

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2057 - Funding Summary

	Executive Budget	Final Legislative Action	Comparison To Executive Budget
Department of Human Services			
Child care service provider grants		\$3,100,000	\$3,100,000
Total all funds	\$0	\$3,100,000	\$3,100,000
Less estimated income	0	0	0
General fund	\$0	\$3,100,000	\$3,100,000
FTE	0.00	0.00	0.00
Department of Commerce			
Salaries and wages		\$10,858,251	\$10,858,251
Operating expenses		14,026,650	14,026,650
Capital assets		70,018	70,018
Grants		60,027,994	60,027,994
Centers of entrepreneurship grants			
Limited deployment-cooperative airspace			
Workforce enhancement fund transfer			
Centers of research excellence grants			
Eminent research challenge grants			
North Dakota Development Fund			
Discretionary funds		928,082	928,082
Agricultural Products Utilization Commission		2,739,767	2,739,767
North Dakota Trade Office		2,613,400	2,613,400
Partner programs		2,072,044	2,072,044
Federal fiscal stimulus funds		24,496,750	24,496,750
Economic development initiatives		186,846	186,846
Workforce enhancement		375,000	375,000
Centers of research excellence		12,000,000	12,000,000
Total all funds	\$0	\$130,394,802	\$130,394,802
Less estimated income	0	88,634,937	88,634,937
General fund	\$0	\$41,759,865	\$41,759,865
FTE	0.00	68.25	68.25
Bill Total			
Total all funds	\$0	\$133,494,802	\$133,494,802
Less estimated income	0	88,634,937	88,634,937
General fund	\$0	\$44,859,865	\$44,859,865
FTE	0.00	68.25	68.25

Senate Bill No. 2057 - Williston State College - House Action

	Executive Budget	Senate Version	House Changes	House Version
Williston State College building project			\$2,000,000	\$2,000,000
Total all funds	\$0	\$0	\$2,000,000	\$2,000,000
Less estimated income	0	0	1,500,000	1,500,000
General fund	\$0	\$0	\$500,000	\$500,000
FTE	0.00	0.00	0.00	0.00

Department 229 - Williston State College - Detail of House Changes

	Workforce Training Building Project¹	Total House Changes
Williston State College building project	2,000,000	2,000,000
Total all funds	\$2,000,000	\$2,000,000
Less estimated income	1,500,000	1,500,000
General fund	\$500,000	\$500,000
FTE	0.00	0.00

¹ The amendment provides Williston State College a general fund appropriation of \$500,000 and authority to borrow up to \$1.5 million from the Bank of North Dakota for a workforce training building project.

Senate Bill No. 2057 - Williston State College - Conference Committee Action

The hoghouse amendment removes a general fund appropriation of \$500,000 and authority to borrow up to \$1.5 million from the Bank of North Dakota provided to Williston State College by the House for a workforce training building project.

Senate Bill No. 2057 - Department of Human Services - Conference Committee Action

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Child care service provider grants			\$3,100,000	\$3,100,000		\$3,100,000
Total all funds	\$0	\$0	\$3,100,000	\$3,100,000	\$0	\$3,100,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$3,100,000	\$3,100,000	\$0	\$3,100,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department 325 - Department of Human Services - Detail of Conference Committee Changes

	Adds Funding for Child Care Service Provider Grants¹	Total Conference Committee Changes
Child care service provider grants	3,100,000	3,100,000
Total all funds	\$3,100,000	\$3,100,000
Less estimated income	0	0
General fund	\$3,100,000	\$3,100,000
FTE	0.00	0.00

¹ Funding is added by the conference committee to provide an appropriation to the Department of Human Services for grants to child care service providers for workforce development, quality improvement, technical assistance, and capacity building as provided in Section 50-11.1-14.1. The House provided \$5 million for these grants, of which \$4,935,000 is from the general fund, to the Department of Commerce to work in collaboration with the Department of Human Services to administer these grants.

Senate Bill No. 2057 - Department of Commerce - Senate Action

The bill provides for the following general fund appropriations to the Department of Commerce:

- \$5 million for funding centers of entrepreneurship excellence grants.
- \$3.5 million for advancing opportunities associated with a limited deployment-cooperative airspace project in the state.
- \$2 million for a transfer to the workforce enhancement fund.
- \$8 million for centers of research excellence grants.
- \$1.5 million for eminent researcher recruitment challenge grants.

