

**STATEMENT OF PURPOSE OF AMENDMENT:****House Bill No. 1019 - Funding Summary**

	<b>Executive Budget</b>	<b>Final Legislative Action</b>	<b>Comparison To Executive Budget</b>
Department of Commerce			
Salaries and wages	\$6,791,269	\$6,713,340	(\$77,929)
Operating expenses	8,842,124	8,237,247	(604,877)
Grants	48,032,153	46,585,026	(1,447,127)
Agricultural products utilization	6,770,557	2,983,179	(3,787,378)
Lewis and Clark bicentennial	853,147	951,911	98,764
Discretionary grants		1,447,127	1,447,127
North Dakota development fund		1,550,000	1,550,000
Total all funds	<u>\$71,289,250</u>	<u>\$68,467,830</u>	<u>(\$2,821,420)</u>
Less estimated income	<u>55,759,805</u>	<u>52,353,107</u>	<u>(3,406,698)</u>
General fund	<u>\$15,529,445</u>	<u>\$16,114,723</u>	<u>\$585,278</u>
FTE	57.00	57.00	0.00
Bill Total			
Total all funds	\$71,289,250	\$68,467,830	(\$2,821,420)
Less estimated income	55,759,805	52,353,107	(3,406,698)
General fund	<u>\$15,529,445</u>	<u>\$16,114,723</u>	<u>\$585,278</u>
FTE	57.00	57.00	0.00

**House Bill No. 1019 - Department of Commerce - House Action**

	<b>Executive Budget</b>	<b>House Changes</b>	<b>House Version</b>
Salaries and wages	\$6,791,269	(\$72,356)	\$6,718,913
Operating expenses	8,842,124	(400,000)	8,442,124
Grants	48,032,153	25,832,431	73,864,584
Agricultural products utilization	6,770,557	(1,287,172)	5,483,385
Lewis and Clark bicentennial	853,147	(1,133)	852,014
Total all funds	<u>\$71,289,250</u>	<u>\$24,071,770</u>	<u>\$95,361,020</u>
Less estimated income	<u>55,759,805</u>	<u>21,774,412</u>	<u>77,534,217</u>
General fund	<u>\$15,529,445</u>	<u>\$2,297,358</u>	<u>\$17,826,803</u>
FTE	57.00	0.00	57.00

**Department No. 601 - Department of Commerce - Detail of House Changes**

	<b>Removes Recommended Salary Increase<sup>1</sup></b>	<b>Adds Workforce Development Programs<sup>2</sup></b>	<b>Reduces Funding for Workforce 2000<sup>3</sup></b>	<b>Adds Funding for Internship Program<sup>4</sup></b>	<b>Changes Development Fund Administrative Costs<sup>5</sup></b>	<b>Reduces Discretionary Grants<sup>6</sup></b>
Salaries and wages	(\$72,356)					
Operating expenses						
Grants		26,032,431	(1,000,000)	1,000,000		(200,000)
Agricultural products utilization	(2,172)					
Lewis and Clark bicentennial	(1,133)					
<b>Total all funds</b>	<b>(\$75,661)</b>	<b>\$26,032,431</b>	<b>(\$1,000,000)</b>	<b>\$1,000,000</b>	<b>\$0</b>	<b>(\$200,000)</b>
Less estimated income	(18,783)	22,679,570	0	0	398,625	0
<b>General fund</b>	<b>(\$56,878)</b>	<b>\$3,352,861</b>	<b>(\$1,000,000)</b>	<b>\$1,000,000</b>	<b>(\$398,625)</b>	<b>(\$200,000)</b>
FTE	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Reduces Tourism Marketing<sup>7</sup></b>	<b>Reduces Operating Funds<sup>8</sup></b>	<b>Reduces Funding for Ethanol<sup>9</sup></b>	<b>Total House Changes</b>		
Salaries and wages				(\$72,356)		
Operating expenses	(200,000)	(200,000)		(400,000)		
Grants				25,832,431		
Agricultural products utilization			(1,285,000)	(1,287,172)		
Lewis and Clark bicentennial				(1,133)		
<b>Total all funds</b>	<b>(\$200,000)</b>	<b>(\$200,000)</b>	<b>(\$1,285,000)</b>	<b>\$24,071,770</b>		
Less estimated income	0	0	(1,285,000)	21,774,412		
<b>General fund</b>	<b>(\$200,000)</b>	<b>(\$200,000)</b>	<b>\$0</b>	<b>\$2,297,358</b>		
FTE	0.00	0.00	0.00	0.00		

