

Department 601 - Department of Commerce
House Bill No. 1018

First Chamber Comparison to Base Level

	General Fund	Other Funds	Total
2023-25 First Chamber Version	\$76,285,497	\$171,549,469	\$247,834,966
2023-25 Base Level	31,502,140	53,544,379	85,046,519
Increase (Decrease)	\$44,783,357	\$118,005,090	\$162,788,447

First Chamber Changes

A summary of the first chamber's changes to the agency's base level appropriations and the executive budget is attached as an appendix.

Selected Bill Sections Included in the First Chamber Version

Transfer - General fund to internship fund - Section 3 requires the Office of Management and Budget (OMB) to transfer \$1,006,896 appropriated from the general fund in Section 1 to the internship fund for the Department of Commerce to administer the Operation Intern program during the 2023-25 biennium.

Transfer - Legacy earnings fund to legacy investment fund for technology - Section 4 requires OMB to transfer \$20 million from the legacy earnings fund to the legacy investment for technology fund for providing legacy investment technology loans.

Transfer - Strategic investment and improvements fund to North Dakota Development Fund - Section 5 requires OMB to transfer \$30 million from the strategic investment and improvements fund (SIIF) to the North Dakota Development Fund for programs under North Dakota Century Code Chapter 10-30.5.

Transfer - Strategic investment and improvements fund to North Dakota Development Fund - Fertilizer development grant program - Section 6 requires OMB to transfer \$120 million from SIIF to the North Dakota Development Fund for a fertilizer development grant program.

Strategic investment and improvements fund - Section 7 identifies \$98.5 million of one-time funding is from SIIF for the rural workforce housing grant program (\$7 million), tourism marketing awareness initiative (\$5 million), tourism destination development initiative grant program (\$25 million), beyond visual line of sight (BVLOS) uncrewed aircraft system (UAS) grants (\$30 million), enhanced use lease grants (\$28 million), new Americans workforce development and training grants (\$2 million), and a workforce safety grant (\$1.5 million). Legislative intent is provided that the department not hire a third-party consultant when determining how funding for the tourism destination development initiative grant program will be spent.

Rural workforce housing grant program - Section 8 identifies \$6.5 million of one-time funding appropriated from the general fund in the grants line item is for the rural workforce housing grant program. The department is required to develop guidelines for awarding grants. Funding may be awarded to cities with a population of fewer than 10,000 residents.

Discretionary funds - State magazine - Section 10 identifies of the funding appropriated from the general fund for discretionary funds, \$150,000 is designated for supporting the continuation of the North Dakota state magazine.

Workforce development grants to tribally controlled community colleges - Section 11 identifies \$5 million of one-time funding appropriated from the general fund in the grants line item is for workforce development grants to tribally controlled community colleges. To be eligible for a grant under this section, a tribally controlled community college must partner with at least one high school in the state for programs under Section 54-60.2-02. Any college receiving a grant under this section must report to the Department of Commerce and the department must report to the Legislative Management regarding the use of grants funds.

Exemptions - Section 26 provides the department 15 exemptions to continue \$134.5 million of funding authorized for the 2021-23 biennium into the 2023-25 biennium for the following programs: nonresident nurse employment recruitment program, federal Coronavirus Aid, Relief, and Economic Security (CARES) Act funding, state small business credit initiative, discretionary funds, UAS, BVLOS UAS, enhanced use lease grants, homeless shelter grants, workforce community services, community development planning grants, autonomous agriculture grants, workforce development incentive grants, and technical skills training grants.

Grant status reports - Section 27 requires the department to report to the Legislative Management during the 2023-24 interim regarding the status of grant programs administered by the department.

Continuing Appropriations

Innovation loan fund to support technology advancement - Section 6-09.18-05 - Provided for the purpose of providing innovation technology loans and for administrative expenses. The department is required to deposit to the fund all principal and interest paid on loans made from the fund. Loan recipients may only use funding to conduct applied research, experimentation, or operational testing within the state. Sections 12 through 19 of House Bill No. 1018 change the innovation loan fund to support technology advancement program's name to the legacy investment for technology program.

Ethanol production incentive fund - Section 17-02-05 - Allows for payments of ethanol production incentives to North Dakota ethanol plants.

Workforce enhancement fund - Section 54-60-23 - All funds in the workforce enhancement fund are appropriated to the department on a continuing basis for implementing and administering the Workforce Enhancement Council and workforce enhancement grants to higher education institutions assigned primary responsibility for workforce training.

Community development loan fund - Section 54-44.5-05 - Allows for the expenditures of community development block grant revolving loan funds.