Senate Bill No. 2057 - Department of Commerce - House Action

	Executive Budget	Senate Version	House Changes	House Version
Salaries and wages			\$10,871,979	\$10,871,979
Operating expenses			13,883,260	13,883,260
Capital assets			70,018	70,018
Grants			71,512,994	71,512,994
Centers of entrepreneurship grants		5,000,000	(5,000,000)	
Limited deployment-cooperative airspace		3,500,000	(3,500,000)	
Workforce enhancement fund transfer		2,000,000	(2,000,000)	
Centers of research excellence grants		8,000,000	(8,000,000)	
Eminent research challenge grants		1,500,000	(1,500,000)	
North Dakota Development Fund			250,000	250,000
Discretionary funds			928,082	928,082
Agricultural Products Utilization Commission			2,739,767	2,739,767
North Dakota Trade Office			2,553,000	2,553,000
Partner programs			2,022,044	2,022,044
Federal fiscal stimulus funds			24,496,750	24,496,750
Economic development initiatives			186,846	186,846
Workforce enhancement			2,000,000	2,000,000
Total all funds	\$0	\$20,000,000	\$111,514,740	\$131,514,740
Less estimated income	0	0	88,634,937	88,634,937
General fund	\$0	\$20,000,000	\$22,879,803	\$42,879,803
FTE	0.00	0.00	68.25	68.25

Department 601 - Department of Commerce - Detail of House Changes

	Removes Funding for Grants¹	Adds Funding for Department of Commerce²	Adds Funding for Tourism Infrastructure Grants³	Adds Funding for IDEA Center Grant⁴	Adds Funding for USS <i>North Dakota</i> Grant⁵	Adds Funding for Minot Air Force Base Realignment Grant⁶
Salaries and wages		10,871,979				
Operating expenses		13,883,260				
Capital assets		70,018				
Grants		66,262,994	500,000	300,000	100,000	150,000
Centers of entrepreneurship grants	(5,000,000)					
Limited deployment-cooperative airspace	(3,500,000)					
Workforce enhancement fund transfer	(2,000,000)					
Centers of research excellence grants	(8,000,000)					
Eminent research challenge grants	(1,500,000)					
North Dakota Development Fund		250,000				
Discretionary funds		928,082				
Agricultural Products Utilization Commission		2,739,767				
North Dakota Trade Office		2,553,000				
Partner programs		2,022,044				
Federal fiscal stimulus funds		24,496,750				
Economic development initiatives		186,846				
Workforce enhancement Centers of research excellence		2,000,000				
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Total all funds	(\$20,000,000)	\$126,264,740	\$500,000	\$300,000	\$100,000	\$150,000
Less estimated income	0	88,634,937	0	0	0	0
General fund	(\$20,000,000)	\$37,629,803	\$500,000	\$300,000	\$100,000	\$150,000
FTE	0.00	68.25	0.00	0.00	0.00	0.00

	Adds Funding for Grand Forks Air Force Base Realignment Grant⁷	Total House Changes
Salaries and wages		10,871,979
Operating expenses		13,883,260
Capital assets		70,018
Grants	4,200,000	71,512,994
Centers of entrepreneurship grants		(5,000,000)
Limited deployment-cooperative airspace		(3,500,000)
Workforce enhancement fund transfer		(2,000,000)
Centers of research excellence grants		(8,000,000)
Eminent research challenge grants		(1,500,000)
North Dakota Development Fund		250,000
Discretionary funds		928,082
Agricultural Products Utilization Commission		2,739,767
North Dakota Trade Office		2,553,000
Partner programs		2,022,044
Federal fiscal stimulus funds		24,496,750
Economic development initiatives		186,846
Workforce enhancement Centers of research excellence		2,000,000
Total all funds	\$4,200,000	\$111,514,740
Less estimated income	0	88,634,937
General fund	\$4,200,000	\$22,879,803
FTE	0.00	68.25

¹ The amendment removes funding for the following grants:

- Centers of entrepreneurship grants.
- Limited deployment-cooperative airspace.
- Workforce enhancement fund transfer.
- Centers of research excellence grants.
- Eminent researcher recruitment challenge grants.

² The amendment provides the same funding level and FTE position for the Department of Commerce as approved by the House in House Bill No. 1018.