<sup>1</sup> This amendment removes the Governor's recommendation for state employee salary increases and retains the recommended state payment for health insurance premiums.

<sup>2</sup> A section is added designating the Department of Commerce as the state's fiscal agent and administrator of all workforce development and workforce training funds. As a result, funding for the following programs is transferred to the Department of Commerce:

Agency/Program	General Fund	Federal Funds	Special Funds	Total
Department of Human Services - Job opportunities and basic skills (JOBS)		\$8,225,614		\$8,225,614
Department of Human Services - Basic employment skills training (BEST)		391,198	7,500	398,698
Job Service - Workforce 2000	2,002,861			2,002,861
Job Service - Senior community service employment		1,070,352		1,070,352
Job Service - Trade adjustment assistance		99,800		99,800
Job Service - Workforce Investment Act		12,735,106		12,735,106
Job Service - New jobs training program			150,000	150,000
Board for Vocational and Technical Education - Workforce training contracts	1,350,000			1,350,000
<b>Total</b>	<b>\$3,352,861</b>	<b>\$22,522,070</b>	<b>\$157,500</b>	<b>\$26,032,431</b>

<sup>3</sup> Funding for Workforce 2000 is reduced by \$1,000,000, from \$2,002,861 to \$1,002,861 from the general fund. The funding provided is to be used only in support of new businesses locating in North Dakota.

<sup>4</sup> Funding is provided for grants for direct support of internships for students entering growth industries that have critical shortages of available employees. The department may require matching funds to be provided from targeted industries.

<sup>5</sup> The funding source for the administrative costs of the Development Fund is changed from the general fund to the Development Fund.

<sup>6</sup> Funding recommended by the Governor for the New Economy Initiative is removed. A new section is added precluding the department from spending any funds in support of the New Economy Initiative.

<sup>7</sup> Funding for marketing in the Tourism Division is reduced by \$200,000 from the general fund.

<sup>8</sup> Funding for operating expenses of the research, business development, and marketing programs of the Division of Economic Development and Finance is reduced by \$200,000 from the general fund.

<sup>9</sup> Funding from the highway tax distribution fund for ethanol incentive payments is reduced by \$1,285,000, from \$3,785,000 to \$2,500,000.

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Sections are added:

- Transferring \$1 million from the student loan trust fund to the general fund during the 2003-05 biennium.
- Providing legislative intent that the seed capital investment tax credit be the primary focus to encourage the availability of seed capital or early stage financing.
- Requiring the department to report annually to the Budget Section regarding select activities and outcomes of the department.
- Providing legislative intent that the department assist in the creation of business partnerships with North Dakota Indian tribes in order to increase primary sector business growth on the Indian reservations and other areas in the state.
- Providing legislative intent that the Tourism Division establish, coordinate, and promote North Dakota learning vacations.
- Increasing the maximum seed capital investment that is eligible for an individual income tax credit from \$50,000 to \$100,000, increasing the percentage of the investment that is allowed as a credit from 30 to 45 percent, and allocating the credit over three years rather than two years.

- Providing that the department use \$100,000 of the general fund appropriation provided for the director's discretionary grants to provide a grant to the North Dakota Lewis and Clark Bicentennial Foundation for costs associated with the Lewis and Clark Interpretive Center near Washburn.
- Providing that the department use up to \$25,000 of the general fund appropriation provided for the director's discretionary grants to reimburse political subdivisions for extraordinary costs incurred in rescues of visitors to North Dakota tourist attractions.