Research North Dakota - Section 54-65-08 - This continuing appropriation allows for implementing and administering the Research North Dakota program.

Internship fund - Section 54-60-17.1 - This continuing appropriation allows for the expansion of the number of new internships, work experience, and apprenticeship opportunities with North Dakota employers.

UAS programs - Section 54-60-29 - This continuing appropriation allows the department to use fees collected for administration of the Northern Plains UAS Test Site and other funds appropriated by the Legislative Assembly for operations of the Northern Plains UAS Test Site, the BVLOS UAS program, and the enhanced use lease grant program.

Energy conservation grant fund - Section 54-44.5-05.1 - This continuing appropriation allows for the department to provide grants to political subdivisions for energy conservation projects in nonfederal public buildings.

Deficiency Appropriations

There are no deficiency appropriations for this agency.

Significant Audit Findings

The operational audit for the department conducted by the State Auditor's office for the period ending June 30, 2021, did not identify any significant audit findings.

Major Related Legislation

House Bill No. 1379 - This bill creates a workforce development and enrichment fund and appropriates \$10 million from the fund to the department for providing grants to support strategic workforce development, technical education, workforce diversification initiatives, and workforce guidance and support.

Senate Bill No. 2142 - This bill appropriates \$485,000, of which \$242,500 is one-time funding from the general fund and \$242,500 is ongoing funding from the economic development fund, to the department for the purpose of providing salaries and benefits for the newly created Office of Immigration. The department is authorized one FTE position to administer the office.

Senate Bill No. 2240 - This bill provides a one-time appropriation of \$1.9 million from the general fund to the department for the purpose of providing base retention grant funding to communities with an Air Force base or Air National Guard facilities. Of the total, \$900,000 is to be distributed to eligible organizations in Minot and \$1 million is to be distributed equally to eligible organizations in Grand Forks and Fargo.

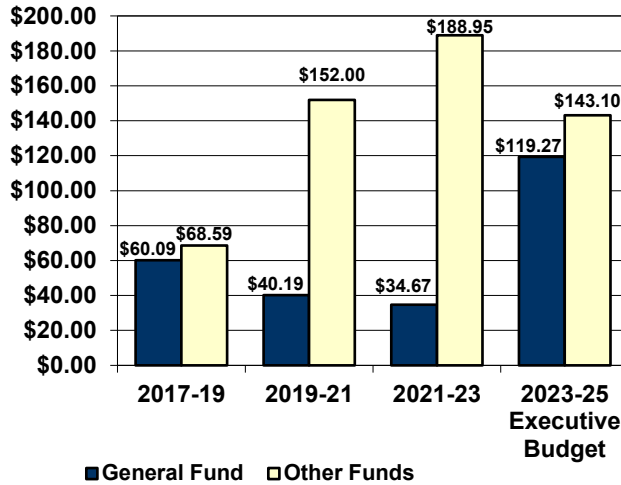
Senate Bill No. 2273 - This bill appropriates one-time funding of \$2 million from the general fund to the department for the purpose of establishing a pilot program to provide grants for the preservation of rural grocery stores and increasing the availability of food access in the state.

House Concurrent Resolution No. 3001 - Authorizes the Budget Section to hold the required legislative hearings on state plans for the receipt and expenditures of new or revised block grants passed by Congress. The department's appropriation bill contains directions regarding the use of community services block grant program money for the period ending September 30, 2025.

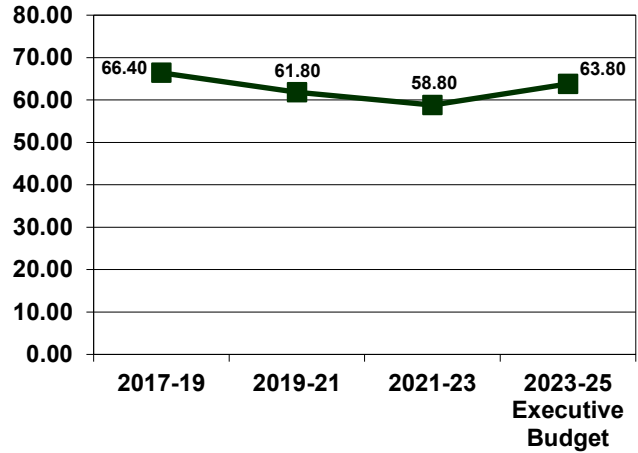
Historical Appropriations Information

Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



Ongoing General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
Ongoing general fund appropriations	\$33,859,099	\$30,342,680	\$32,866,721	\$31,502,140	\$35,898,480
Increase (decrease) from previous biennium	N/A	(\$3,516,419)	\$2,524,041	(\$1,364,581)	\$4,396,340
Percentage increase (decrease) from previous biennium	N/A	(10.4%)	8.3%	(4.2%)	14.0%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	(10.4%)	(2.9%)	(7.0%)	6.0%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2017-19 Biennium

