
Soybean processing capacity increased from 0% to over 50% of annual production.

**210M Bushels**  
Ethanol industry also processes over 210 million bushels of corn annually, producing 550 million gallons of ethanol and over a million tons of DDGs.

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**Synergy Between Energy and Agriculture**

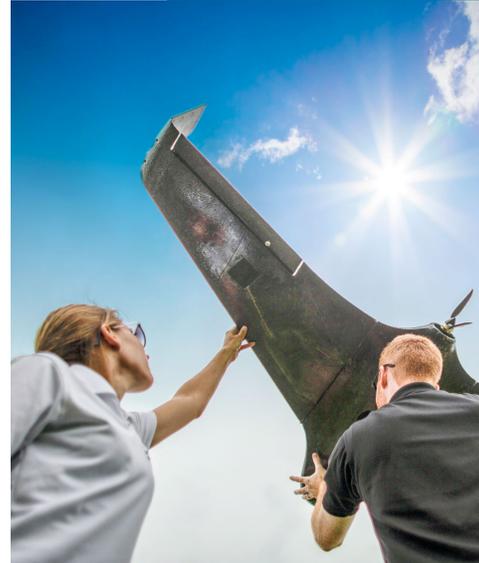
THESE SYNERGIES STRENGTHEN AND DIVERSIFY OUR ECONOMY, ENSURING LONG-TERM RESILIENCE AND GROWTH.

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## Uncrewed Aircraft Systems

North Dakota is UAS leader in UAS technology, anchored by the Northern Plains UAS Test Site and its key partner, Grand Sky.

- Project ULTRA
- Pioneering BVLOS operations
- Administering Vantis, ND's statewide UAS network for BVLOS operations
- 1<sup>st</sup> participant in the FAA's Radar Data Pathfinder program
- Dedicated UAS Infrastructure



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## Enhanced Use Lease

- Managed by Grand Sky
- Pioneering BVLOS
- Dedicated UAS Infrastructure
- DoD projects
- Sky Range Initiative

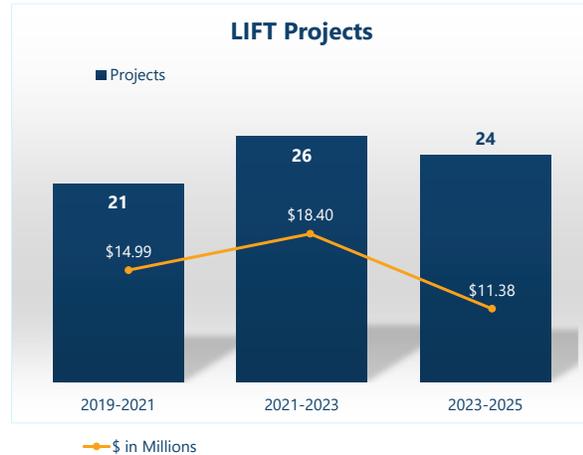


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## Legacy Investment for Technology Loan Fund (LIFT)

LIFT FOSTERS TECHNOLOGY INNOVATION.

LIFT has significantly impacted various industries including healthcare, advanced computing and data management, agriculture technology, and uncrewed aircraft systems.



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## Innovate ND

INNOVATE ND REMAINS A CORNERSTONE OF NORTH DAKOTA'S COMMITMENT TO FOSTERING ENTREPRENEURSHIP AND DRIVING ECONOMIC DEVELOPMENT.

- Processed 103 applications, demonstrating strong demand.
  - 12 companies accepted.
    - 7 successfully graduated.
    - 2 remain active.
    - 3 exited the program.



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## North Dakota Development Fund, Inc.

