

**DEPARTMENT 601 - DEPARTMENT OF COMMERCE  
2027-29 BASE-LEVEL BUDGET**

**Base Budget - Summary**

	<u>Base Level</u>
Salaries and wages	\$17,544,058
New and vacant FTE pool	582,600
Operating expenses	19,832,666
Grants	46,482,315
Discretionary funds	2,150,000
Partner programs	907,920
Entrepreneurship grants and vouchers	<u>948,467</u>
Total all funds	\$88,448,026
Less other funds	<u>53,111,117</u>
Total general fund	\$35,336,909
FTE positions	65.80

**Selected Base Budget Information**

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
1. Includes funding for salaries and wages of 65.80 FTE positions, including \$80,603 for temporary salaries. Of the other funds available for salaries and wages \$2,315,690 are from federal funds and \$1,221,741 are from special funds.	\$14,006,627	\$3,537,431	\$17,544,058
2. Includes a portion of the funding removed from the salaries and wages line item for estimated savings from vacant FTE positions. Funding may be transferred from this line if savings from vacant positions are less than estimated.	\$462,615	\$119,985	\$582,600
3. Includes funding for operating expenses, primarily related to professional and operating fees and services, travel, and information technology (IT) costs. Of the other funds available for operating expenses, \$1,336,572 are from federal funds and \$2,071,303 are from special funds.	\$16,424,791	\$3,407,875	\$19,832,666
4. Includes funding for grants, of which \$40,698,911 is from federal funds and \$5,139,404 is from special funds. Of the \$644,000 from the General Fund, \$444,000 is for rural health care grants and \$200,000 is for literacy intervention service grants.  Of the \$40,698,911 from federal funds, \$7,042,118 is for the Community Development Block Grant Program, \$6,754,636 is for the Community Services Block Grant Program, \$2,442,157 is for AmeriCorps Programs, \$7,000,000 is for the Low Income Home Energy Assistance Program (LIHEAP), \$520,000 is for the State Energy Program, \$5,196,000 is for heating and cooling assistance programs, \$3,654,000 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 \$5,139,404 from special funds, \$3,995,000 is for the community development block grant and \$1,144,404 is for energy efficiency programs.	\$644,000	\$45,838,315	\$46,482,315
5. 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
6. Includes funding for partner programs which is for supporting small businesses, nonprofits, and other organizations to promote economic development in the state	\$907,920	\$0	\$907,920
7. 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 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 2023-25 biennium, the administrative fund had \$0 of revenue, \$9,803 of expenditures, and a fund balance of \$10,218 on June 30, 2025. The Legislative Assembly authorized the transfer of \$10 million during the 2023-25 biennium and \$10 million during the 2025-27 biennium from the Strategic Investment and Improvements Fund (SIIF) to the Legacy Investment for Technology Fund held at the Bank.

**North Dakota Development Fund** - Section 10-30.5-10 - Provides the North Dakota Development Fund is a revolving fund and all money transferred to the fund, interest earned on money in the fund, and payments to the fund are appropriated to the North Dakota Development Fund on a continuing basis. The Legislative Assembly authorized \$50 million to be transferred to the North Dakota Development Fund for the 2025-27 biennium, of which \$25 million was from SIIF and \$25 million was from a Bank of North Dakota line of credit.

**Community Development Loan Fund** - Section 54-44.5-05 - Also known as the Community Services Fund, this continuing appropriation allows for the expenditures of community development block grant revolving loan funds. For the 2023-25 biennium, the fund had \$979,380 of revenue, \$486,015 of expenditures, and a fund balance of \$13,373,712 on June 30, 2025.

**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 2023-25 biennium, the fund had \$1,224,697 of revenue of which \$1,200,000 was transferred from oil tax revenues, \$401,154 of expenditures, and a fund balance of \$787,518 on June 30, 2025.

**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 2023-25 biennium, the fund had \$1,021,230 of revenue of which \$1,006,896 was transferred from the General Fund and \$14,334 was from interest earned on moneys in the fund, \$1,053,712 of expenditures, and a fund balance of \$477,827 on June 30, 2025.

