2025 SENATE APPROPRIATIONS

SB 2018

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

Base Budget - Summary

	Base Level
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	948,467
Total all funds	$86,890,454
Less other funds	53,344,371
Total general fund	$33,546,083
Full-time equivalent (FTE) positions[1]	62.80

[1]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

	General Fund	Other Funds	Total
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.

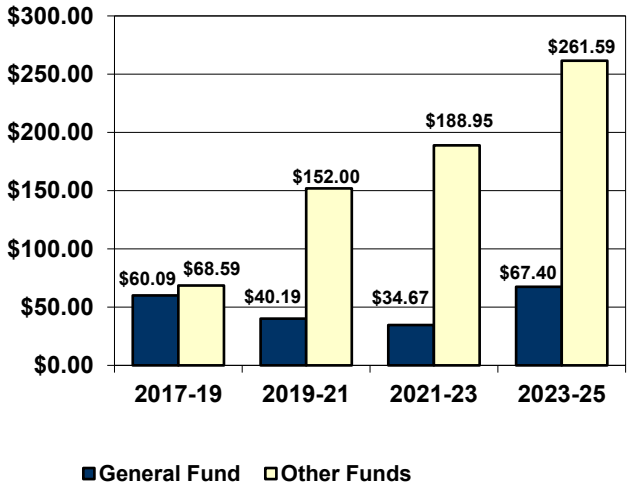
Workforce enhancement fund - Section 54-60-23 - All funds in the workforce enhancement fund are appropriated to the department on a continuing basis for implementing and administering the Workforce Enhancement Council and workforce enhancement grants to higher education institutions assigned primary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

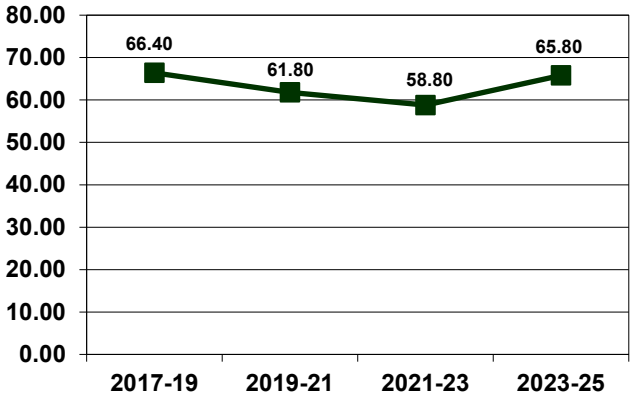
Historical Appropriations Information

Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



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

1. 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)
2. Adjusted funding for operating expenses, primarily related to professional services, postage, office supplies, and equipment	($1,438,838)
3. Reduced funding for the Operation Intern program to provide total funding of $950,000	($550,000)
4. Reduced funding for prekindergarten community grants to provide total funding of $1.5 million	($500,000)
5. Reduced funding for the North Dakota Trade Office to provide total funding of $2 million	($556,694)
6. Reduced funding for partner programs to provide total funding of $1,939,845	($233,984)
7. Added funding for homeless shelter grants	$300,000
8. 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

1. Removed 3 FTE positions and related funding of $521,836, of which $130,845 is from the general fund	($130,845)
2. Adjusted funding for the department's reorganization	($1,549,149)
3. Added funding for homeless shelter grants to provide a total of $1.5 million from the general fund	$1,200,000
4. Added funding for biotechnology grants	$300,000
5. 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 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
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 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

Department of Commerce
Department No. 601
2025 Senate Bill No. 2018

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 250th 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:

	Base Level	Adjustments or Enhancements	Appropriation
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	948,467	1,259,044	2,207,511
Total All Funds	$86,890,454	$168,845,349	$255,735,803
Less Estimated Income	53,344,371	126,475,855	179,820,226
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:

One-Time Funding Description	2023-25	2025-27
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	208,246,946	126,150,000
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.

Legislative Council

Department of Commerce
Department No. 601
2025 Senate Bill No. 2018

REVISED EXECUTIVE BUDGET RECOMMENDATION
2025-27 BIENNIUM

Budget Summary

	FTE Positions	General Fund	Other Funds	Total
Burgum budget recommendation	64.80	$75,915,577	$179,820,226	$255,735,803
Revisions - Increase (decrease)	0.00	(31,770,326)	24,819,208	(6,951,118)
Armstrong budget recommendation	**64.80**	**$44,145,251**	**$204,639,434**	**$248,784,685**
Base level	62.80	33,546,083	53,344,371	86,890,454
Increase (decrease)	2.00	$10,599,168	$151,295,063	$161,894,231
Percentage increase (decrease)	3.2%	31.6%	283.6%	186.3%

NOTE:
More detailed information on the revised executive budget recommendation is attached as an appendix.