### Childcare Loan Program

- 19 loans issued
- 1,098 childcare spots created

### Specific Investments

- Reduction to natural gas flaring
- Ag tech digital tools
- Ethanol production facility
- Childcare
- Metal and machining shop

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## SUMMARY OF REQUESTS

Description	Base Budget	General Fund	Special Fund	Transfers	TOTAL	WA1
FAA Radar Data - HB 1038			\$11,000,000		\$11,000,000	
Drone Replacement			\$15,000,000		\$15,000,000	
Enhanced Use Lease			\$5,000,000		\$5,000,000	
BVLOS - Test Site	\$3,000,000	\$1,000,000			\$4,000,000	
BVLOS - Vantis	\$8,000,000 (FF) \$1,020,150 (SF)		\$20,000,000		\$29,020,150	
LIFT				\$10,000,000	\$10,000,000	
INNOVATE ND	\$948,467	\$1,259,044			\$2,207,511	
Partner Programs	\$907,920				\$907,920	
Autonomous Ag Grant			\$10,000,000		\$10,000,000	
NDDF				\$50,000,000	\$50,000,000	



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## COMMUNITY SERVICES

Provides technical assistance to local governments and state agencies in the areas of community and rural planning and development, policy research and development and grant program implementation.

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## Community Services Program Areas

- Housing and Urban Development (HUD)
  - o Community Development Block Grant (CDBG)
  - o Manufactured Home oversight, licensing, and installation
- Office of HHS Administration for Children and Families
  - o Community Services Block Grant (CSBG)
- North Dakota State Building Codes
- North Dakota Renaissance Zone (RZ)
- North Dakota Energy Conservation Grant (ECG)
- Office of Community Development and Rural Prosperity (CDRP)
- Department of Energy (DOE)
  - o Weatherization and Low-Income Heating and Energy Assistance Program (LIHEAP)
  - o State Energy Program (SEP) annual allocation
  - o State Energy Program Inflation and Investment Jobs Act (SEP-IIJA)
  - o Home Efficiency Rebate (HER)
  - o Home Electrification and Appliance Rebate (HEAR)

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# Office of Community Development and Rural Prosperity



**88 Communities**

Visited in the past  
4 years



**Monthly**

Educational and  
collaborative  
interactions

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**11**

**258K**

## Grant Management — Rural Sustainable Food Program

Communities were provided  
funding for studies or  
implementation

Total population touched by  
grant dollars

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## Grant Management — Rural Workforce Housing/Slum and Blight Removal

(COMMUNITY REVITALIZATION)

16 Communities received funds.

- **19** infill lots for workforce housing (Oakes/Bowman County/Sheyenne/Hankinson), and nine readily available housing options (primarily consisting of mixed-use apartments).

Project Guidelines:

- Conduct a housing study.
- Purchase blighted properties or vacant lots.
- Remove hazards or structures from blighted properties.
- Up to \$10,000 per business for improvements if the business is in a mixed-use property.

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## Request

\$50 Million for  
Community  
Development and  
Workforce  
Housing **(SB 2225)**

\$5 Million for  
Community  
Revitalization

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## TOURISM & MARKETING

We build the positive public image of North Dakota as a dynamic place to live and work.

By showcasing opportunities and inspiring visitors to Be Legendary, we strengthen the economy and provide opportunity for people across our communities.

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## Tourism & Marketing Programs

 <p><b>Paid Marketing</b></p>	 <p><b>Global Marketing</b></p>	 <p><b>Workforce Recruitment</b></p>
 <p><b>Media Relations - Outreach</b></p>	 <p><b>Group Travel</b></p>	 <p><b>Communications</b></p>
 <p><b>Social Media</b></p>	 <p><b>Outdoor Promotions</b></p>	 <p><b>Destination Development</b></p>