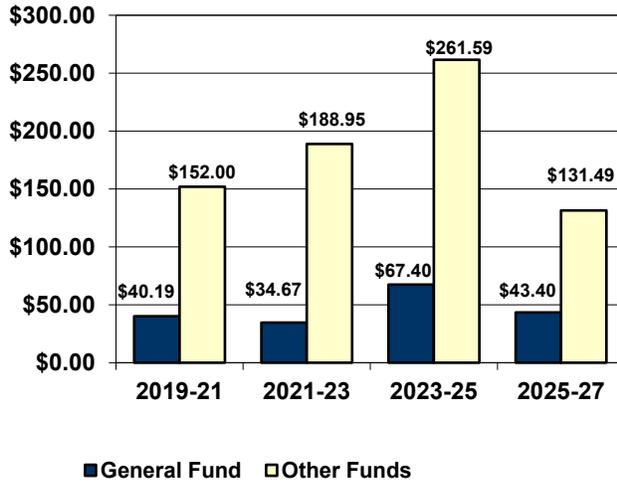
**Workforce Enhancement Fund** - Section 54-60-23 - All funds in the Workforce Enhancement Fund are appropriated to the department on a continuing basis for implementing and administering the Workforce Enhancement Council and workforce enhancement grants to higher education institutions assigned primary responsibility for workforce training. For the 2023-25 biennium, the fund had \$44 of revenue, \$0 of expenditures, and a fund balance of \$2,406 on June 30, 2025.

**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 (EUL) Grant Program. For the 2023-25 biennium, the UAS Fund had \$1,232,400 of revenue, \$1,232,276 of expenditures, and a fund balance of \$377 on June 30, 2025.

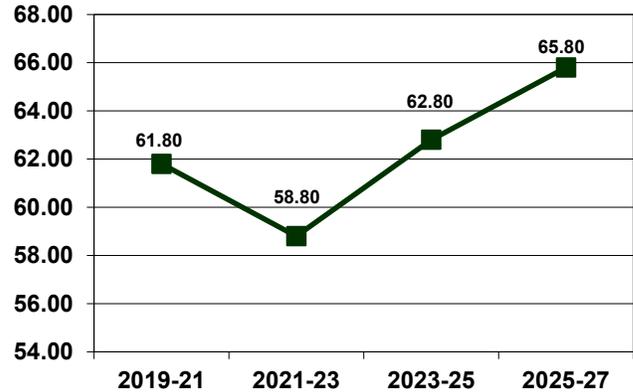
# Historical Appropriations Information

## Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



### Ongoing General Fund Appropriations

	2017-19	2019-21	2021-23	2023-25	2025-27
Ongoing General Fund appropriations	\$30,342,680	\$32,866,721	\$31,502,140	\$33,546,083	\$35,336,909
Increase (decrease) from previous biennium	N/A	\$2,524,041	(\$1,364,581)	\$2,043,943	\$1,790,826
Percentage increase (decrease) from previous biennium	N/A	8.3%	(4.2%)	6.5%	5.3%
Cumulative percentage increase (decrease) from 2017-19 biennium	N/A	8.3%	3.8%	10.6%	16.5%

### Major Increases (Decreases) in Ongoing General Fund Appropriations

#### 2019-21 Biennium

- Removed 3 FTE positions and related funding of \$521,836, of which \$390,991 was from other funds (\$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 Tourism Fund \$1,000,000
- 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

- Reduced funding for salaries and wages to reflect anticipated savings from vacant positions and employee turnover \$140,000
- 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)
- Reduced funding for the Operation Intern Program to provide a total of \$755,000 from the General Fund (\$100,000)
- Added funding for operating expenses of the Northern Plains UAS Test Site under the UAS Program \$3,000,000
- Transferred the Early Childhood Education Program to the Department of Human Services (\$1,500,000)
- Removed funding for biotechnology grants, eliminating the program (\$300,000)
- 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, also known as the Regional Workforce Impact 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 for the Homeless Shelter Grant Program and \$240,000 for the Emergency Shelter Grant Program 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)

**2025-27 Biennium**

- 1. None

**One-Time General Fund Appropriations**

	2017-19	2019-21	2021-23	2023-25	2025-27
One-time General Fund appropriations	\$29,750,000	\$7,325,000	\$3,165,432	\$33,850,000	\$8,059,044

**Major One-Time General Fund Appropriations**

**2019-21 Biennium**

- 1. UAS operating expenses \$2,225,000
- 2. EUL 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**

- 1. Workforce programs, including workforce talent attraction initiative operating expenses (\$12 million), Workforce Investment Program, also known as the Regional Workforce Impact 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

**2025-27 Biennium**

1. Temporary salaries for temporary staff and an office intern	\$50,000
2. Operation Intern Program	\$2,000,000
3. Global Talent Office (formerly the Office of Legal Immigration)	\$1,000,000
4. Workforce development grants to tribally controlled community colleges	\$750,000
5. Regional planning council grants	\$1,400,000
6. Entrepreneurship Grants and Vouchers Program	\$759,044
7. Technical skills training grants	\$1,000,000
8. Tribal tourism grants	\$100,000
9. Rural grocery store sustainability grants	\$1,000,000

**Other Funds**

**Major sources of special funds include:**

- **Community Services Fund** - The operating fund for the Community Services Division, primarily used for expenditure of community development block grant revolving loan funds.
- **Economic Development Fund** - The operating fund for the Economic Development and Finance Division.
- **Tourism Fund** - The operating fund for the Tourism Division.