³ Funding provided by the House for tourism infrastructure grants to be administered by the Division of Tourism is increased by \$500,000 to provide a total of \$1.5 million.

⁴ The amendment adds funding for a grant to a not-for-profit organization assisting individuals to determine the feasibility and viability of business ideas.

⁵ The amendment adds funding for a grant to assist in the promotion and marketing of the USS *North Dakota*.

⁶ Funding provided by the House in House Bill No. 1018 for a Minot Air Force Base realignment grant to the Minot TF-21 Committee to enhance economic development and employment opportunities associated with the Minot Air Force Base resulting from action by the federal Defense Base Closure and Realignment Commission is increased by \$150,000 to provide a total of \$400,000.

⁷ Funding is added for a Grand Forks Air Force Base realignment grant to provide grants to research universities under the control of the State Board of Higher Education or nonprofit university-related foundations for use in infrastructure or enhancement of

economic development and employment opportunities. Of the amount provided, \$200,000 is available to the Grand Forks Housing Authority for a planning initiative or grants for infrastructure and economic development projects or programs to accommodate growth in proximity to or at the Grand Forks Air Force Base.

This amendment also authorizes the Department of Commerce to continue \$5 million of 2009-11 unspent general fund appropriation authority relating to the Great Plains Applied Energy Research Center. Of the \$5 million, the department shall use \$4,335,000 for a grant to Bismarck State College for the purpose of completing the National Energy Center of Excellence fourth floor renovation project; \$600,000 to assist in the acquisition of the antiballistic missile site at the Stanley R. Mickelson Safeguard Complex in Nekoma; and \$65,000 for grants to child care service providers for workforce development, quality improvement, technical assistance, and capacity building.

Senate Bill No. 2057 - Department of Commerce - Conference Committee Action

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages			\$10,858,251	\$10,858,251	\$10,871,979	(\$13,728)
Operating expenses			14,026,650	14,026,650	13,883,260	143,390
Capital assets			70,018	70,018	70,018	
Grants			60,027,994	60,027,994	71,512,994	(11,485,000)
Centers of entrepreneurship grants		5,000,000	(5,000,000)			
Limited deployment-cooperative airspace		3,500,000	(3,500,000)			
Workforce enhancement fund transfer		2,000,000	(2,000,000)			
Centers of research excellence grants		8,000,000	(8,000,000)			
Eminent research challenge grants		1,500,000	(1,500,000)			
North Dakota Development Fund Discretionary funds			928,082	928,082	250,000	(250,000)
Agricultural Products Utilization Commission			2,739,767	2,739,767	2,739,767	
North Dakota Trade Office Partner programs			2,613,400	2,613,400	2,553,000	60,400
Federal fiscal stimulus funds			2,072,044	2,072,044	2,022,044	50,000
Economic development initiatives			24,496,750	24,496,750	24,496,750	
Workforce enhancement Centers of research excellence			186,846	186,846	186,846	
			375,000	375,000	2,000,000	(1,625,000)
			12,000,000	12,000,000		12,000,000
Total all funds	\$0	\$20,000,000	\$110,394,802	\$130,394,802	\$131,514,740	(\$1,119,938)
Less estimated income	0	0	88,634,937	88,634,937	88,634,937	0
General fund	\$0	\$20,000,000	\$21,759,865	\$41,759,865	\$42,879,803	(\$1,119,938)
FTE	0.00	0.00	68.25	68.25	68.25	0.00

Department 601 - Department of Commerce - Detail of Conference Committee Changes

	Removes Funding for Grants¹	Adds Funding for Department of Commerce²	Removes Centers of Excellence - Eminent Researcher Recruitment Grant³	Reduces Funding for Workforce Enhancement Grants⁴	Removes Funding for Child Care Service Provider Grants⁵	Removes Funding for Child Care Grants and Loans⁶
Salaries and wages		11,115,528				(13,728)
Operating expenses		14,233,260				(6,610)
Capital assets		70,018				
Grants		60,377,994			(250,000)	(100,000)
Centers of entrepreneurship grants	(5,000,000)					
Limited deployment-cooperative airspace	(3,500,000)					
Workforce enhancement fund transfer	(2,000,000)					
Centers of research excellence grants	(8,000,000)					
Eminent research challenge grants	(1,500,000)					
North Dakota Development Fund		250,000				(250,000)
Discretionary funds		928,082				
Agricultural Products Utilization Commission		2,739,767				
North Dakota Trade Office		2,613,400				
Partner programs		2,122,044				
Federal fiscal stimulus funds		24,496,750				
Economic development initiatives		186,846				
Workforce enhancement Centers of research excellence		2,000,000		(1,625,000)		
		13,000,000	(1,000,000)			
Total all funds	(\$20,000,000)	\$134,133,689	(\$1,000,000)	(\$1,625,000)	(\$250,000)	(\$370,338)
Less estimated income	0	88,634,937	0	0	0	0
General fund	(\$20,000,000)	\$45,498,752	(\$1,000,000)	(\$1,625,000)	(\$250,000)	(\$370,338)
FTE	0.00	69.25	0.00	0.00	0.00	0.00