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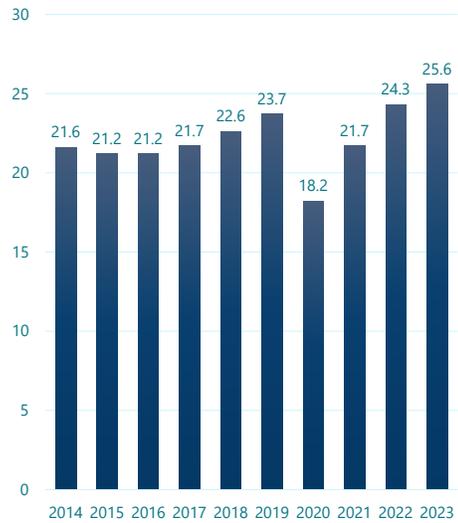
# Tourism Research Results

## REPORT ON ECONOMIC IMPACT OF TOURISM IN 2023

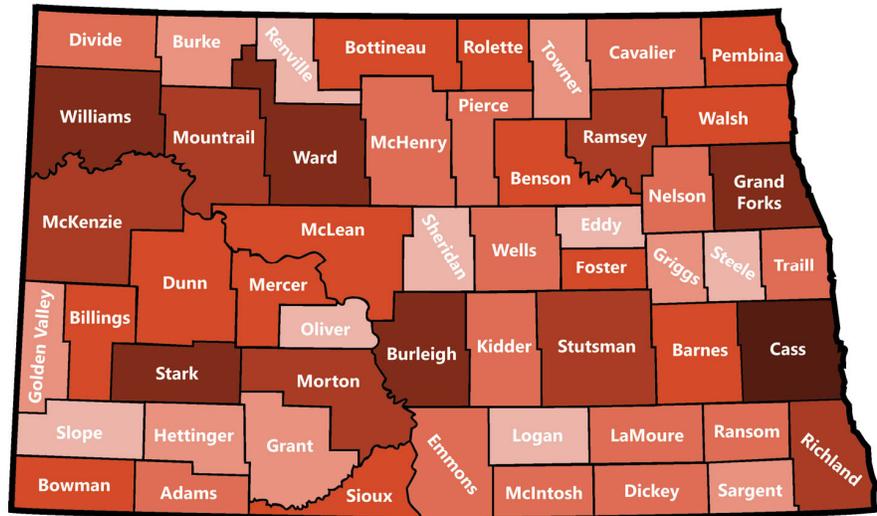
- Visitation grew 5.3% reaching 25.6M visitors
- Visitor spending grew to \$3.3B
- 17.8-million-day-visitors
- Visitors paid more than \$307M in local and state taxes
  - Creating a \$960 per household savings for North Dakotans

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Visitation



# Visitor Spending by County



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## Visitation Stats



### Airport Arrivals

1.24M

↑ 8.8%



### National Park Visits

763,175

↓ 1.6%



### Hotel Occupancy

\$548 M in revenue- up 5.8%

↑ 0.3%



### Border Crossings

484,969

↑ 10.3% (78% of pre-covid visitation)

*Entry numbers are almost equivalent to 2017 when the exchange rate was similar.*



### Taxable Sales and Purchase

↑ 1.99% Accommodations and food services

↑ 7.94% Arts, entertainment and recreation

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# Marketing North Dakota

**Paid media:** 439M impressions, 17M video views

**Earned media:** 5,690 media hits, with 9.8B reach

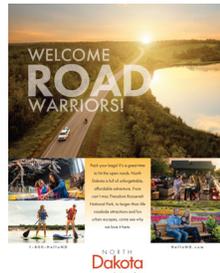
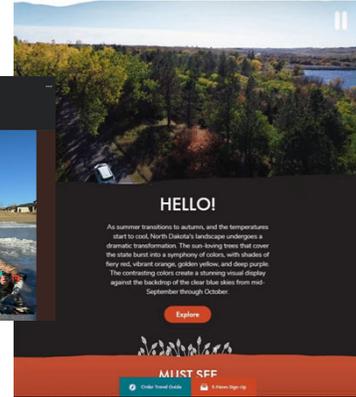
**Influencers:** 2.1M reach