#### House Bill No. 1019 - Department of Commerce - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$6,791,269	\$6,718,913	(\$5,573)	\$6,713,340
Operating expenses	8,842,124	8,442,124	99	8,442,223
Grants	48,032,153	73,864,584	(27,279,558)	46,585,026
Agricultural products utilization	6,770,557	5,483,385	(2,500,206)	2,983,179
Lewis and Clark bicentennial	853,147	852,014	(103)	851,911
Discretionary grants			1,647,127	1,647,127
North Dakota development fund			2,000,000	2,000,000
Total all funds	\$71,289,250	\$95,361,020	(\$26,138,214)	\$69,222,806
Less estimated income	55,759,805	77,534,217	(25,579,735)	51,954,482
General fund	\$15,529,445	\$17,826,803	(\$558,479)	\$17,268,324
FTE	57.00	57.00	0.00	57.00

#### Department No. 601 - Department of Commerce - Detail of Senate Changes

	Reduces the Recommended Funding for Health Insurance <sup>1</sup>	Reduces Funding for Information Technology Costs <sup>2</sup>	Restores Operating Funds <sup>3</sup>	Changes Development Fund Administrative Costs <sup>4</sup>	Removes Consolidation of Workforce Programs <sup>5</sup>	Removes Funding for Internship Program <sup>6</sup>
Salaries and wages	(\$5,573)					
Operating expenses		(19,901)	20,000			
Grants					(25,032,431)	(1,000,000)
Agricultural products utilization	(206)					
Lewis and Clark bicentennial	(103)					
Discretionary grants						
North Dakota development fund						
Total all funds	(\$5,882)	(\$19,901)	\$20,000	\$0	(\$25,032,431)	(\$1,000,000)
Less estimated income	(1,540)	0	0	(398,625)	(22,679,570)	0
General fund	(\$4,342)	(\$19,901)	\$20,000	\$398,625	(\$2,352,861)	(\$1,000,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	<b>Removes Funding for Ethanol Incentives<sup>7</sup></b>	<b>Creates a Separate Line Item for Discretionary Grants<sup>8</sup></b>	<b>Adds Funding for Discretionary Grants<sup>9</sup></b>	<b>Adds Funding for Feasibility Study<sup>10</sup></b>	<b>Adds Funding for Marketing<sup>11</sup></b>	<b>Adds Funding for Development Fund<sup>12</sup></b>
Salaries and wages						
Operating expenses						
Grants		(1,247,127)				
Agricultural products utilization	(2,500,000)					
Lewis and Clark bicentennial						
Discretionary grants		1,247,127	150,000	50,000	200,000	
North Dakota development fund						2,000,000
<b>Total all funds</b>	<b>(\$2,500,000)</b>	<b>\$0</b>	<b>\$150,000</b>	<b>\$50,000</b>	<b>\$200,000</b>	<b>\$2,000,000</b>
Less estimated income	(2,500,000)	0	0	0	0	0
<b>General fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$150,000</b>	<b>\$50,000</b>	<b>\$200,000</b>	<b>\$2,000,000</b>
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	<b>Total Senate Changes</b>
Salaries and wages	(\$5,573)
Operating expenses	99
Grants	(27,279,558)
Agricultural products utilization	(2,500,206)
Lewis and Clark bicentennial	(103)
Discretionary grants	1,647,127
North Dakota development fund	2,000,000
<b>Total all funds</b>	<b>(\$26,138,214)</b>
Less estimated income	(25,579,735)
<b>General fund</b>	<b>(\$558,479)</b>
FTE	0.00

<sup>1</sup> Funding for state employee health insurance premiums is reduced from \$493 to \$488.70 per month.

<sup>2</sup> This amendment reduces funding for information technology by \$19,901 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 4 percent.

<sup>3</sup> The operating expenses line item is increased to restore \$20,000 of the \$200,000 general fund reduction made by the House for operating costs of the research, business development, and marketing programs of the Division of Economic Development and Finance.