Selected Highlights

- Adds **$676,680**, of which **$538,835** is from the general fund and **$137,845** is from other funds, for salary increases of up to **3 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 **$2 million** from the general fund for Office of Legal Immigration operating expenses (**$500,000**) and grants (**$1.5 million**), of which **$250,000** is ongoing funding and **$1.75 million** is one-time funding. Total ongoing funding for the Office of Legal Immigration would increase to **$735,000** from the general fund.
- Adds $5 million of one-time funding from the **strategic investment and improvements fund (SIIF)** for tourism marketing awareness
- Adds **$15 million** of one-time funding from SIIF 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 $50 million of one-time funding from SIIF for a housing for opportunity, mobility, and empowerment program**
- Adds **$5 million** of one-time funding from SIIF 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 **$17 million** of one-time funding for workforce programs, **including $15 million from SIIF** for the find the good life initiative (**$5 million**) and regional workforce impact grants, also known as workforce investment program grants (**$10 million**), and $2 million from the general fund for technical skills training grants

Deficiency Appropriations

There are no deficiency appropriations recommended in the revised 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 six 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.

House Bill No. 1448 - This bill creates an advanced technology review committee, an advanced technology grant program, an advanced technology grant fund, provides for a transfer of $5 million from SIIF to the advanced technology grant fund, and appropriates one-time funding of $5 million from the advanced technology grant fund to the Department of Commerce for the advanced technology grant program.

House Bill No. 1493 - This bill repeals the Office of Legal Immigration. The 2025-27 biennium base budget for the Office of Legal Immigration in the Department of Commerce is $485,000 from the general fund for salaries and wages of 2 FTE positions.

House Bill No. 1524 - This bill appropriates $8 million of ongoing funding from the general fund to the Department of Commerce for providing funding to regional planning councils.

House Bill No. 1581 - This bill appropriates $500,000 of ongoing funding from the general fund to the Department of Commerce for providing tribal tourism grants. The bill provides a tribal government in the state may apply to the department for a grant up to $100,000 to promote and enhance tribal nation tourism opportunities.

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 Bill No. 2225 - This bill appropriates $50 million of one-time funding from SIIF to the Department of Commerce for providing housing for opportunity, mobility, and empowerment program grants to political subdivisions to build infrastructure necessary to support affordable, market rate housing. The bill requires matching funds on a $1-to-$1 basis.

Senate Bill No. 2228 - This bill appropriates $1 million of one-time funding from the general fund to the Department of Commerce for providing grants for the preservation of rural grocery stores and increasing the availability of food access in the state. The Legislative Assembly appropriated one-time funding of $1 million from the general fund to the department for the program during the 2023-25 biennium.

Senate Bill No. 2331 - This bill appropriates $50,000 of ongoing funding from the general fund to the Department of Commerce for administering a newly created Theodore Roosevelt National Park working group.

Senate Concurrent 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

	Armstrong 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		538,835	137,845	676,680
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			200,000	200,000
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		250,000		250,000
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 uncrewed aircraft systems (UAS) fund for UAS program grants			(1,020,150)	(1,020,150)
Total ongoing funding changes	**2.00**	**$2,590,124**	**$295,063**	**$2,885,187**
One-Time Funding Items				
Adds funding for tourism marketing awareness			$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		1,750,000		1,750,000
Adds funding for a housing for opportunity, mobility, and empowerment program			50,000,000	50,000,000
Adds funding for the community property improvements grant program			5,000,000	5,000,000
Adds funding for tourism destination development grants			15,000,000	15,000,000
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			10,000,000	10,000,000
Adds funding for operating expenses of the find the good life initiative			5,000,000	5,000,000
Adds funding for technical skills training grants		2,000,000		2,000,000
Total one-time funding changes	**0.00**	**$8,009,044**	**$151,000,000**	**$159,009,044**
Total Changes to Base Level Funding	**2.00**	**$10,599,168**	**$151,295,063**	**$161,894,231**
2025-27 Total Funding	**64.80**	**$44,145,251**	**$204,639,434**	**$248,784,685**
Federal funds included in other funds			*$44,452,491*	
Total ongoing changes - Percentage of base level	*3.2%*	*7.7%*	*0.6%*	*3.3%*
Total changes - Percentage of base level	*3.2%*	*31.6%*	*283.6%*	*186.3%*

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division
Red River Room, State Capitol

SB 2018
1/15/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; and to provide a transfer.

