



**EXECUTIVE BUDGET RECOMMENDATION
 2025-27 BIENNIUM**

Budget Summary

	FTE Positions	General Fund	Other Funds	Total
Executive budget recommendation	64.80	\$75,915,577	\$179,820,226	\$255,735,803
Base level	62.80	33,546,083	53,344,371	86,890,454
Increase (decrease)	2.00	\$42,369,494	\$126,475,855	\$168,845,349
Percentage increase (decrease)	3.2%	126.3%	237.1%	194.3%

NOTE:

More detailed information on the executive budget recommendation is attached as Appendix A.

A copy of the draft appropriations bill reflecting the executive budget recommendation is attached as Appendix B.

Selected Highlights

- Adds \$827,798, of which \$659,161 is from the general fund and \$168,637 is from other funds, for salary increases of up to 4 percent effective July 1, 2025, and 3 percent effective July 1, 2026
- Adds \$384,338, of which \$300,624 is from the general fund and \$83,714 is from other funds, for a health insurance premium increase of \$250 per month (15.2 percent), from \$1,643 to \$1,893, per employee
- Adds \$1,069,307, of which \$966,736 is from the general fund and \$102,571 is from other funds, to replace the 2023-25 biennium new FTE pool (\$405,880) and 2023-25 biennium vacant FTE pool (\$663,427)
- Adds \$257,408 from the economic development fund for 1 FTE North Dakota Development Fund position and \$216,954 from the general fund for 1 FTE procurement officer position
- Adds \$3.45 million from the general fund for Office of Legal Immigration operating expenses (\$1.45 million) and grants (\$2 million), of which \$450,000 is ongoing funding and \$3 million is **one-time funding**. Total ongoing funding for the Office of Legal Immigration would increase to \$935,000 from the general fund.
- Adds \$5 million of **one-time funding** from the general fund for tourism marketing awareness
- Adds \$35 million of **one-time funding** from the strategic investment and improvements fund (SIIF) for tourism activities, including \$5 million for tourism operating expenses related to a 250th Great American State Fair event and \$30 million for tourism destination development grants
- Adds \$2,000,000 of **one-time funding** from the general fund for the operation intern program to provide a total of \$3,006,896 from the general fund
- Adds \$26 million of **one-time funding** from SIIF for a state radar data pathfinder program (\$11 million) and an uncrewed aerial vehicle replacement grant program (\$15 million)
- Adds \$30.15 million of **one-time funding** from SIIF for housing initiatives, including operating expenses for a building, plumbing, and energy code task force (\$150,000), innovative construction method grants (\$1 million), augmenting construction workforce grants (\$5 million), missing middle projects community grants (\$7 million), missing middle projects developer grants (\$7 million), flexible grants to local governments (\$2.5 million), community builder grants (\$4.5 million), construction management assistance grants (\$1 million), deal packaging assistance grants (\$1 million), and drafting and design assistance grants (\$1 million)
- Adds \$2.6 million of **one-time funding** from the general fund for the community property improvement grant program, also known as the rural workforce housing grant program
- Adds \$26 million of **one-time funding** for uncrewed aircraft system (UAS) programs, including \$1 million from the general fund for UAS program grants, \$20 million from SIIF for beyond visual line of sight UAS program grants, and \$5 million from SIIF for the enhance use lease grant program
- Adds \$10 million of **one-time funding** from SIIF for autonomous agriculture grants

- Adds \$1,259,044 of **one-time funding** from the general fund for the entrepreneurship grants and vouchers program to provide a total of \$2,207,511, of which \$2,000,000 is from the general fund and \$207,511 is from the economic development fund
- Adds \$24.5 million of **one-time funding** from the general fund for workforce programs, including \$10 million for the find the good life initiative, \$2 million for technical skills training grants, and \$12.5 million for regional workforce impact program grants, which are also known as workforce investment program grants

Deficiency Appropriations

There are no deficiency appropriations recommended in the executive budget for this agency.

Significant Audit Findings

The operational audit of the Department of Commerce conducted by the State Auditor's office for the period ending June 30, 2023, revealed the following audit findings:

- **Motion picture grant procedures** - The State Auditor reviewed the Department of Commerce's grant award procedures and determined a \$600,000 motion picture production and recruitment grant was awarded through a competitive process but only allowed 10 days for interested parties to apply, which does align with the timeframes used by the agency for other grants programs. The State Auditor recommended the Department of Commerce evaluate allowable time frames for announcing and awarding competitive grants to ensure enough time is allocated to attract the best candidates.