	Removes Funding for a Director of Energy FTE Position and Associated Operating Expenses⁷	Reduces Funding for the American Indian Business Development Office⁸	Removes Funding for the Jobs for America's Graduates Programs⁹	Total Conference Committee Changes
Salaries and wages	(243,549)			10,858,251
Operating expenses	(100,000)		(100,000)	14,026,650
Capital assets				70,018
Grants				60,027,994
Centers of entrepreneurship grants				(5,000,000)
Limited deployment-cooperative airspace				(3,500,000)
Workforce enhancement fund transfer				(2,000,000)
Centers of research excellence grants				(8,000,000)
Eminent research challenge grants				(1,500,000)
North Dakota Development Fund Discretionary funds				928,082
Agricultural Products Utilization Commission				2,739,767
North Dakota Trade Office				2,613,400
Partner programs		(50,000)		2,072,044
Federal fiscal stimulus funds				24,496,750
Economic development initiatives				186,846
Workforce enhancement				375,000
Centers of research excellence				12,000,000
Total all funds	(\$343,549)	(\$50,000)	(\$100,000)	\$110,394,802
Less estimated income	0	0	0	88,634,937
General fund	(\$343,549)	(\$50,000)	(\$100,000)	\$21,759,865
FTE	(1.00)	0.00	0.00	68.25

¹ The amendment removes funding included in the Senate version for the following grants:

- Centers of entrepreneurship grants.
- Limited deployment-cooperative airspace.
- Workforce enhancement fund transfer.
- Centers of research excellence grants.
- Eminent researcher recruitment challenge grants.

² The amendment provides the same funding level and FTE positions for the Department of Commerce as approved by the Senate in House Bill No. 1018.

³ Funding provided in the Senate version of House Bill No. 1018 for an eminent researcher recruitment grant is removed. This change is the same as the House version.

⁴ Funding provided in the Senate version of House Bill No. 1018 for workforce enhancement grants is reduced by \$1,625,000 to provide a total of \$375,000 from the general fund. The House version of House Bill No. 1018 and Senate Bill No. 2057 provided \$2 million from the general fund for these grants. However, the conference committee is authorizing the department to use up to \$1,125,000 from unspent 2009-11 biennium appropriation authority for the Great Plains Applied Energy Research Center for workforce enhancement grants during the 2011-13 biennium, therefore, making available a total of \$1.5 million.

⁵ Funding of \$250,000 provided in the Senate version of House Bill No. 1018 for grants to child care service providers is removed. The conference committee amendment provides a separate appropriation of \$3.1 million to the Department of Human Services for grants to child care service providers. The House provided \$5 million for these grants, of which \$4,935,000 is from the general fund.

- ⁶ Funding provided in the Senate version of House Bill No. 1018 for the child care grants and loans is removed. The House version provided \$100,000 from the general fund for grants, \$250,000 for child care loans, and \$20,338 for the administration of the child care loan and grant program.
- ⁷ Funding provided in the Senate version of House Bill No. 1018 for a director of energy position (\$243,549) and associated operating expenses (\$100,000) is removed. The House version of House Bill No. 1018 and Senate Bill No. 2057 did not provide funding for this FTE position or related operating expenses.
- ⁸ Funding provided in the Senate version of House Bill No. 1018 for the American Indian Business Development Office is reduced by \$50,000 to provide a total of \$150,000 from the general fund. The House version provided \$100,000 from the general fund for the American Indian Business Development Office.
- ⁹ Funding provided in the Senate version of House Bill No. 1018 to continue four Jobs for America's Graduates programs previously paid with federal funds in the 2009-11 biennium is removed. The House version did not provide funding for this program.