- Removed 3 FTE positions and related funding of \$479,078, of which \$274,522 is from the general fund and \$204,556 is from other funds (\$274,522)
- Adjusted funding for operating expenses, primarily related to professional services, postage, office supplies, and equipment (\$1,438,838)
- Reduced funding for the Operation Intern program to provide total funding of \$950,000 (\$550,000)
- Reduced funding for prekindergarten community grants to provide total funding of \$1.5 million (\$500,000)
- Reduced funding for the North Dakota Trade Office to provide total funding of \$2 million (\$556,694)
- Reduced funding for partner programs to provide total funding of \$1,939,845 (\$233,984)
- Added funding for homeless shelter grants \$300,000
- Adjusted funding for entrepreneurship grants and vouchers to provide total funding of \$1.95 million, of which \$600,000 is from the general fund, \$1.2 million is from the Research North Dakota fund, and \$150,000 is from the economic development fund (\$750,000)

2019-21 Biennium

- Removed 3 FTE positions and related funding of \$521,836, of which \$130,845 is from the general fund (\$130,845)
- Adjusted funding for the department's reorganization (\$1,549,149)
- Added funding for homeless shelter grants to provide a total of \$1.5 million from the general fund \$1,200,000
- Added funding for biotechnology grants \$300,000
- Adjusted funding for discretionary funds from the Research North Dakota fund to the general fund \$950,000

- 6. Added funding for the tourism division to provide total funding of \$8,801,678 for operating expenses, of which \$8,259,678 is from the general fund and \$542,000 is from the Department of Tourism fund \$1,000,000
- 7. Added funding for matching funds to an organization providing research-based literacy intervention services to students below grade four who score below proficient in reading \$200,000

2021-23 Biennium

- 1. Reduced funding for salaries and wages to reflect anticipated savings from vacant positions and employee turnover \$140,000
- 2. Reduced funding for the Community Services Division (\$216,576), Workforce Development Division (\$199,664), Economic Development and Finance Division (\$195,000), and administration division (\$396,990) operating expenses, primarily related to operating fees and services, travel, rent, postage, professional development, IT data processing, and IT software supplies (\$1,008,230)
- 3. Reduced funding for the Operation Intern program to provide a total of \$755,000 from the general fund (\$100,000)
- 4. Added funding for the UAS program, of which \$3 million is from the general fund for operating expenses of the Northern Plains UAS Test Site, \$7 million is for grants from federal funds, and \$20,150 is for grants from the UAS fund \$3,000,000
- 5. Transferred the early childhood education program to the Department of Human Services (\$1,500,000)
- 6. Removed funding for biotechnology grants, eliminating the program (\$300,000)
- 7. Reduced funding for homeless shelter grants to provide a total of \$1,330,212 from the general fund (\$169,788)
- 8. Added funding for rural health care grants to provide a total of \$250,000 from the general fund \$250,000
- 9. Transferred the North Dakota Trade Office to the Agriculture Commissioner (\$1,600,000)

2023-25 Biennium (Executive Budget Recommendation)

- 1. Adds funding for 3 FTE positions for the workforce talent attraction initiative (\$202,940), workforce investment grant program (\$202,940), and Main Street Initiative community development program (\$226,922) \$632,802
- 2. Adds funding for an Office of Automation, of which \$310,858 is for salaries and wages of 1 FTE position and \$689,142 is for operating fees and services \$1,000,000
- 3. Adds funding for a Global Engagement Office, of which \$250,904 is for salaries and wages of 1 FTE position and \$368,500 is for travel, data processing, postage, printing, and professional development costs \$619,404
- 4. Adds funding for the Operation Intern program to provide a total of \$1,006,082 \$251,082
- 5. Transfers \$1,330,212 for the homeless shelter grant program and \$240,000 for the emergency shelter grant program to the Housing Finance Agency (\$1,570,212)

One-Time General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
One-time general fund appropriations	\$18,663,260	\$29,750,000	\$7,325,000	\$3,165,432	\$83,375,631

Major One-Time General Fund Appropriations

2017-19 Biennium

- 1. Enhanced use lease grants \$1,000,000
- 2. BVLOS UAS program \$28,000,000
- 3. North Dakota gorge preservation grants \$750,000