The Department of Commerce disagreed with the audit finding. The department stated the auditing methodology used was flawed and failed to consider the inherent differences between grant programs. The department stated a one-time, highly time-sensitive grant with strict seasonal requirements cannot be fairly compared to ongoing programs with applications windows spread throughout the biennium.

- **Improper purchase card transactions** - The State Auditor reviewed 34 state-issued purchase cards ("p-cards") expenditures and determined 2 transactions did not have itemized receipts to support the purchase, 2 transactions involved alcohol purchases for staff and board members, 5 transactions were for meals that exceeded state per diem rates, and 6 transactions were not reconciled to the individual purchase card statements. The transactions related to the North Dakota Development Fund. The State Auditor recommended the Department of Commerce ensure itemized receipts are submitted for all purchase card transactions, cardholders only use state-issued purchase cards on allowable transactions, per diem meal rates be followed, supervisors and reviewers do not approve improper purchases, and receipts are reconciled to individual purchase card statements.

The Department of Commerce agreed with the audit finding, indicated the department has been reimbursed by the North Dakota Development Fund for all purchase card transactions included in the finding, and stated the department will be implementing additional staff training requirements for purchase cards.

The financial statement audit of the North Dakota Development Fund conducted by Eide Bailly, LLP for the period ending June 30, 2023, revealed the following audit findings:

- **Preparation of financial statements** (Prior period finding) - The North Dakota Development Fund does not have adequate staff to provide for the preparation of the organization's financial statements. While this is not uncommon for similar sized organizations, it is recommended that management and the North Dakota Development Fund Board of Directors be aware of the financial reporting of the organization.
- **Material audit adjustments** (Prior period finding) - The audit procedures identified misstatements in the North Dakota Development Fund's accounting records, resulting in the auditor proposing material audit adjustments to correct the misstatements. In addition, journal entries proposed by the auditors in previous years were not posted by the North Dakota Development Fund, resulting in issues with the corporation's beginning balance.

The auditor recommended the North Dakota Development Fund develop a document that details various transactions made by the corporation and include supporting documentation to enable staff the ability to easily understand how to properly account for those transactions. The North Dakota Development Fund agreed with the recommendation, will review internal processes, and will record the audit adjustments proposed by the auditor.

Segregation of Duties (Prior period finding) - Due to limited staff, the North Dakota Development Fund has a lack of segregation of duties in certain areas, including not having a formal approval process for writing off loans, as there is no review or approval process over manual journal entries. The auditor recommended all accounting functions be reviewed to determine if additional segregation is feasible to improve efficiency and effectiveness of the corporation and that management implement a level of oversight and approval over all

accounting functions. The North Dakota Development Fund management response was that duties of the corporation are segregated as efficiently as possible with the current staff and involves the North Dakota Development Fund board in the financial management of the corporation.

- **Loan interest income accounting and reconciliation** - Loans greater than 90 days past due should not have interest income be calculated on the past due balance. Loan interest receivable and interest income should be reconciled monthly from the loan system to the accounting system and reviewed and approved. The North Dakota Development Fund is not utilizing their accounting system or performing a reconciliation of interest income and interest receivable, which resulted in a material audit adjustment.

The auditor recommended the North Dakota Development Fund obtain training and develop a document that details the accounting for nonaccrual loans within the accounting system and reconcile loan interest income and interest receivable to enable staff the ability to easily understand how to properly account for those transactions. The North Dakota Development Fund agreed with the finding and plans to obtain training for accounting staff.

Agency Fees

As reported to the Legislative Management, pursuant to North Dakota Century Code Section 54-35-27, this agency has 6 fees. The agency did not recommend any changes to the fees.

Major Related Legislation

House Bill No. 1038 - This bill appropriates \$26 million of one-time funding from SIIF for a state radar data pathfinder program (\$11 million) and an uncrewed aerial vehicle replacement grant program (\$15 million).

House Bill No. 1191 - This bill creates an Office of Entrepreneurship within the Department of Commerce and appropriates \$485,000 from the general fund for salaries and benefits of 2 FTE positions for the office.