**Major sources of federal funds include:**

- **Low Income Home Energy Assistance Program** - Funding provided by the United States Department of Health and Human Services' Administration for Children and Families to assist low-income families with home energy bills, weatherization upgrades, and energy-related repairs. The Department of Health and Human Services receives federal LIHEAP funding from the United States Department of Health and Human Services. The Department of Health and Human Services provides the funding to low-income individuals to assist with home energy costs and provides the Department of Commerce with a portion of the funding to partner with local community action agencies to assist low-income individuals with weatherization assistance needs.
- **Community development block grant** - Funding provided by the United States Department of Housing and Urban Development to be provided to local government agencies for affordable housing, economic development, water and sewer, and other public facility projects that benefit low-to-moderate income individuals and families.
- **Community services block grant** - Funding provided by the United States Department of Health and Human Services' Administration for Children and Families to assist low-income individuals and families with housing counseling, emergency assistance, money management, self-sufficiency services, and weatherization assistance.
- **Workforce development programs** - Funding provided by the Corporation for National and Community Services, also known as AmeriCorps, to assist communities and low-income individuals with education, public safety, and health and environmental needs.
- **UAS Program** - Funding provided by the National Aeronautics and Space Administration to assist the Northern Plains UAS Test Site with UAS research, testing, and programs.

**Other Funds Appropriations**

	2017-19	2019-21	2021-23	2023-25	2025-27
Other funds appropriations	\$68,585,658	\$151,995,371	\$188,953,443	\$261,591,317	\$131,489,707
Increase (decrease) from previous biennium	N/A	\$83,409,713	\$36,958,072	\$72,637,874	(\$130,101,610)
Percentage increase (decrease) from previous biennium	N/A	121.6%	24.3%	38.4%	(49.7%)
Cumulative percentage increase (decrease) from 2017-19 biennium	N/A	121.6%	175.5%	281.4%	91.7%

**Major Increases (Decreases) in Other Funds Appropriations**

**2019-21 Biennium**

**Ongoing**

1. Removed 3 FTE positions and related funding of \$521,836, of which \$130,845 was from the General Fund (\$390,991)
2. Removed funding from the Research North Dakota Fund for operating expenses (\$500,000), grants (\$500,000), and entrepreneurship grants and vouchers (\$1.2 million) (\$2,200,000)
3. Adjusted funding for discretionary funds from the Research North Dakota Fund to the General Fund (\$1,000,000)

- 4. Removed funding for the Agricultural Products Utilization Commission due to the transfer of the program to the Agriculture Commissioner (\$2,761,924)
- 5. Added funding for UAS grants, including \$1 million from federal funds and \$1 million of matching funds from private donations deposited in the UAS Fund \$2,000,000

**One-time**

- 1. Entrepreneurship grants and vouchers (SIIF) \$2,000,000
- 2. Census 2020 Program (SIIF) \$1,000,000
- 3. Intermodal container transportation shipping fees (Beginning Farmer Revolving Loan Fund) \$1,300,000
- 4. Federal COVID-19 funds, including \$3,000,000 for the Community Development Block Grant Program, \$7,393,078 for the Community Services Block Grant Program, and \$1,000,000 for the Emergency Solution Grant Program \$11,393,078
- 5. Federal Coronavirus Relief Fund programs, including \$39.4 million for economic resiliency grants, \$37 million for hospitality economic resiliency grants, \$2.25 million for administrative costs of the Economic Resiliency Grant Program, \$1 million for technical skills training grants, and \$2.5 million for the Health Care and Emergency Responder COVID-19 Grant Program administered in partnership with Workforce Safety and Insurance \$82,179,000

**2021-23 Biennium**

**Ongoing**

- 1. Transferred the HOME Program to the Housing Finance Agency, including 2 FTE positions, \$7,643,371 from federal funds, and \$700,000 from the Community Development Loan Fund. This grant program provides affordable housing for low-income individuals. (\$8,343,371)
- 2. Added funding for the UAS Program grants, of which \$7 million was from federal funds and \$20,150 was from the UAS Fund \$7,020,150
- 3. Added federal funding for a State Apprenticeship Expansion Program. The funding was transferred to the North Dakota State College of Science for the administration of the program. In August 2020, the Emergency Commission and Budget Section approved a request to accept and spend \$694,317 of federal funds for this program for the remainder of the 2019 -21 biennium. \$347,157