<sup>4</sup> The funding source for the administrative costs of the development fund is changed to the general fund, the same as the executive budget. The House provided that development fund administrative costs be paid from the development fund.

<sup>5</sup> The section added by the House designating the Department of Commerce as the state's fiscal agent and administrator of all workforce development and workforce training funds is removed. As a result, funding added by the House for the following programs is removed:

Agency/Program	General Fund	Federal Funds	Special Funds	Total
Department of Human Services - Job opportunities and basic skills (JOBS)		(\$8,225,614)		(\$8,225,614)
Department of Human Services - Basic employment skills training (BEST)		(391,198)	(7,500)	(398,698)
Job Service - Workforce 2000	(1,002,861)			(1,002,861)
Job Service - Senior community service employment		(1,070,352)		(1,070,352)
Job Service - Trade adjustment assistance		(99,800)		(99,800)
Job Service - Workforce Investment Act		(12,735,106)		(12,735,106)
Job Service - New jobs training program			(150,000)	(150,000)
Board for Vocational and Technical Education - Workforce training contracts	(1,350,000)			(1,350,000)
Total	(\$2,352,861)	(\$22,522,070)	(\$157,500)	(\$25,032,431)

<sup>6</sup> Removes funding added by the House for grants for direct support of internships for students entering growth industries that have critical shortages of available employees. A section of legislative intent is added providing that the workforce development division develop a streamlined internship program involving its website and in conjunction with university system efforts.

<sup>7</sup> Funding of \$2.5 million from the highway tax distribution fund for ethanol incentive payments is removed in accordance with provisions of Senate Bill No. 2222 which includes a continuing appropriation for the Agricultural Products Utilization Commission to make ethanol incentive payments.

<sup>8</sup> Funding for the director's discretionary grants is removed from the grants line item and established as a separate line item in the bill. A section is added allowing the department to continue the appropriation authority included in this line item beyond the 2003-05 biennium.

<sup>9</sup> The discretionary grants line item is increased by \$150,000 from the general fund. The department is expected to have unspent general fund appropriation authority of at least \$200,000 for the 2001-03 biennium, \$150,000 of which has not been included in the March revised general fund turnback estimate for the 2001-03 biennium.

<sup>10</sup> Adds funding for preparing a North Dakota proposal to attract a high-tech manufacturing facility to the state.

<sup>11</sup> The discretionary grants line item is increased by \$200,000 from the general fund. A section of legislative intent is added providing that this funding be used for a marketing and image-building campaign for the Red River Valley research corridor beginning in the second year of the biennium.

<sup>12</sup> Funding is added for the development fund.

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The section added by the House designating \$25,000 of the director's discretionary grants for use in rescues of visitors to North Dakotal tourist attractions is removed.

A section is added providing that the dpartment use \$100,000 of the discretionary grants line item to provide a grant to the Fort Abraham Lincoln Foundation for reconstruction and interpretation of the Seventh Cavalry stable at the fort and for maintenance and repairs of other fort buildings.

The section added by the House precluding the department from spending funding to support the New Economy Initive is removed.

The section added by the House providing for annual reports to the Budget Section on select activities and outcomes of the department is removed.

A section is added providing a continuing appropriation for moneys collected from the NDhasjobs.com internet website.

The maximum seed capital investment that is eligible for an individual income tax credit is increased from the House version of \$100,000 to \$250,000, provisions limiting investments in one qualified business to no more than \$250,000 is removed, and the effective date is changed from taxable years beginning after December 31, 2003, to taxable years beginning after December 31, 2002.

Sections are added creating a Centers of Excellence program and identifying the following entities as Centers of Excellence:

- NDSU Center for Beef Systems
- NDSU Center for Nanoscale Science and Engineering
- UND Center for Innovation
- NDSU Center for Technology Enterprise
- UND Center for Aerospace Sciences
- NDSU Center for High Performance Computing

A section of legislative intent is added providing that as of October 1, 2003, the development fund provide \$1.5 million to the NDSU Technology Enterprise and \$1million to the UND Center for Innovation.