**Social media:** 400k+ engagements

**NDtourism.com:** 3.6M sessions, up 30%



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10 Underrated National Parks to Visit This Summer

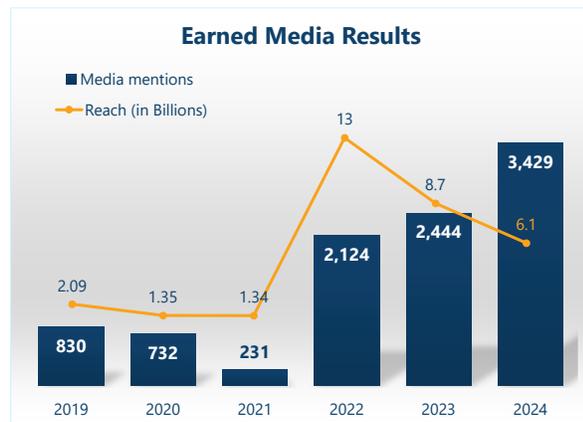


Theodore Roosevelt National Park

# Public & Media Relations - Tourism

Public and media relations efforts elevate North Dakota's image through proactive outreach and storytelling, garnering positive media coverage and increasing awareness.

National Media Coverage	<ul style="list-style-type: none"> <li>• 3,429 <b>earned media</b> mentions</li> <li>• 6.1B reach</li> </ul>
International Media Coverage	<ul style="list-style-type: none"> <li>• 113 <b>media articles</b></li> <li>• 231M reach</li> </ul>
Influencer Campaign	<ul style="list-style-type: none"> <li>• 128M impressions</li> <li>• 400K+ social media engagements</li> <li>• 2.1M reach</li> </ul>



# Public & Media Relations - Commerce

Commerce's public and media relations efforts are generating increased national awareness of North Dakota's innovative business climate, career opportunities, and quality of life.

Workforce:	<ul style="list-style-type: none"> <li>• 1,359 earned media mentions</li> <li>• 1.8B reach</li> </ul>
Business	<ul style="list-style-type: none"> <li>• 902 earned media mentions</li> <li>• 1.8B reach</li> </ul>
Influencer Campaign:	<ul style="list-style-type: none"> <li>• 185.1K total reach</li> <li>• 3.7M impressions</li> <li>• 5.6K engagements</li> </ul>

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I'm a 24-year-old who lives in Medora, North Dakota, which has a population of fewer than 150 people. We don't have a grocery store in town but we do have the northern lights.



Madi Lee, 24, moved to Medora, North Dakota, after graduating from college in 2022. She says the town is "smaller than 150 people year-round but explodes with tourists in the summer." Courtesy of Madi Lee.

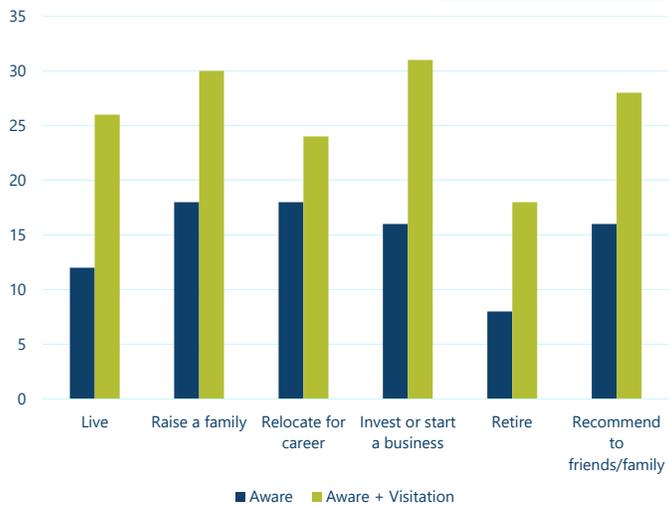
- Madi Lee is a 24-year-old who moved to the tiny town of Medora, North Dakota, after college.