Senate Bill No. 2097 - This bill creates a rural community endowment committee to award grants from a newly created rural community endowment fund to support, create, or improve local housing, workforce, business recruitment and commerce, infrastructure, or other community needs. The bill includes a \$50 million appropriation and transfer from the general fund to the rural community endowment fund and a \$5 million appropriation from the rural community endowment fund to the Department of Commerce to award rural community endowment grants.

Senate Resolution No. 4001 - This resolution 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, 2027.

NOTE:

Please see the Fiscal Impact Report for additional information regarding bills under consideration which contain either a state revenue impact, an appropriation, or a state fiscal impact.



Department of Commerce - Budget No. 601
Agency Worksheet - Senate Bill No. 2018

	Executive Budget			
	FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	62.80	\$33,546,083	\$53,344,371	\$86,890,454
2025-27 Ongoing Funding Changes				
Base payroll changes		\$67,653	\$82,578	\$150,231
Adds funding for the cost to continue salary increases		238,480	45,544	284,024
Salary increase		659,161	168,637	827,798
Health insurance increase		300,624	83,714	384,338
Adds funding to replace the 2023-25 new FTE pool		405,880		405,880
Adds funding to replace the 2023-25 vacant FTE pool		560,856	102,571	663,427
Adds funding for a FTE North Dakota Development Fund position	1.00		257,408	257,408
Adds funding for a FTE procurement officer position	1.00	216,954		216,954
Adds funding for temporary salaries for temporary staff and an office intern		100,000	3,590	103,590
Adds funding for North Dakota Development Fund temporary salaries and operating expenses		100,000	200,000	300,000
Adds federal funding for temporary salaries and operating expenses to maintain building codes			98,583	98,583
Adds funding for the cost to continue IT increases		14,036	54,666	68,702
Adjusts base level funding for operating expenses		(21,481)	10,654	(10,827)
Adds funding for operating expenses of the Office of Legal Immigration		450,000		450,000
Adds federal funding for AmeriCorps program operating expenses			290,000	290,000
Removes funding for the continuum of care program and state apprenticeship program		(81,713)	(1,097,157)	(1,178,870)
Adds federal funding for AmeriCorps and weatherization grant programs			3,132,157	3,132,157
Reduces federal funding for community development and community services block grants			(2,086,940)	(2,086,940)
Removes funding from the UAS fund for UAS program grants			(1,020,150)	(1,020,150)
Total ongoing funding changes	2.00	\$3,010,450	\$325,855	\$3,336,305
One-Time Funding Items				
Adds funding for tourism marketing awareness		\$5,000,000		\$5,000,000
Adds funding for tourism operating expenses for the 250th Great American State Fair event			\$5,000,000	5,000,000
Adds funding for operating expenses of the operation intern program		2,000,000		2,000,000
Adds funding for a state radar data pathfinder			11,000,000	11,000,000
Adds funding for an uncrewed aerial vehicle replacement grant program			15,000,000	15,000,000
Adds one-time funding for the Office of Legal Immigration		3,000,000		3,000,000
Adds funding for housing programs - Building, plumbing, and energy code task force			150,000	150,000
Adds funding for housing grants - Innovative construction method grants			1,000,000	1,000,000
Adds funding for housing grants - Augmenting construction workforce grants			5,000,000	5,000,000

Adds funding for housing grants - Missing middle projects community grants			7,000,000	7,000,000
Adds funding for housing grants - Missing middle projects developer grants			7,000,000	7,000,000
Adds funding for housing grants - Flexible grants to local governments			2,500,000	2,500,000
Adds funding for housing grants - Community builder grants			4,500,000	4,500,000
Adds funding for housing grants - Construction management assistance grants			1,000,000	1,000,000
Adds funding for housing grants - Deal packaging assistance grants			1,000,000	1,000,000
Adds funding for housing grants - Drafting and design assistance grants			1,000,000	1,000,000
Adds funding for the community property improvements grant program		2,600,000		2,600,000
Adds funding for tourism destination development grants			30,000,000	30,000,000
Adds funding for UAS program grants		1,000,000		1,000,000
Adds funding for the beyond visual line of sight UAS program grants			20,000,000	20,000,000
Adds funding for the enhanced use lease grant program			5,000,000	5,000,000
Adds funding for autonomous agriculture grants			10,000,000	10,000,000
Adds funding for the entrepreneurship grants and vouchers program		1,259,044		1,259,044
Adds funding for regional workforce impact program grants		12,500,000		12,500,000
Adds funding for operating expenses of the find the good life initiative		10,000,000		10,000,000
Adds funding for technical skills training grants		2,000,000		2,000,000
Total one-time funding changes	0.00	\$39,359,044	\$126,150,000	\$165,509,044
Total Changes to Base Level Funding	2.00	\$42,369,494	\$126,475,855	\$168,845,349
2025-27 Total Funding	64.80	\$75,915,577	\$179,820,226	\$255,735,803