The conference committee amendment is a hoghouse amendment that incorporates the Senate version of House Bill No. 1018 into Senate Bill No. 2057; however, this amendment makes the following changes to the Senate version of House Bill No. 1018:

- The Senate version of House Bill No. 1018 used \$4 million of unspent 2009-11 biennium appropriations from the Great Plains Applied Energy Research Center for entrepreneurial centers development grants and \$1 million to the Development Fund for investments in startup stage technology-based businesses. In the conference committee amendment, this is changed to provide \$1 million to the Development Fund for investments in startup stage technology-based businesses, \$1.125 million for workforce enhancement grants, \$750,000 of one-time funding for tourism infrastructure grants, \$600,000 for a grant to assist in the acquisition of the antiballistic missile site at the Stanley R. Mickelson Safeguard Complex in Nekoma, \$325,000 of one-time funding for a Minot Air Force Base realignment grant to the Minot TF-21 Committee, \$300,000 of one-time funding for a grant to the IDEA Center, and \$900,000 of unspent 2009-11 biennium appropriations related to the Great Plains Applied Energy Research Center will remain in the general fund.
- The funding source for a grant to assist in the acquisition of the antiballistic missile site at the Stanley R. Mickelson Safeguard Complex in Nekoma provided in the Senate version of House Bill No. 1018 is changed from the strategic investment and improvements fund to the Great Plains Applied Energy Research Center carryover.
- Regarding the centers of research excellence program, tourism is being removed from the definition of what is included in an "industry cluster." Under centers of research excellence application and eligibility requirements, limiting research university applications to no more than two for each round of center funding is removed as well as the consideration of a center's ability to become financially self-sustaining from the award determination process. Under centers of research excellence use of funds - terms of funds - distribution of funds - postaward monitoring, the public sector required match is changed to permit a match to be provided by a not-for-profit organization.
- Under the centers of excellence and centers of research excellence postaward monitoring section, an audit is required on all funds distributed to the center after the second full fiscal year and after all funds distributed to the center have been expended and that for all other years during the postaward monitoring, a center may contract with an independent accountant for an agreed-upon procedures engagement.
- The eminent researcher recruitment grant is removed.
- The entrepreneurial centers development grants are removed.
- The automating manufacturing processes tax credit effective date is changed from December 31, 2011, to December 31, 2012.
- A section added in the Senate version of House Bill No. 1018 to provide for a Legislative Management study of gas flaring issues is removed.
- The higher education electronic portfolio system pilot program is changed to expire as of June 30, 2013, and the department is to provide a report on the program to the Budget Section.
- A section is added to provide for a Legislative Management study of early childhood services provider training and assistance.
- A section of legislative intent is added that the centers of research excellence program continue as an ongoing program of the Department of Commerce.
- Authority provided in the Senate version of House Bill No. 1018 to use \$50,000 from the grants line item as a matching grant for an institution of higher education vaccinology initiative is changed to discretionary funds line item.

Other provisions included in the Senate version of House Bill No. 1018 added in this amendment relate to:

- A small business technology investment program that provides matching investments to startup technology-based businesses.

- Centers of excellence statutory provisions are changed to:
 - Remove the expiration date of the Centers of Excellence Commission of July 31, 2011, and make other changes and additions relating to postaward monitoring;
 - Centers of research excellence and a centers of research excellence fund; and
 - Eminent researcher recruitment grants, base realignment grants, and entrepreneurial centers development grants.
- A pilot program within higher education for an electronic portfolio system administered by the Division of Workforce Development.
- Creating an internship fund.
- Biofuel blender pump incentive program.
- A centers of research excellence fund, and the bill provides for a transfer of the \$12 million provided for centers of excellence to this fund. Of the funding provided, \$4 million is for grants related to limited deployment-cooperative airspace projects (\$2.7 million to the University of North Dakota and \$1.3 million to North Dakota State University).
- An income tax credit for purchases of manufacturing machinery and equipment for the purpose of automating manufacturing processes. This credit is anticipated to reduce 2011-13 biennium general fund revenues by \$2 million.
- Authorizing unexpended amounts from the 2009-11 biennium appropriation of \$100,000 for the USS *North Dakota* to continue into the 2011-13 biennium.
- A Legislative Management study of the impact of future population growth on state and local government revenues.