#### House Bill No. 1019 - Department of Commerce - Conference Committee Action

	Executive Budget	House Version	Conf. Com. Changes	Conf. Com. Version	Senate Version	Comparison to Senate
Salaries and wages	\$6,791,269	\$6,718,913	(\$5,573)	\$6,713,340	\$6,713,340	
Operating expenses	8,842,124	8,442,124	(204,877)	8,237,247	8,442,223	(204,976)
Grants	48,032,153	73,864,584	(27,279,558)	46,585,026	46,585,026	
Agricultural products utilization	6,770,557	5,483,385	(2,500,206)	2,983,179	2,983,179	
Lewis and Clark bicentennial	853,147	852,014	99,897	951,911	851,911	100,000
Discretionary grants			1,447,127	1,447,127	1,647,127	(200,000)
North Dakota development fund			1,550,000	1,550,000	2,000,000	(450,000)
Total all funds	\$71,289,250	\$95,361,020	(\$26,893,190)	\$68,467,830	\$69,222,806	(\$754,976)
Less estimated income	55,759,805	77,534,217	(25,181,110)	52,353,107	51,954,482	398,625
General fund	\$15,529,445	\$17,826,803	(\$1,712,080)	\$16,114,723	\$17,268,324	(\$1,153,601)
FTE	57.00	57.00	0.00	57.00	57.00	0.00

#### Department No. 601 - Department of Commerce - Detail of Conference Committee Changes

	Reduces the Recommended Funding for Health Insurance <sup>1</sup>	Reduces Funding for Information Technology Costs <sup>2</sup>	Adds Administrative Funding <sup>3</sup>	Removes Consolidation of Workforce Programs <sup>4</sup>	Removes Funding for Internship Program <sup>5</sup>	Removes Funding for Ethanol Incentives <sup>6</sup>
Salaries and wages	(\$5,573)					
Operating expenses		(24,877)	20,000			
Grants				(25,032,431)	(1,000,000)	
Agricultural products utilization	(206)					(2,500,000)
Lewis and Clark bicentennial	(103)					
Discretionary grants						
North Dakota development fund						
Total all funds	(\$5,882)	(\$24,877)	\$20,000	(\$25,032,431)	(\$1,000,000)	(\$2,500,000)
Less estimated income	(1,540)	0	0	(22,679,570)	0	(2,500,000)
General fund	(\$4,342)	(\$24,877)	\$20,000	(\$2,352,861)	(\$1,000,000)	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	<b>Creates a Separate Line Item for Discretionary Grants<sup>7</sup></b>	<b>Adds Funding for Discretionary Grants<sup>8</sup></b>	<b>Adds Funding for Feasibility Study<sup>9</sup></b>	<b>Adds Funding for Marketing<sup>10</sup></b>	<b>Adds Funding for Development Fund<sup>11</sup></b>	<b>Reduces Operating Funding<sup>12</sup></b>
Salaries and wages						
Operating expenses						(100,000)
Grants	(1,247,127)					
Agricultural products utilization						
Lewis and Clark bicentennial						
Discretionary grants	1,247,127	150,000	50,000	200,000		
North Dakota development fund					1,550,000	
<b>Total all funds</b>	<b>\$0</b>	<b>\$150,000</b>	<b>\$50,000</b>	<b>\$200,000</b>	<b>\$1,550,000</b>	<b>(\$100,000)</b>
Less estimated income	0	0	0	0	0	0
<b>General fund</b>	<b>\$0</b>	<b>\$150,000</b>	<b>\$50,000</b>	<b>\$200,000</b>	<b>\$1,550,000</b>	<b>(\$100,000)</b>
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	<b>Reduces Funding for Tourism Marketing<sup>13</sup></b>	<b>Changes Grants Funding<sup>14</sup></b>	<b>Adds Funding for Grants<sup>15</sup></b>	<b>Total Conference Committee Changes</b>
Salaries and wages				(\$5,573)
Operating expenses	(100,000)			(204,877)
Grants				(27,279,558)
Agricultural products utilization				(2,500,206)
Lewis and Clark bicentennial	(200,000)	200,000	100,000	99,897
Discretionary grants		(200,000)		1,447,127
North Dakota development fund				1,550,000
<b>Total all funds</b>	<b>(\$300,000)</b>	<b>\$0</b>	<b>\$100,000</b>	<b>(\$26,893,190)</b>
Less estimated income	0	0	0	(25,181,110)
<b>General fund</b>	<b>(\$300,000)</b>	<b>\$0</b>	<b>\$100,000</b>	<b>(\$1,712,080)</b>
FTE	0.00	0.00	0.00	0.00