# Tourism Advertising Elevates North Dakota's Image

## HALO EFFECT

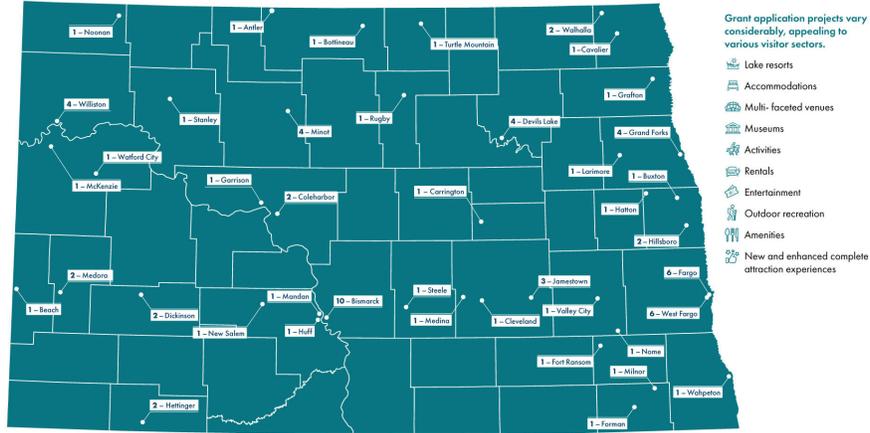
Average 13% image lift from advertising awareness.



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## 2023 Destination Development Grant Applications Received

The applications varied considerably in scope and appeal to unique visitor segments. New and expanded destination experiences will not only attract visitors but also improve our quality of life and workforce recruitment efforts.



\$151.5 million in requests | 81 applications | 42 cities

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APPROPRIATIONS



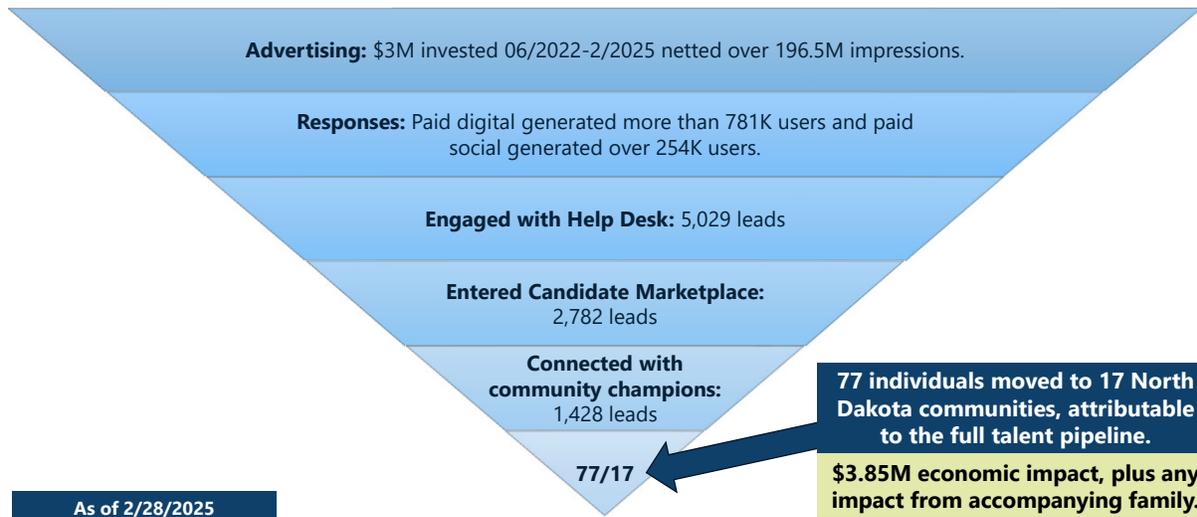
## Tourism Destination Development Grants