2019-21 Biennium

- 1. UAS operating expenses \$2,225,000
- 2. Enhanced use lease grants \$3,000,000
- 3. Workforce grants to tribally controlled community colleges \$500,000
- 4. Workforce safety grant \$1,000,000
- 5. Nonresident nurse employment recruitment program \$500,000
- 6. Sculpture maintenance grants \$75,000
- 7. Job development and economic growth grant \$25,000

2021-23 Biennium

1. Film and theater production grant	\$100,000
2. Workforce grants to tribally controlled community colleges	\$500,000
3. BVLOS UAS program	\$1,000,000
4. Tourism transportation improvement grant	\$565,432
5. Discretionary funds	\$1,000,000

2023-25 Biennium (Executive Budget Recommendation)

1. Rural workforce housing grant program	\$5,500,000
2. Workforce talent attraction initiative	\$24,797,060
3. Workforce investment program grants	\$20,000,000
4. Automation workforce transition training grants	\$5,000,000
5. Automation grants	\$10,000,000
6. Technical skills training grants	\$2,000,000
7. Tourism awareness marketing	\$5,000,000
8. Main Street Initiative community development grants	\$800,000
9. Rural revitalization and redevelopment	\$10,000,000

Department of Commerce - Budget No. 601
House Bill No. 1018
Base Level Funding Changes

	Executive Budget Recommendation				House Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2023-25 Biennium Base Level	58.80	\$31,502,140	\$53,544,379	\$85,046,519	58.80	\$31,502,140	\$53,544,379	\$85,046,519
2023-25 Ongoing Funding Changes								
Base payroll changes		\$444,238	\$283,274	\$727,512		\$444,238	\$283,274	\$727,512
Adds funding for the cost to continue salary increases		80,150	20,345	100,495		80,150	20,345	100,495
Salary increase		863,384	157,900	1,021,284		632,902	118,204	751,106
Health insurance increase		247,062	56,730	303,792		247,483	58,035	305,518
Adds funding for salary equity increases		100,000		100,000				0
Restores underfunded salaries		140,000		140,000		140,000		140,000
Adds funding for temporary salaries		91,000	500,000	591,000		91,000	500,000	591,000
Adds funding for an FTE position for the workforce talent attraction initiative	1.00	202,940		202,940	1.00	202,940		202,940
Adds funding for an FTE position for the workforce investment grant program	1.00	202,940		202,940	1.00	202,940		202,940
Adds funding for an FTE position for the Main Street Initiative community development program	1.00	226,922		226,922				0
Adds funding for an Office of Automation	1.00	1,000,000		1,000,000	1.00	1,000,000		1,000,000
Adds funding for a Global Engagement Office	1.00	619,404		619,404	1.00	619,404		619,404
Adds funding for travel		490,534		490,534		490,534		490,534
Adjusts funding for operating expenses, primarily professional development, services, and fees		1,006,896	(2,230)	1,004,666		1,006,896	(2,230)	1,004,666
Adds funding for the Operation Intern program		251,082		251,082		251,082		251,082
Transfers \$220,000 of federal funding for the AmeriCorps workforce community services program from grants to operating expenses				0				0
Adds federal funding for weatherization and furnace cooling assistance programs			2,085,834	2,085,834			2,085,834	2,085,834
Adds funding for the rural health care grant program				0		194,000		194,000
Transfers the homeless shelter grant program to the Housing Finance Agency		(1,330,212)		(1,330,212)		(1,330,212)		(1,330,212)
Transfers the emergency shelter grant program to the Housing Finance Agency		(240,000)	(1,147,341)	(1,387,341)		(240,000)	(1,147,341)	(1,387,341)
Total ongoing funding changes	5.00	\$4,396,340	\$1,954,512	\$6,350,852	4.00	\$4,033,357	\$1,916,121	\$5,949,478
One-Time Funding Items								
Adds funding for the rural workforce housing grant program		\$5,500,000		\$5,500,000			\$7,000,000	\$7,000,000
Adds funding for the workforce talent attraction initiative operating expenses		24,797,060		24,797,060		\$8,000,000		8,000,000
Adds funding for workforce investment program grants		20,000,000		20,000,000		15,000,000		15,000,000
Adds funding for automation workforce transition training grants		5,000,000		5,000,000		5,000,000		5,000,000
Adds funding for automation workforce equipment grants		10,000,000		10,000,000		5,000,000		5,000,000
Adds funding for technical skills training grants		2,000,000		2,000,000		2,000,000		2,000,000
Adds funding for tourism awareness marketing		5,000,000		5,000,000			5,000,000	5,000,000
Adds funding for a tourism destination development initiative			\$50,000,000	50,000,000			25,000,000	25,000,000
Adds funding for Main Street Initiative community development grants		800,000		800,000		400,000		400,000
Adds funding for rural revitalization and redevelopment grants		10,000,000		10,000,000				0
Adds funding for an AmeriCorps volunteer generation fund grant program		278,571	600,000	878,571				0
Adds funding for the BVLOS UAS grant program			30,000,000	30,000,000			30,000,000	30,000,000
Adds funding for the enhanced use lease grant program			7,000,000	7,000,000			28,000,000	28,000,000
Adds funding for new Americans workforce development and training grants				0			2,000,000	2,000,000
Adds funding for workforce grants to tribally controlled community colleges				0		5,000,000		5,000,000
Adds federal funding for the AmeriCorps workforce community services program				0			785,000	785,000
Adds federal funding for the parks and recreation grant program				0			1,550,000	1,550,000
Adds federal funding for the energy conservation grant program				0			14,081,719	14,081,719
Adds federal funding for the heating and cooling grant program				0			1,172,250	1,172,250
Adds funding for a workforce safety grant				0			1,500,000	1,500,000
Adds funding for discretionary funds				0		350,000		350,000
Total one-time funding changes	0.00	\$83,375,631	\$87,600,000	\$170,975,631	0.00	\$40,750,000	\$116,088,969	\$156,838,969
Total Changes to Base Level Funding	5.00	\$87,771,971	\$89,554,512	\$177,326,483	4.00	\$44,783,357	\$118,005,090	\$162,788,447
2023-25 Total Funding	63.80	\$119,274,111	\$143,098,891	\$262,373,002	62.80	\$76,285,497	\$171,549,469	\$247,834,966
<i>Federal funds included in other funds</i>			\$46,555,556				\$63,519,581	
<i>Total ongoing changes as a percentage of base level</i>	8.5%	14.0%	3.7%	7.5%	6.8%	12.8%	3.6%	7.0%
<i>Total changes as a percentage of base level</i>	8.5%	278.6%	167.3%	208.5%	6.8%	142.2%	220.4%	191.4%