Federal funds included in other funds

\$44,470,498

Total ongoing changes - Percentage of base level

3.2%

9.0%

0.6%

3.8%

Total changes - Percentage of base level

3.2%

126.3%

237.1%

194.3%

Other Sections in Department of Commerce - Budget No. 601

Section Description	Executive Budget
Transfer - General fund to internship fund	Section 3 would require the Office of Management and Budget (OMB) to transfer \$3,000,000 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 2025-27 biennium.
Transfer - SIIF to Legacy Investment for Technology (LIFT) fund	Section 4 would require OMB to transfer \$10,000,000 from SIIF to the LIFT fund for the purpose of providing innovation technology loans during the 2025-27 biennium.
Transfer - SIIF to North Dakota Development Fund	Section 5 would require OMB to transfer \$50,000,000 from SIIF to the North Dakota Development Fund during the 2025-27 biennium.
SIIF - UAS programs	Section 6 would identify \$51,000,000 of one-time funding appropriated from SIIF in Section 1 is for UAS programs, including beyond visual line of sight UAS program grants (\$20,000,000), enhanced use lease grants (\$5,000,000), a state data pathfinder program (\$11,000,000), and an uncrewed aerial vehicle replacement grant program (\$15,000,000).

Other Sections in Department of Commerce - Budget No. 601

Section Description	Executive Budget
SIIF - Housing programs	Section 7 would identify \$30,150,000 of one-time funding appropriated from SIIF in Section 1 is for housing initiatives, including operating expenses for a building, plumbing, and energy code task force (\$150,000), innovative construction method grants (\$1,000,000), augmenting construction workforce grants (\$5,000,000), missing middle projects community grants (\$7,000,000), missing middle projects developer grants (\$7,000,000), flexible grants to local governments (\$2,500,000), community builder grants (\$4,500,000), construction management assistance grants (\$1,000,000), deal packaging assistance grants (\$1,000,000), and drafting and design assistance grants (\$1,000,000).
SIIF - Autonomous agriculture grants	Section 8 would identify \$10,000,000 of one-time funding appropriated from SIIF in Section 1 is for providing autonomous agriculture grants.
SIIF - 250th Great American State Fair event	Section 9 would identify \$5,000,000 of one-time funding appropriated from SIIF in Section 1 is for a 250 th Great American State Fair event.
SIIF - Tourism destination development grants	Section 10 would identify \$30,000,000 of one-time funding appropriated from SIIF in Section 1 is for tourism destination development grants.
Appropriation - Other funds	Section 11 would appropriate all federal or other funds received by the Department of Commerce in excess of those funds appropriated in Section 1.
Exemption - Entrepreneurship grants and vouchers program	Section 12 would identify \$2,207,511 appropriated in Section 1 is for the entrepreneurship grants and vouchers program, of which \$2,000,000 is from the general fund and \$207,511 is from the economic development fund, and would authorize the department of continue any unexpended funding for the program at the end of the 2025-27 biennium into the 2027-29 biennium.
Exemption - Community development block grant	Subsection 1 of Section 13 would allow the Department of Commerce to continue any remaining funding of the \$3,000,000 appropriated from the federal COVID-19 funds during the 2019-21 biennium and continued into the 2021-23 and 2023-25 bienniums for the community development block grant program into the 2025-27 biennium.
Exemption - State small business credit initiative	Subsection 2 of Section 13 would allow the Department of Commerce to continue any remaining funding of the \$56,234,176 appropriated from the federal COVID-19 funds during the 2021-23 biennium and continued into the 2023-25 biennium for the state small business credit initiative program into the 2025-27 biennium.
Exemption - Workforce development incentive grants	Subsection 3 of Section 13 would allow the Department of Commerce to continue any remaining funding of the \$15,000,000 appropriated from the federal State Fiscal Recovery Fund during the 2021-23 biennium and continued into the 2023-25 biennium for the workforce development incentive grant program into the 2025-27 biennium.
Exemption - Technical skills training grants	Subsection 4 of Section 13 would allow the Department of Commerce to continue any remaining funding of the \$5,000,000 appropriated from the State Fiscal Recovery Fund during the 2021-23 biennium and continued into the 2023-25 biennium for the technical skills training grants program into the 2025-27 biennium.
Exemption - Office of Legal Immigration	Subsection 5 of Section 13 would allow the Department of Commerce to continue any remaining funding of the \$2,000,000 appropriated from the general fund during the 2023-25 biennium for the Office of Legal Immigration into the 2025-27 biennium.