<sup>1</sup> Funding for state employee health insurance premiums is reduced from \$493 to \$488.70 per month.

<sup>2</sup> This amendment reduces funding for information technology by \$24,877 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 5 percent.

<sup>3</sup> The operating expenses line item is increased by \$20,000 for administrative costs of the department.

<sup>4</sup> The section added by the House designating the Department of Commerce as the state's fiscal agent and administrator of all workforce development and workforce training funds is removed. The Senate also removed this section. As a result, funding added by the House for the following programs is removed:

Agency/Program	General Fund	Federal Funds	Special Funds	Total
Department of Human Services - Job opportunities and basic skills (JOBS)		(\$8,225,614)		(\$8,225,614)
Department of Human Services - Basic employment skills training (BEST)		(391,198)	(7,500)	(398,698)
Job Service - Work Force 2000	(1,002,861)			(1,002,861)
Job Service - Senior community service employment		(1,070,352)		(1,070,352)
Job Service - Trade adjustment assistance		(99,800)		(99,800)
Job Service - Workforce Investment Act		(12,735,106)		(12,735,106)
Job Service - New jobs training program			(150,000)	(150,000)
State Board for Vocational and Technical Education - Workforce training contracts	(1,350,000)			(1,350,000)
Total	(\$2,352,861)	(\$22,522,070)	(\$157,500)	(\$25,032,431)

<sup>5</sup> Removes funding added by the House for grants for direct support of internships for students entering growth industries that have critical shortages of available employees. A section of legislative intent is added providing that the Workforce Development Division develop a streamlined internship program involving its web site and in conjunction with University System efforts. The Senate also made these changes.

<sup>6</sup> Funding of \$2.5 million from the highway tax distribution fund for ethanol incentive payments is removed in accordance with provisions of Senate Bill No. 2222, which includes a continuing appropriation for the Agricultural Products Utilization Commission to make ethanol incentive payments. The Senate also made these changes.

<sup>7</sup> Funding for the director's discretionary grants is removed from the grants line item and established as a separate line item in the bill. A section is added allowing the department to continue the appropriation authority included in this line item beyond the 2003-05 biennium. The Senate also made these changes.

<sup>8</sup> The discretionary grants line item is increased by \$150,000 from the general fund. The department is expected to have unspent general fund appropriation authority of at least \$200,000 for the 2001-03 biennium, \$150,000 of which has not been included in the March revised general fund turnback estimate for the 2001-03 biennium. The Senate also made these changes.

<sup>9</sup> Adds funding for preparing a North Dakota proposal to attract a high-tech manufacturing facility to the state, the same as the Senate version.

<sup>10</sup> The discretionary grants line item is increased by \$200,000 from the general fund. A section of legislative intent is added providing that this funding be used for a marketing and image-building campaign for the Red River Valley research corridor beginning in the second year of the biennium. The Senate also made these changes.

<sup>11</sup> Funding is added for the Development Fund. The House did not provide any additional funding for the Development Fund and the Senate provided \$2 million of funding for the Development Fund.

<sup>12</sup> The operating expenses line item is reduced by \$100,000 from the general fund relating to reductions in funding for professional services (\$70,000) and travel (\$30,000).

