

**DEPARTMENT 601 - DEPARTMENT OF COMMERCE  
2025-27 BASE-LEVEL BUDGET**

**Base Budget - Summary**

	<u>Base Level</u>
Salaries and wages	\$15,785,306
Operating expenses	19,462,643
Grants	47,636,118
Discretionary funds	2,150,000
Partner programs	907,920
Entrepreneurship grants and vouchers	<u>948,467</u>
Total all funds	\$86,890,454
Less other funds	<u>53,344,371</u>
Total general fund	\$33,546,083
Full-time equivalent (FTE) positions <sup>1</sup>	62.80

<sup>1</sup>Of the 65.80 FTE positions authorized by the Legislative Assembly for the Department of Commerce for the 2023-25 biennium, 3 FTE positions are considered one-time FTE positions for the purpose of administering federal weatherization and energy assistance programs available as a result of the federal Infrastructure Investment and Jobs Act and the federal Inflation Reduction Act.

**Selected Base Budget Information**

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
1. Includes funding for salaries and wages of 62.80 FTE positions, including \$280,603 for temporary salaries. Of the other funds available for salaries and wages \$2,137,139 are from federal funds and \$1,079,841 are from special funds.	\$12,568,326	\$3,216,980	\$15,785,306
2. Includes funding for operating expenses, primarily related to professional and operating fees and services, travel, and information technology costs. Of the other funds available for operating expenses, \$938,172 are from federal funds and \$2,071,303 are from special funds.	\$16,453,168	\$3,009,475	\$19,462,643
3. Includes funding for grants, of which \$40,750,851 is from federal funds and \$6,159,554 is from special funds. Of the \$725,713 from the general fund, \$444,000 is for rural health care grants, \$200,000 is for literacy intervention service grants, and \$81,713 is for the continuum of care program.  Of the \$40,750,851 from federal funds, \$9,100,000 is for the community development block grant program, \$6,783,694 is for the community services block grant program, \$1,310,000 is for the AmeriCorps program, \$347,157 is for the state apprenticeship expansion program, \$750,000 is for the continuum of care program, \$7,000,000 is for the low income home energy assistance program, \$520,000 is for the state energy program, \$5,196,000 is for heating and cooling assistance programs, \$1,654,000 is for weatherization assistance programs, \$90,000 is for the state commission program, and is \$8,000,000 for the uncrewed aircraft systems (UAS) program.  Of the \$6,159,554 from special funds, \$3,995,000 is for the community development block grant, \$1,144,404 is for energy efficiency programs, and \$1,020,150 is for the UAS program.	\$725,713	\$46,910,405	\$47,636,118
4. Includes funding for discretionary funds, of which \$150,000 is for operating fees and services, and \$2 million is for grants	\$2,150,000	\$0	\$2,150,000
5. Includes funding for partner programs which is often used to support small businesses, nonprofits, and other organizations to promote economic development in the state	\$907,920	\$0	\$907,920
6. Includes funding for the entrepreneurship grants and vouchers program, of which \$207,511 is from the economic development fund. The program, which is also known as Innovate ND, is a voucher reimbursement program available to North Dakota entrepreneurs to further their businesses in the areas of customer and market research.	\$740,956	\$207,511	\$948,467

## Continuing Appropriations

**Legacy investment for technology program** - North Dakota Century Code Section 6-09.18-05 - Provides for innovation technology loans and 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 13 through 19 of House Bill No. 1018 (2023) changed the innovation loan fund to support technology advancement program's name to the legacy investment for technology (LIFT) program. Funding for the program is transferred to a fund held by the Bank of North Dakota. The department expends administrative expenses for the program from a separate administrative fund.

For the 2021-23 biennium, the administrative fund had \$0 of revenue, \$9,495 of expenditures, and a fund balance of \$11,260 on June 30, 2023. The Legislative Assembly authorized the transfer of \$15 million during the 2021-23 biennium and \$10 million during the 2023-25 biennium from the strategic investment and improvements fund to the LIFT fund held at the Bank.

**Ethanol production incentive fund** - Section 17-02-05 - Allows for payments of ethanol production incentives to North Dakota ethanol plants. For the 2021-23 biennium, the fund had \$4,967,357 of revenue transferred from the highway tax distribution fund, \$3,877,727 of expenditures, and a fund balance of \$5,114,095 on June 30, 2023.

**Community development loan fund** - Section 54-44.5-05 - Allows for the expenditures of community development block grant revolving loan funds. For the 2021-23 biennium, the fund had \$1,073,668 of revenue, \$1,034,650 of expenditures, and a fund balance of \$12,880,347 on June 30, 2023.

**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. For the 2021-23 biennium, the fund had \$1,202,299 of revenue of which \$1,200,000 was transferred from oil tax revenues, \$852,612 of expenditures, and a fund balance of \$879,916 on June 30, 2023.

**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. For the 2021-23 biennium, the fund had \$763,790 of revenue of which \$755,000 was transferred from the general fund, \$1,170,411 of expenditures, and a fund balance of \$510,309 on June 30, 2023.