Other Sections in Department of Commerce - Budget No. 601

	<u>Executive Budget Recommendation</u>	<u>House Version</u>
Transfer - General fund to internship fund	Section 25 would require OMB to transfer \$1 million appropriated from the general fund in Section 1 to the internship fund for the Department of Commerce to administer the Operation Intern program during the 2023-25 biennium.	Section 3 requires OMB to transfer \$1,006,896 appropriated from the general fund in Section 1 to the internship fund for the Department of Commerce to administer the Operation Intern program during the 2023-25 biennium.
Transfer - Legacy earnings fund to legacy investment fund for technology	Section 26 would require OMB to transfer \$20 million from the legacy earnings fund to the innovation loan fund to support technology advancement for providing innovation technology loans.	Section 4 requires OMB to transfer \$20 million from the legacy earnings fund to the legacy investment for technology fund for providing legacy investment technology loans.
Transfer - SIFF to North Dakota Development Fund		Section 5 requires OMB to transfer \$30 million from SIFF to the North Dakota Development Fund for programs under Chapter 10-30.5.
Transfer - SIFF to North Dakota Development Fund - Fertilizer development grant program		Section 6 requires OMB to transfer \$120 million from SIFF to the North Dakota Development Fund for a fertilizer development grant program.
Estimated income - SIFF - One-time funding - Legislative intent		Section 7 identifies \$98.5 million of one-time funding is from SIFF for the rural workforce housing grant program (\$7 million), tourism marketing awareness initiative (\$5 million), tourism destination development initiative grant program (\$25 million), BVLOS UAS grants (\$30 million), enhanced use lease grants (\$28 million), new Americans workforce development and training grants (\$2 million), and a workforce safety grant (\$1.5 million). Legislative intent is provided that the Department of Commerce not hire a third-party consultant when determining how funding for the tourism destination development initiative grant program will be spent.
Rural workforce housing grant program		Section 8 identifies \$6.5 million of one-time funding appropriated from the general fund in the grants line item is for the rural workforce housing grant program. The department is required to develop guidelines for awarding grants. Funding may be awarded to cities with a population of fewer than 10,000 residents.
Rural health care grant program - Matching funds requirement		Section 9 identifies \$444,000 appropriated from the general fund is for the rural health care grant program. The department may spend this funding only to the extent a grant recipient has secured matching funds from nonstate sources on a dollar-for-dollar basis.
Discretionary funds - State magazine		Section 10 identifies of the funding appropriated from the general fund for discretionary funds, \$150,000 is designated for supporting the continuation of the North Dakota state magazine.
Workforce development grants to tribally controlled community colleges - Eligibility requirements - Legislative Management report		Section 11 identifies \$5 million of one-time funding appropriated from the general fund in the grants line item is for workforce development grants to tribally controlled community colleges. To be eligible for a grant under this section, a tribally controlled community college must partner with at least one high school in the state for programs under Section 54-60.2-02. Any college receiving a grant under this section must report to the Department of Commerce and the department must report to the Legislative Management regarding the use of grants funds.
Amendment - Innovation loan fund to support technology advancement - Legacy investment for technology fund		Sections 12 through 19 amend Chapter 6-09.18 and Section 21-10-13(4) to change the innovation loan fund to support technology advancement program's name to the legacy investment for technology program.