<sup>13</sup> Funding for tourism marketing is reduced by \$300,000, \$200,000 of which relates to Lewis and Clark marketing and \$100,000 to general marketing.

<sup>14</sup> Funding for the \$100,000 grant for the Lewis and Clark Interpretive Center in Washburn added by the House and included in the Senate version and the \$100,000 grant for Fort Lincoln added by the Senate is moved from the discretionary grants line item to the Lewis and Clark Bicentennial line item.

<sup>15</sup> The Lewis and Clark line item is increased by \$100,000 from the general fund to increase the grant specified for the Lewis and Clark Interpretive Center in Washburn by \$50,000, to \$150,000 and to increase the grant specified for Fort Lincoln by \$50,000, to \$150,000.

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The Conference Committee amendment includes the section added by the House designating \$25,000 of the director's discretionary grants for use in rescues of visitors to North Dakota tourist attractions. The Senate had removed this section.

A section is added providing that the department use \$150,000 of the Lewis and Clark Bicentennial line item to provide a grant to the Fort Abraham Lincoln Foundation for reconstruction and interpretation of the Seventh Cavalry stable at the fort and for maintenance and repairs of other fort buildings. The Senate version provided for a \$100,000 grant.

The section added by the House providing that the department provide a grant to the Lewis and Clark Interpretive Center in Washburn is changed to increase the grant to \$150,000. The House and Senate versions provided that the grant be for \$100,000.

The section added by the House precluding the department from spending funding to support the New Economy Initiative is removed, the same as the Senate version.

The House reduced the operating expenses of the research, business development, and marketing programs of the Division of Economic Development and Finance by \$200,000 from the general fund. The Conference Committee changes this reduction to allow the department to determine the specific areas of the department's budget to reduce.

This amendment provides that the administrative costs of the Development Fund be paid from the Development Fund, the same as the House version. The executive budget and the Senate version provided that these costs be paid from the general fund.

The section added by the House providing for annual reports to the Budget Section on select activities and outcomes of the department, which the Senate removed, is changed to provide for specific benchmark reporting to either the Budget Section or another interim committee designated by the Legislative Council.

Three new sections are added providing that the \$2.9 million appropriated to the Tourism Division in Senate Bill No. 2337 be used exclusively for marketing the Lewis and Clark Bicentennial celebration, that the Tourism Division request bids for each Lewis and Clark Bicentennial-related marketing campaign developed during the 2003-05 biennium, and that the Department of Commerce provide detailed reports to the Appropriations Committees of the 2005 Legislative Assembly regarding the Tourism Division's appropriations and expenditures.

A section is added providing for the establishment of a trade promotion authority for the 2003-05 biennium and providing that the department use \$75,000 of its operating expenses line item for operating costs of the authority. In addition, a section is added authorizing the department to spend gifts, grants, or other income received for use by the trade promotion authority, pursuant to a continuing appropriation for the 2003-05 biennium.

The section added by the Senate providing a continuing appropriation for moneys collected from the NDhasjobs.com Internet web site is not included in the Conference Committee amendment.

A section is added authorizing the Information Technology Department to provide wide area network services for up to four years to an occupant of a higher education-related technology park or business incubator.

The maximum seed capital investment that is eligible for an individual income tax credit is increased from the House version of \$100,000 to \$250,000, provisions limiting investments in one qualified business to no more than \$250,000 is removed, and the

effective date is changed from taxable years beginning after December 31, 2003, to taxable years beginning after December 31, 2002. The Senate also made these changes.

Sections are added creating a Centers of Excellence program within the University System and identifying the NDSU Center for Technology Enterprise and the UND Center for Innovation as Centers of Excellence. The Senate established the program in the Department of Commerce and identified six entities as Centers of Excellence.

A section is added providing that as of October 1, 2003, the development fund provide \$1,250,000 to the NDSU Center for Technology Enterprise and \$800,000 to the UND Center for Innovation. The Senate had provided that the NDSU Center for Technology Enterprise receive a \$1,500,000 grant, and the UND Center for Innovation receive a \$1,000,000 grant.