Other Sections in Department of Commerce - Budget No. 601

Section Description	Executive Budget
Exemption - Workforce programs	Subsection 6 of Section 13 would allow the Department of Commerce to continue any remaining funding of the \$28,500,000 appropriated from the general fund during the 2023-25 biennium for workforce programs into the 2025-27 biennium.
Exemption - Tourism destination development initiative	Subsection 7 of Section 13 would allow the Department of Commerce to continue any remaining funding of the \$25,000,000 appropriated from SIIF during the 2023-25 biennium for the tourism destination development initiative into the 2025-27 biennium.
Exemption - Enhanced use lease grant program	Subsection 8 of Section 13 would allow the Department of Commerce to continue any remaining funding of the \$10,000,000 appropriated from SIIF during the 2023-25 biennium for the enhanced use lease grant program into the 2025-27 biennium.
Exemption - Weatherization and energy assistance grant programs	Subsection 9 of Section 13 would allow the Department of Commerce to continue any remaining funding of the \$120,000,000 appropriated from federal funds derived from the Infrastructure Investment and Jobs Act and Inflation Reduction Act during the 2023-25 biennium for weatherization and energy assistance programs into the 2025-27 biennium. The exemption would allow the department to continue to employ 3 FTE positions authorized by the Legislative Assembly as one-time FTE positions for the 2023-25 biennium into the 2025-27 biennium.
Exemption - Discretionary funds	Subsection 10 of Section 13 would allow the Department of Commerce to continue any remaining funding of the \$2,150,000 appropriated from the general fund during the 2023-25 biennium for discretionary funds into the 2025-27 biennium.
Exemption - Heating, furnace, and cooling assistance grant programs	Subsection 11 of Section 13 would allow the Department of Commerce to continue any remaining funding of the \$3,258,084 appropriated from the federal funds during the 2023-25 biennium for heating, furnace, and cooling assistance grants into the 2025-27 biennium.
Exemption - Energy conservation assistance grant program	Subsection 12 of Section 13 would allow the Department of Commerce to continue any remaining funding of the \$14,081,719 appropriated from the federal funds during the 2023-25 biennium for energy conservation assistance grants into the 2025-27 biennium.
Exemption - Parks and recreation program	Subsection 13 of Section 13 would allow the Department of Commerce to continue any remaining funding of the \$1,550,000 appropriated from the federal funds during the 2023-25 biennium for the parks and recreation grant program into the 2025-27 biennium and authorize the department to use the funding for operating expenses related to the program.
Exemption - State small business credit initiative	Subsection 14 of Section 13 would allow the Department of Commerce to continue any remaining funding of the \$572,143 appropriated from the federal funds during the 2023-25 biennium for the state small business credit initiative program into the 2025-27 biennium.
FTE position adjustments	Section 14 would allow the Department of Commerce to increase or decrease authorized FTE positions as needed, subject to the availability of funds.

Sixty-ninth
Legislative Assembly
of North Dakota

SENATE BILL NO. 2018
(Governor's Recommendation)

Introduced by

Appropriations Committee

(At the request of the Governor)

A bill for an act to provide an appropriation for defraying the expenses of the department of commerce; to provide exemptions; and to provide transfers.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of commerce for the purpose of defraying the expenses of the department of commerce, for the biennium beginning July 1, 2025, and ending June 30, 2027 as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$15,785,306	\$3,529,153	\$19,314,459
Operating Expenses	19,462,643	25,210,955	44,673,598
Grants	47,636,118	114,346,197	161,982,315
Discretionary Funds	2,150,000	0	2,150,000
Workforce Programs	0	24,500,000	24,500,000
Partner Programs	907,920	0	907,920
Entrepreneurship Grants and Vouchers	<u>948,467</u>	<u>1,259,044</u>	<u>2,207,511</u>
Total All Funds	\$86,890,454	\$168,845,349	\$255,735,803
Less Estimated Income	<u>53,344,371</u>	<u>126,475,855</u>	<u>179,820,226</u>
Total General Fund	\$33,546,083	\$42,369,494	\$75,915,577
Full-Time Equivalent Positions	62.80	2.00	64.80