Other Sections in Department of Commerce - Budget No. 601

	<u>Executive Budget Recommendation</u>	<u>House Version</u>
Amendment - Workforce Enhancement Council		Section 20 amends Section 54-60-22 to expand recommendations provided by the Workforce Enhancement Council to the Commissioner of the Department of Commerce regarding the approval of training grants to include training providers and businesses, rather than only providing recommendations for grants to institutions of higher education.
Amendment - UAS program and fund		Sections 21 through 23 amend Sections 54-60-28, 54-60-29, and 54-60-29.1 related to administration of UAS-related programs.
Amendment - Workforce development grants to tribally controlled community colleges		Section 24 amends Section 54-60.2-02 to allow workforce development grants to tribally controlled community colleges to be spent on the development or enhancement of career and technical education programs.
Amendment - 2021 Special Session Session Laws - North Dakota Development Fund transfer - 2021-23 biennium	Section 32 would amend subsection 35 of Section 1 of Chapter 550 of the 2021 Special Session Session Laws to provide the transfer OMB is to make from the federal State Fiscal Recovery Fund to the North Dakota Development Fund during the 2021-23 biennium is for the purpose of a North Dakota Development Fund grant program.	Section 25 amends subsection 35 of Section 1 of Chapter 550 of the 2021 Special Session Session Laws to provide the transfer OMB is to make from the federal State Fiscal Recovery Fund to the North Dakota Development Fund during the 2021-23 biennium is for the purpose of a North Dakota Development Fund grant program.
Exemption - Nonresident nurse employment recruitment program	Section 7 would provide an exemption to continue unexpended 2019-21 biennium funds for the nonresident nurse employment recruitment program that was continued into the 2021-23 biennium into the 2023-25 biennium. A total of \$500,000 was appropriated from the general fund to the department for this purpose for the 2019-21 biennium and the department received authorization to continue \$320,000 of this funding into the 2021-23 biennium.	Subsection 1 of Section 26 provides an exemption to continue unexpended 2019-21 biennium funds for the nonresident nurse employment recruitment program that was continued into the 2021-23 biennium into the 2023-25 biennium. A total of \$500,000 was appropriated from the general fund to the department for this purpose for the 2019-21 biennium and the department received authorization to continue \$320,000 of this funding into the 2021-23 biennium.
Exemption - CARES Act funding	Section 23 would provide an exemption to continue unexpended 2019-21 biennium federal CARES Act funded programs that were continued into the 2021-23 biennium into the 2023-25 biennium. A total of \$11,393,078 was appropriated from federal COVID-19 funds to the department in House Bill No. 1394 (2021) for the community development block grant program (\$3,000,000), community services block grant program (\$7,393,078), and emergency solutions grant program (\$1,000,000) for the 2021-23 biennium.	Subsection 2 of Section 26 provides an exemption to continue unexpended 2019-21 biennium federal CARES Act funded programs that were continued into the 2021-23 biennium into the 2023-25 biennium. A total of \$11,393,078 was appropriated from federal COVID-19 funds to the department in House Bill No. 1394 (2021) for the community development block grant program (\$3,000,000), community services block grant program (\$7,393,078), and emergency solutions grant program (\$1,000,000) for the 2021-23 biennium.
Exemption - State small business credit initiative	Section 22 would provide an exemption to continue unexpended 2021-23 biennium funds for the state small business credit initiative program into the 2023-25 biennium. A total of \$56,234,176 was appropriated from federal COVID-19 funds to the department in House Bill No. 1394 (2021) for this purpose for the 2021-23 biennium.	Subsection 3 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for the state small business credit initiative program into the 2023-25 biennium. A total of \$56,234,176 was appropriated from federal COVID-19 funds to the department in House Bill No. 1394 (2021) for this purpose for the 2021-23 biennium.
Exemption - Discretionary funds	Section 3 would provide an exemption to continue unexpended 2021-23 biennium funds for discretionary funds into the 2023-25 biennium. A total of \$2.15 million was appropriated from the general fund to the department in Senate Bill No. 2018 (2021) for this purpose for the 2021-23 biennium.	Subsection 4 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for discretionary funds into the 2023-25 biennium. A total of \$2.15 million was appropriated from the general fund to the department in Senate Bill No. 2018 (2021) for this purpose for the 2021-23 biennium.
Exemption - Additional discretionary funds	Section 4 would provide an exemption to continue unexpended 2021-23 biennium funds for discretionary funds into the 2023-25 biennium. A total of \$1 million was appropriated from the general fund to the department in House Bill No. 1015 (2021) for this purpose for the 2021-23 biennium.	Subsection 5 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for discretionary funds into the 2023-25 biennium. A total of \$1 million was appropriated from the general fund to the department in House Bill No. 1015 (2021) for this purpose for the 2021-23 biennium.

