

**Department 601 - Department of Economic Development and Finance
Senate Bill No. 2019**

	FTE Positions	General Fund	Other Funds	Total
2001-03 Schafer Executive Budget	30.00	\$14,014,489	\$6,396,902	\$20,411,391 ¹
1999-2001 Legislative Appropriations	<u>23.00</u>	<u>7,813,802</u>	<u>4,093,075</u>	<u>11,906,877</u> ²
Increase (Decrease)	<u>7.00</u>	<u>\$6,200,687</u>	<u>\$2,303,827</u>	<u>\$8,504,514</u>

2001-03 Hoeven Executive Budget	<u>0.00</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Hoeven Increase (Decrease) to Schafer	<u>(30.00)</u>	<u>(\$14,014,489)</u>	<u>(\$6,396,902)</u>	<u>(\$20,411,391)</u>

¹ This amount includes \$2.5 million from the highway tax distribution fund for ethanol incentives as included in Senate Bill No. 2019. The executive budget book reflects only \$1.5 million.

² The 1999-2001 appropriation amounts include \$14 from the general fund for the agency's share of the \$1.4 million funding pool appropriated to the Office of Management and Budget for assisting agencies in providing the \$35 per month minimum salary increases in July 1999 and July 2000. The 1999-2001 appropriation amounts do not include \$1,352,698 of additional spending authority resulting from Emergency Commission action during the 1999-2001 biennium.

Major Schafer Recommendations Affecting Department of Economic Development and Finance 2001-03 Budget

	General Fund	Other Funds	Total
1. Adds the following 8 FTE positions:	\$951,819		\$951,819
Position Title	Amount		
Communications and public relations	\$105,054		
Administrative assistant	64,122		
Research analyst	114,894		
Research analyst	115,171		
Data base web developer	115,171		
Division manager	183,654		
Marketing specialist	115,171		
Investment and joint ventures	<u>138,582</u>		
Total general fund	<u>\$951,819</u>		
2. Increases funding for operating expenses relating to marketing, electronic data management systems (EDMS), geographic information systems (GIS), and research and analysis.	\$3,710,515		\$3,710,515
3. Increases funding for equipment relating to the new positions.	\$200,000		\$200,000
4. Provides funding for the manufacturing extension partnership (MEP). The 1999 Legislative Assembly provided that \$150,000 of the department's grants line item be used for the MEP.	\$924,485	\$1,848,970	\$2,773,455
5. Transfers 1 FTE work force development position (\$121,555) and related operating expenses (\$86,759) to the Board for Vocational and Technical Education.	(\$104,157)	(\$104,157)	(\$208,314)
6. Removes funding from the agricultural fuel tax fund for obtaining assistance in resolving beef industry trade issues.		(\$100,000)	(\$100,000)
7. Removes funding relating to the contingent ethanol incentive appropriation from the highway tax distribution fund.		(\$300,000)	(\$300,000)
8. Increases funding for ethanol incentives from the highway tax distribution fund. The recommendation provides for a total of \$2.5 million for ethanol incentives. It is estimated that of this amount,		\$993,000	\$993,000

the Alchem plant in Grafton will be eligible to receive up to \$1.7 million, and the ADM plant in Walhalla and any new plant that may begin operations will be eligible to receive up to \$800,000.

9. Increases general fund support for the Agricultural Products Utilization Commission to replace the anticipated reduction in special funds available in the agricultural fuel tax fund.	\$426,403	(\$304,954)	\$121,449
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**Major Hoeven Recommendations Affecting Department of Economic Development and Finance 2001-03 Budget
Compared to the Bill as Introduced (Schafer Budget)**

	General Fund	Other Funds	Total
1. Eliminates the Department of Economic Development and Finance and includes those duties in the proposed Department of Commerce. Recommended funding for the Department of Commerce is \$60.97 million (\$17.4 million from the general fund; \$43.6 million from other funds), which is \$3.5 million (\$2.4 million from the general fund; \$1.1 million from other funds) less than the Schafer recommendation for the combined agencies of the Tourism Department, the Division of Community Services, and the Department of Economic Development and Finance.	(\$14,014,489)	(\$6,396,902)	(\$20,411,391)

Major Legislation Affecting the Department of Economic Development and Finance

Senate Bill No. 2032 consolidates the Department of Economic Development and Finance, the Division of Community Services, and the Tourism Department into a department of commerce administered by a commissioner of commerce; creates a North Dakota commerce cabinet; and allows for creation of a privately funded North Dakota economic development foundation.

House Bill No. 1095 increases per diem for members of the Agricultural Products Utilization Commission by \$12.50 per day, from \$50 to \$62.50 and authorizes the payment of per diem to commission members for conducting official commission business in addition to meetings. (Passed House)