SECTION 2. ONE-TIME FUNDING – EFFECT ON BASE BUDGET – REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-eighth legislative assembly for the 2023-25 biennium and the 2025-27 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2023-25</u>	<u>2025-27</u>
Unmanned aircraft system	\$0	\$1,000,000
Beyond visual line of sight unmanned aircraft system	26,000,000	20,000,000
Enhanced use lease grant	10,000,000	5,000,000
Tourism Marketing	5,000,000	5,000,000
Destination development grant program	25,000,000	30,000,000
Technical skills training grant	2,000,000	2,000,000
Motion picture production and recruitment grant	600,000	0
Creamery assistance grant	250,000	0
Small business credit initiative	572,143	0
Workforce community service Americorps program	785,000	0
Rural workforce housing grant program	2,000,000	2,600,000

Workforce talent attraction initiative	12,000,000	10,000,000
Workforce investment grant program	12,500,000	12,500,000
Weatherization and energy assistance program	120,000,000	0
New Americans workforce training grants	2,000,000	0
Parks and recreation grants	1,550,000	0
Energy conservation grant program	14,081,719	0
Heating and cooling grant program	3,258,084	0
Office of legal immigration	2,000,000	3,000,000
Tribally controlled college grant	500,000	0
Base retention grant	1,000,000	0
Rural grocery store grant	1,000,000	0
Great American state fair	0	5,000,000
Housing initiative	0	30,150,000
Operation intern	0	2,000,000
Entrepreneurship and innovation grant	0	1,259,044
Autonomous Ag grant	0	10,000,000
FAA Data	0	11,000,000
Drone replacement	0	15,000,000
Total All Funds	\$242,096,946	\$165,509,044
Total Special Funds	<u>208,246,946</u>	<u>126,150,000</u>
Total General Fund	\$33,850,000	\$39,359,044

The 2025-27 biennium one-time funding amounts are not a part of the entity's base budget for the 2027-29 biennium. The department of commerce shall report to the appropriations committees of the seventieth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2025 and ending June 30, 2027.

SECTION 3. TRANSFER - INTERNSHIP FUND. The office of management and budget shall transfer \$3,000,000 of the amount appropriated in the operating expenses line item in section 1 of this Act to the internship fund for the purpose of administering the operation intern program, for the biennium beginning July 1, 2025 and ending June 30, 2027.

SECTION 4. TRANSFER – STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO LEGACY INVESTMENT FOR TECHNOLOGY FUND TO SUPPORT TECHNOLOGY ADVANCEMENT. The office of management and budget shall transfer \$10,000,000 from the strategic investment and improvements fund to the legacy investment for technology fund for the purpose of providing innovation technology loans, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 5. TRANSFER – STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO NORTH DAKOTA DEVELOPMENT FUND. The office of management and budget shall transfer \$50,000,000 from the strategic investment and improvements fund to the North Dakota development fund for the purpose as defined in section 10-30.5, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 6. ESTIMATED INCOME – STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - ONE-TIME FUNDING. The estimated income line item in section 1 of this Act includes the sum of \$51,000,000 from the strategic investment and improvements fund, of which \$20,000,000 is for beyond visual line of sight unmanned aircraft system grants, \$5,000,000 is for enhanced use lease grants, \$15,000,000 is for drone replacement and \$11,000,000 is for federal aviation administration radar integration. This funding is considered a one-time funding item.

SECTION 7. ESTIMATED INCOME – STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - ONE-TIME FUNDING. The estimated income line item in section 1 of this Act includes the sum of \$30,150,000 from the strategic investment and improvements fund, of which \$30,000,000 is for grants for the housing initiative and \$150,000 is for operating for the housing initiative.

SECTION 8. ESTIMATED INCOME – STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - ONE-TIME FUNDING. The estimated income line item in the grants line of section 1 of this Act includes the sum of \$10,000,000 from the strategic investment and improvements fund for the purpose of an autonomous ag grant program. This funding is considered a one-time funding item.

SECTION 9. ESTIMATED INCOME – STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - ONE-TIME FUNDING. The estimated income line item in the operating line of section 1 of this Act includes the sum of \$5,000,000 from the strategic investment and improvements fund, which is for the 250th Great American state fair.