Other Sections in Department of Commerce - Budget No. 601

	<u>Executive Budget Recommendation</u>	<u>House Version</u>
Exemption - UAS program	Section 8 would provide an exemption to continue unexpended 2021-23 biennium funds for the UAS program into the 2023-25 biennium. A total of \$3 million was appropriated as ongoing funding from the general fund to the department for this purpose for the 2021-23 biennium.	Subsection 6 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for the UAS program into the 2023-25 biennium. A total of \$3 million was appropriated as ongoing funding from the general fund to the department for this purpose for the 2021-23 biennium.
Exemption - BVLOS UAS program	Section 5 would provide an exemption to continue unexpended 2021-23 biennium funds for the BVLOS UAS program into the 2023-25 biennium. A total of \$19 million was appropriated from SIFF to the department for this purpose for the 2021-23 biennium.	Subsection 7 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for the BVLOS UAS program into the 2023-25 biennium. A total of \$19 million was appropriated from SIFF to the department for this purpose for the 2021-23 biennium.
Exemption - BVLOS UAS program matching funds	Section 9 would provide an exemption to continue unexpended 2021-23 biennium funds for matching funds related to the BVLOS UAS program into the 2023-25 biennium. A total of \$1 million was appropriated from the general fund to the department for this purpose for the 2021-23 biennium.	Subsection 8 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for matching funds related to the BVLOS UAS program into the 2023-25 biennium. A total of \$1 million was appropriated from the general fund to the department for this purpose for the 2021-23 biennium.
Exemption - Enhanced use lease grant program	Section 6 would provide an exemption to continue unexpended 2021-23 biennium funds for the enhanced use lease grant program into the 2023-25 biennium. A total of \$7 million was appropriated from SIFF to the department for this purpose for the 2021-23 biennium.	Subsection 9 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for the enhanced use lease grant program into the 2023-25 biennium. A total of \$7 million was appropriated from SIFF to the department for this purpose for the 2021-23 biennium.
Exemption - Homeless shelter grant program	Section 13 would provide an exemption to continue unexpended 2021-23 biennium funds for the homeless shelter grant program into the 2023-25 biennium. A total of \$1,330,212 was appropriated from the general fund to the department for this purpose for the 2021-23 biennium.	Subsection 10 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for the homeless shelter grant program into the 2023-25 biennium. A total of \$1,330,212 was appropriated from the general fund to the department for this purpose for the 2021-23 biennium.
Exemption - Workforce community services program	Section 10 would provide an exemption to continue unexpended 2021-23 biennium funds for the workforce community services program into the 2023-25 biennium. A total of \$1,074,888 was appropriated from federal funds to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	Subsection 11 of Section 26 would provide an exemption to continue unexpended 2021-23 biennium funds for the workforce community services program into the 2023-25 biennium. A total of \$1,074,888 was appropriated from federal funds to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Exemption - Community development planning grant program	Section 11 would provide an exemption to continue unexpended 2021-23 biennium funds for the community development planning grant program into the 2023-25 biennium. A total of \$1 million was appropriated from federal funds to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	Subsection 12 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for the community development planning grant program into the 2023-25 biennium. A total of \$1 million was appropriated from federal funds to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Exemption - Autonomous agriculture matching grants	Section 14 would provide an exemption to continue unexpended 2021-23 biennium funds for the autonomous agriculture grant program into the 2023-25 biennium. A total of \$10 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	Subsection 13 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for the autonomous agriculture grant program into the 2023-25 biennium and provides the funding shall be awarded without requiring matching funds from nonstate sources. A total of \$10 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Exemption - Workforce development incentive grant program	Section 15 would provide an exemption to continue unexpended 2021-23 biennium funds for the workforce development incentive grant program into the 2023-25 biennium. A total of \$15 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	Subsection 14 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for the workforce development incentive grant program into the 2023-25 biennium. A total of \$15 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.