- Bison World- Jamestown
- Bottineau Winter Park
- Brews, Chevs and Views – Minot
- Dakota Prairie Wings Lodge- Medina
- Dickinson Museum Center Expansion Project
- Frost Fire Park- Walhalla
- Good Bear Lodge at Indian Hills Resort- Garrison
- Huff Hills Ski Area
- Riverfront Festival Grounds – Bismarck
- Theodore Roosevelt Presidential Library- Medora
- Thrill Hills- Ft. Ransom
- Turtle Mountain Comprehensive Tourism Plan – Belcourt & Duseith
- Western Heritage - Medora
- The Shores Event Center at Woodland Resort – Devils Lake

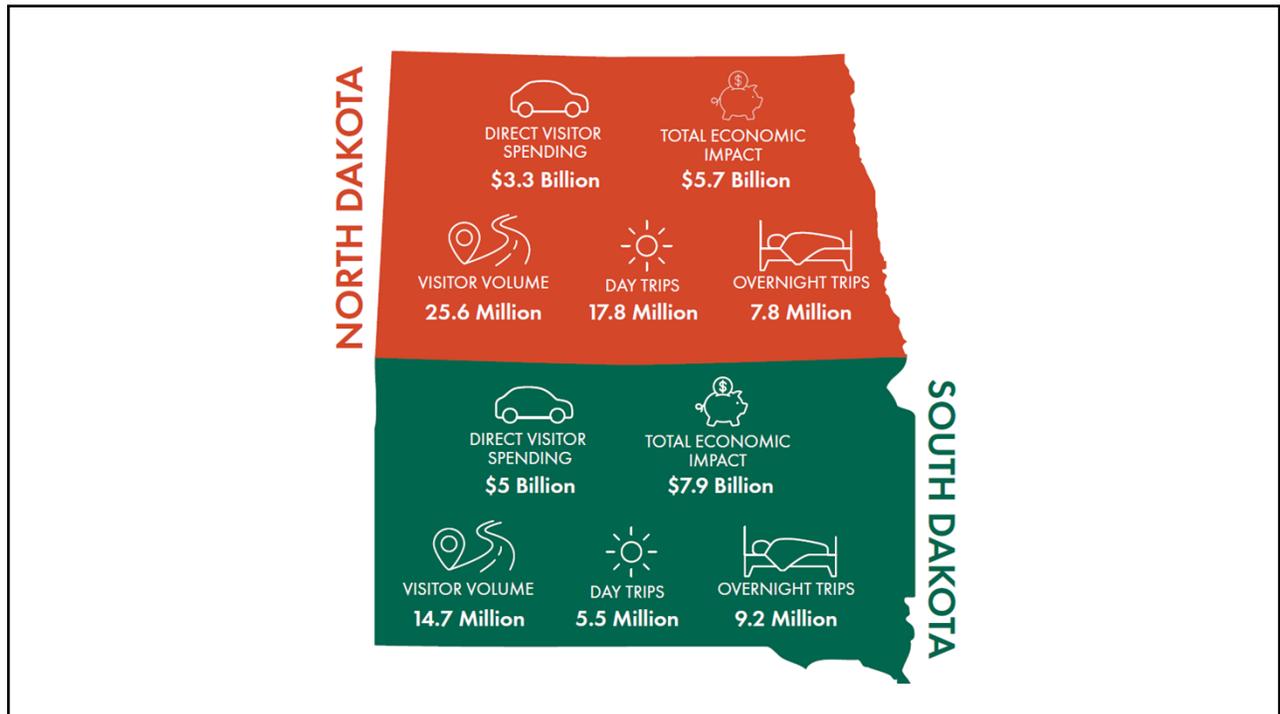
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## Marketing Campaign Effectiveness



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## New Budget Items

- Housing for Opportunity, Mobility, and Empowerment Program (HOME Fund)
  - \$50M
- The Rural Workforce Housing Grant Program
  - \$5M



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# THANK YOU

Commissioner Chris Schilken  
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