SECTION 10. ESTIMATED INCOME – STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - ONE-TIME FUNDING. The estimated income line item in the grants line of section 1 of this Act includes the sum of \$30,000,000 from the strategic investment and improvements fund, which is for destination development grant program. This funding is considered a one-time funding item.

SECTION 11. APPROPRIATION - In addition to the amounts appropriated to the department of commerce in section 1 of this Act, there is appropriated any additional income from federal or other funds which may become available to the agency for the biennium beginning July 1, 2025 and ending June 30, 2027.

SECTION 12. ENTREPRENEURSHIP GRANTS PROGRAM. Section 1 of this Act includes the sum of \$2,207,511, of which \$2,000,000 is from the general fund and \$207,511 from special funds, for an entrepreneurship grants program to be administered by the department of commerce, for the biennium beginning July 1, 2025 and ending June 30, 2027. The department shall also establish guidelines to award an organization(s) that provides business development assistance to entrepreneurs in North Dakota for the purposes of benefitting the entrepreneurial ecosystem in North Dakota. The amount appropriated for entrepreneurship grants in section 1 of this Act is not subject to section 54-44.1-11 and any unexpended funds from this line item are available during the biennium beginning July 1, 2027 and ending June 30, 2029.

SECTION 13. EXEMPTION – UNEXPENDED APPROPRIATIONS. The following appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into the biennium beginning July 1, 2025, and ending June 30, 2027:

1. The sum of \$3,000,000 that was continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws from the appropriation from federal funds derived from the Coronavirus Aid, Relief and Economic Security Act for the community development block grant program in section 1 of chapter 27 of the 2021 Session Laws;
2. The sum of \$56,234,176 that was continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws from the appropriation from federal funds derived from COVID-19 response funds for state small business credit initiative program in section 1 of chapter 27 of the 2021 Session Laws;
3. The sum of \$15,000,000 that was continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws from the appropriation from federal funds derived from the state fiscal recover fund for the workforce development incentive grant program in subsection 38 of section 1 of chapter 550 of the 2021 Special Session Laws;
4. The sum of \$5,000,000 that was continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws from the appropriation from federal funds derived from the technical skills training grant program in subsection 39 of section 1 of chapter 550 of the 2021 Special Session Laws;
5. The sum of \$2,000,000 appropriated from the general fund for defraying the expenses of the office of legal immigration in section 1 of chapter 639 of the 2023 Special Session Laws;
6. The sum of \$28,500,000 appropriated from the general fund for workforce-related programs in section 1 of chapter 18 of 2023 Session Laws;
7. The sum of \$25,000,000 appropriated from the strategic investment and improvements fund for

tourism destination development initiative program in section 1 of chapter 18 of 2023 Session Laws;

8. The sum of \$10,000,000 appropriated from the strategic investment and improvements fund for the enhanced use lease grant program in section 1 of chapter 18 of 2023 Session Laws;
9. The sum of \$120,000,000 appropriated from federal funds derived from the Infrastructure Investment and Jobs Act and the Inflation Reduction Act for weatherization and energy assistance programs and the three positions for the administration of the weatherization and energy assistance programs in section 6 of chapter 18 of 2023 Session Laws;
10. The sum of \$2,150,000 appropriated from the general fund for discretionary funds in section 1 of chapter 18 of the 2023 Session Laws;
11. The sum of \$3,258,084 appropriated from federal funds for heating and cooling grant program in section 1 of chapter 18 of the 2023 Session Laws;
12. The sum of \$14,081,719 appropriated from federal funds for energy conservation grant program in section 1 of chapter 18 of the 2023 Session Laws;
13. The sum of \$1,550,000 appropriated from federal funds for parks and recreation grant program in section 1 of chapter 18 of the 2023 Session Laws, this appropriation is in the operating line;
14. The sum of \$572,143 appropriated from federal funds for state small business credit initiative technical assistance program in section 1 of chapter 18 of the 2023 Session Laws;

SECTION 14. EXEMPTION - FULL-TIME EQUIVALENT POSITION ADJUSTMENTS. Notwithstanding any other provisions of law, the department of commerce may increase or decrease authorized full-time equivalent positions as needed, subject to availability of funds, during the biennium beginning July 1, 2025, and ending June 30, 2027. The department of commerce shall report to the office of management and budget and legislative council any adjustments made pursuant to this section.