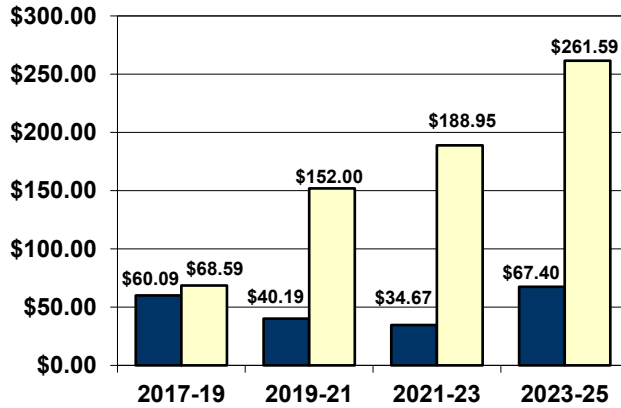
**Workforce enhancement fund** - Section 54-60-23 - All funds in the workforce enhancement fund are appropriated to the department on a continuing basis for implementing and administering the Workforce Enhancement Council and workforce enhancement grants to higher education institutions assigned primary responsibility for workforce training. For the 2021-23 biennium, the fund had \$0 of revenue, \$0 of expenditures, and a fund balance of \$2,362 on June 30, 2023.

**Uncrewed aircraft system 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 beyond visual line of sight (BVLOS) UAS program, and the enhanced use lease grant program. For the 2021-23 biennium, the fund had \$1,350,643 of revenue, \$1,348,376 of expenditures, and a fund balance of \$252 on June 30, 2023.

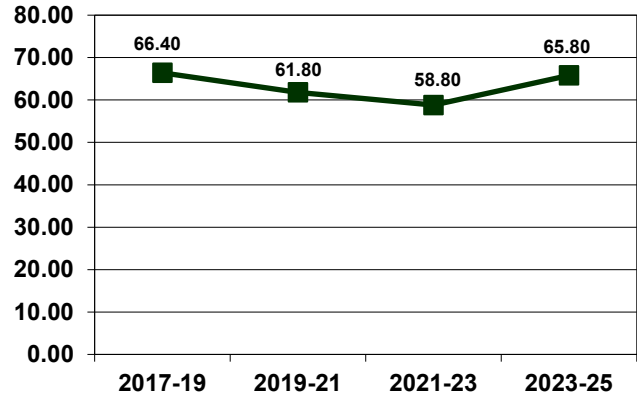
# Historical Appropriations Information

## Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



■ General Fund □ Other Funds

### Ongoing General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25
Ongoing general fund appropriations	\$33,859,099	\$30,342,680	\$32,866,721	\$31,502,140	\$33,546,083
Increase (decrease) from previous biennium	N/A	(\$3,516,419)	\$2,524,041	(\$1,364,581)	\$2,043,943
Percentage increase (decrease) from previous biennium	N/A	(10.4%)	8.3%	(4.2%)	6.5%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	(10.4%)	(2.9%)	(7.0%)	(0.9%)

### 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
- 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 4 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**

- 1. Restored funding for salaries underfunded during the 2021-23 biennium (\$140,000) and added funding for temporary salaries (\$91,000) \$231,000
- 2. Added funding for an FTE position for the workforce talent attraction initiative (\$202,940) and an FTE position for the workforce investment grant program (\$202,940) \$405,880
- 3. Added funding for operating expenses of the Global Engagement Office \$351,404
- 4. Increased funding for travel to provide a total of \$1,606,976 \$490,534
- 5. Added funding for operating expenses, primarily related to professional development, services, and fees \$1,006,896
- 6. Increased funding for the Operation Intern program to provide a total of \$1,006,082 from the general fund \$251,082
- 7. Increased funding for the rural health care grant program to provide a total of \$444,000 from the general fund \$194,000
- 8. Transferred \$1,330,212 from the general fund for the homeless shelter grant program and \$1,387,341 for the emergency shelter grant program, including \$240,000 from the general fund and \$1,147,341 from federal funds, to the Housing Finance Agency (\$1,570,212)
- 9. Removed funding for small business development centers in the partner programs line item, resulting in \$907,920 from the general fund remaining for partner programs (\$654,611)

**One-Time General Fund Appropriations**

	2015-17	2017-19	2019-21	2021-23	2023-25
One-time general fund appropriations	\$18,663,260	\$29,750,000	\$7,325,000	\$3,165,432	\$33,850,000

**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
<b>2021-23 Biennium</b>	
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
<b>2023-25 Biennium</b>	
1. Workforce programs, including workforce talent attraction initiative operating expenses (\$12 million), workforce investment program grants (\$12.5 million), technical skills training grants (\$2 million), and new Americans workforce development and training grants (\$2 million)	\$28,500,000
2. Creamery assistance grant	\$250,000
3. Motion picture production and recruitment grant	\$600,000
4. Workforce development grants to tribally controlled community colleges	\$500,000
5. Office of Legal Immigration	\$2,000,000
6. Base retention grants	\$1,000,000
7. Rural grocery store sustainability and food access expansion pilot grants	\$1,000,000