**One-time**

- 1. UAS Program (UAS Fund) \$1,000,000
- 2. BVLOS UAS Program (SIIF) \$19,000,000
- 3. EUL Grant Program (SIIF) \$7,000,000
- 4. Job development and economic growth grant (SIIF) \$1,500,000
- 5. Workforce safety grant (SIIF) \$1,500,000
- 6. Technical skills training grants (federal Coronavirus Relief Fund) \$1,000,000
- 7. Travel agent and tour operator emergency resiliency grants (federal Coronavirus Relief Fund) \$2,000,000
- 8. Event center emergency resiliency grants (federal Coronavirus Relief Fund) \$2,000,000
- 9. Tourism marketing and branding, including \$434,568 for the Tourism Transportation Improvement Program (federal Coronavirus Relief Fund) \$7,000,000
- 10. State Small Business Credit Initiative Program (federal COVID-19 funds) \$56,234,176
- 11. North Dakota Development Fund transfer (federal State Fiscal Recovery Fund) \$5,000,000
- 12. Autonomous Agriculture Grant Program (federal State Fiscal Recovery Fund) \$10,000,000
- 13. Local workforce development incentive grant program (federal State Fiscal Recovery Fund) \$15,000,000
- 14. Technical skills training grant program and workforce innovation grant program (federal State Fiscal Recovery Fund) \$5,000,000

**2023-25 Biennium**

**Ongoing**

- 1. Transferred \$1,147,341 from federal funds for the Emergency Shelter Grant Program to the Housing Finance Agency (\$1,147,341)

**One-time**

- 1. Rural Workforce Housing Grant Program (SIIF) \$2,000,000
- 2. Tourism awareness marketing (SIIF) \$5,000,000
- 3. Tourism destination development initiative (SIIF) \$25,000,000
- 4. BVLOS UAS Grant Program (SIIF) \$26,000,000
- 5. EUL Grant Program (SIIF) \$10,000,000
- 6. AmeriCorps Workforce Community Services Program (federal funds) \$785,000

7. Parks and Recreation Program (federal funds)	\$1,550,000
8. Energy Conservation Grant Program (federal funds)	\$14,081,719
9. Weatherization, heating and furnace, and cooling assistance grant programs (federal funds)	\$3,258,084
10. State Small Business Credit Initiative Program (federal funds)	\$572,143
11. Weatherization and energy assistance programs (federal funds)	\$120,000,000
<b>2025-27 Biennium</b>	
<b>Ongoing</b>	
1. Adjusted funding for federal grants, including adding funding for the AmeriCorps Program (\$1,132,157) and weatherization assistance grant programs (\$2,000,000) and reducing funding for the community development block grant (\$2,057,882) and community services block grant (\$29,058)	\$1,045,217
2. Removed funding for the Continuum of Care Program (\$81,713 from the General Fund and \$750,000 from federal funds) and the State Apprenticeship Program (\$347,157 from federal funds), eliminating the programs	(\$1,097,157)
3. Removed funding from UAS Fund for UAS Program grants	(\$1,020,150)
<b>One-time</b>	
1. Tourism marketing awareness, including \$250,000 for the North Dakota state magazine (SIIF)	\$5,000,000
2. Tourism destination development grants (SIIF)	\$15,000,000
3. Uncrewed Aerial Vehicle Replacement Grant Program (SIIF)	\$9,000,000
4. BVLOS UAS Program grants (SIIF)	\$15,000,000
5. EUL Grant Program (SIIF)	\$2,500,000
6. Autonomous agriculture grants (SIIF)	\$7,500,000
7. Base enhancement grants (SIIF)	\$1,000,000
8. Native American small business grant	\$600,000
9. Local grants, including a historic theater restoration grant (\$500,000), historic opera house restoration grant (\$250,000), historic theater improvement grant (\$250,000), Medora transportation improvement grant (\$1,000,000), and community hall grant (\$175,000) (SIIF)	\$2,175,000
10. Regional Workforce Impact Program, also known as the Workforce Investment Program (SIIF)	\$5,000,000
11. Children's education science center grants (contingent SIIF funding)	\$2,000,000
12. State Radar Data Pathfinder Program (SIIF)	\$11,000,000
13. Rural Catalyst Grant Program (SIIF transferred to the Rural Catalyst Fund)	\$2,500,000