Other Sections in Department of Commerce - Budget No. 601

	<u>Executive Budget Recommendation</u>	<u>House Version</u>
Exemption - Technical skills training grants	Section 16 would provide an exemption to continue unexpended 2021-23 biennium funds for the technical skills training grant program into the 2023-25 biennium. A total of \$5 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	Subsection 15 of Section 26 provides an exemption to continue unexpended 2021-23 biennium funds for the technical skills training grant program into the 2023-25 biennium. A total of \$5 million was appropriated from the federal State Fiscal Recovery Fund to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.
Grant status reports		Section 27 requires the Department of Commerce to report to the Legislative Management during the 2023-24 interim regarding the status of grant programs administered by the department.
Exemption - Workforce innovation network grant program	Section 12 would provide an exemption to continue unexpended 2021-23 biennium funds for the workforce innovation network grant program into the 2023-25 biennium. A total of \$100,000 was appropriated from special funds from the National Governors Association to the department during the November 2021 special legislative session for this purpose for the 2021-23 biennium.	
Exemption - AmeriCorps workforce community services	Section 17 would provide an exemption to continue unexpended 2021-23 biennium funds for the AmeriCorps workforce community services program into the 2023-25 biennium. Authority to spend \$1.2 million of federal funds was approved by the Emergency Commission and Budget Section in March 2022 for this purpose for the 2021-23 biennium.	
Exemption - Parks and recreation grant	Section 18 would provide an exemption to continue unexpended 2021-23 biennium funds for the parks and recreation program into the 2023-25 biennium. Authority to spend \$1.55 million of federal funds was approved by the Emergency Commission and Budget Section in September 2022 for this purpose for the 2021-23 biennium.	
Exemption - Energy conservation program	Section 19 would provide an exemption to continue unexpended 2021-23 biennium funds for the energy conservation program into the 2023-25 biennium. Authority to spend \$14,222,975 of federal funds transferred from the Department of Health and Human Services was approved by the Emergency Commission and Budget Section in September 2022 for this purpose for the 2021-23 biennium.	
Exemption - Heating and cooling grants	Section 20 would provide an exemption to continue unexpended 2021-23 biennium funds for the heating and cooling grant program into the 2023-25 biennium. Authority to spend \$1,306,112 of federal funds transferred from the Department of Health and Human Services was approved by the Emergency Commission and Budget Section in September 2022 for this purpose for the 2021-23 biennium.	
Exemption - Agriculture rural placemaking challenge program	Section 21 would provide an exemption to continue unexpended 2021-23 biennium funds for the agriculture rural placemaking challenge program into the 2023-25 biennium. Authority to spend \$250,000 of federal funds was approved by the Emergency Commission and Budget Section in September 2022 for this purpose for the 2021-23 biennium.	
Exemption - Coronavirus Relief funding	Section 24 would provide an exemption to continue unexpended 2019-21 biennium funding from the federal Coronavirus Relief Fund that was continued into the 2021-23 biennium into the 2023-25 biennium. A total of \$82,179,000 was appropriated from the Coronavirus Relief Fund to the department in House Bill No. 1395 (2021) for the 2021-23 biennium.	

Other Sections in Department of Commerce - Budget No. 601

	<u>Executive Budget Recommendation</u>	<u>House Version</u>
Transfer - Legacy earnings fund to North Dakota Development Fund	Section 27 would require OMB to transfer \$30 million from the legacy earnings fund to the North Dakota Development Fund.	
Estimated income - Legacy earnings fund - One-time funding	Section 28 would identify \$37 million of one-time funding appropriated in Section 1 is from the legacy earnings fund for BVLOS UAS grants (\$30 million) and enhanced use lease grants (\$7 million).	
Estimated income - Legacy earnings fund - One-time funding	Section 29 would identify \$50 million of one-time funding appropriated in Section 1 is from the legacy earnings fund for a tourism destination development grant program.	
Additional appropriation authority	Section 30 would appropriate additional income available from federal or other funds in excess of funding appropriated in Section 1 to the department during the 2023-25 biennium.	
Exemption - Entrepreneurship grants and vouchers program	Section 31 would identify \$948,467 appropriated in Section 1 is from the general fund (\$740,956) and special funds (\$207,511) for the entrepreneurship grants and vouchers program and would provide an exemption to allow the department to continue this funding into the 2025-27 biennium.	