2:16 p.m. Chairman Wanzek opened the hearing.

Members present: Chairman Wanzek, Vice-Chair Dwyer, Senator Burckhard, Senator Erbele, and Senator Sickler.

Discussion Topics:

- Community Services Block Grant (CSGB) Funds
- CARES funding results
- Tourism's economic impact
- Marketing
- Earned media metrics
- Destination development
- Workforce attraction
- Division of community services overview
- Grocery store initiative
- Rural workforce housing
- Natural resource development opportunities
- Energy resources
- Autonomous agriculture
- Energy and agriculture synergy
- Legacy Investment for Technology Loan Fund (LIFT)
- Budget requests
- Regional workforce impact programs
- ND rank in net migration
- Office of Legal Migration
- Intern program
- Technical skills training grant
- Workforce housing strategies
- Marketing investment effects
- Public/private community investment
- Royalty opportunities
- Indirect value opportunities
- Federal surveillance data
- Grand Sky economic impacts
- Hypersonic missile testing
- Regional workforce investments
- Tourism's economic benefits
- Artificial intelligence lab

2:17 p.m. Chris Schilken, Commissioner for the ND Department of Commerce, testified in favor and submitted testimony #29267, # 29265, 29266, and #29268.

2:22 p.m. Alison Widmer, Director of Administrative Services, testified in favor and continued with testimony # 29267.

2:24 p.m. Sara Otte Coleman, ND Director of Tourism and Marketing, testified in favor and continued with testimony #29267.

2:43 p.m. Maria Effertz, Division of Community Services Director, testified in favor and continued with testimony #29267.
.
2:55 p.m. Rich Garman, Director of Economic Development & Finance, testified in favor and continued with testimony #29267.

3:16 p.m. Katie Ralston Howe, Workforce Division Director, testified in favor and continued with testimony #29267.

3:36 p.m. Recess

3:48 p.m. Reconvened

3:49 p.m. Commissioner Schilken testified in favor.

3:53 p.m. Zachary Broadwell, Executive Director of Job Development, testified in favor and continued with testimony #29267 and submitted testimony #30976.

4:03 p.m. Charlie Johnson, President and CEO of Visit Fargo-Moorhead, testified in favor and provided testimony #29059.

4:07 p.m. Jessica Ackerman, Aksal Group of Minot, testified in favor and submitted testimony #29140.

4:13 p.m. Trevor Woods, Executive Director Northern Plains UAS Test Site, testified in favor and submitted testimony #29200.

4:23 p.m. Erin Roesler, Deputy Executive of Northern Plains UAS Test Site, testified in favor and continued with testimony #29200.

4:39 p.m. Thomas Swoyer, Jr., President of Grand Sky, testified in favor and submitted testimony #29071.

4:48 p.m. Timothy Curry, CEO of Curry and Company Solutions LLC, testified in favor and submitted testimony #29072.

4:52 pm Charles P. Clairmont, Executive Director of ND Safety Council, testified in favor and submitted testimony #29234.

5:01 p.m. Terri Zimmerman, Chairman of Packet Digital, testified in favor.

5:03 p.m. Cale Dunwoody, Vice President of Public Policy for Fargo Moorhead West Fargo Chamber testified in favor and submitted testimony #29233 and #29278.

5:08 p.m. Sheri Grossmann, CEO of Bismarck-Mandan Convention and Visitors Bureau, and President of Destination Marketing Association of ND (DMAND), testified and submitted testimony #29079.

5:12 p.m. Sara Otte Coleman, Director of ND Tourism and Marketing, testified in favor.

5:13 p.m. Greg Tehven, Board Chair of Grand Farms, testified in favor, and submitted testimony #29363.

Additional written testimony
Kelly Sorge, owner/operator of Indian Hills Resort, submitted testimony #28391 in favor.

Lucas Paper, Director of Strategies for Folkways, submitted testimony #28999 in favor.

John Bollinger, Founder/Owner/CEO of Funatix Entertainment, submitted testimony #29026 in favor.

Tim Blasi, President of ND Hospital Association, submitted testimony #29027 in favor.

Laura Lacher, Executive Director, Economic Development Association of ND, submitted testimony #29047 in favor.

Kimberly Hagen, Chair of Grand Forks Board of County Commissioners, submitted testimony #29077 in favor.

Scooter Pursley, Executive Director, ND Travel Alliance Partnership, submitted testimony #29123 in favor.

Becca Cruger, Director of Workforce Development, Grand Forks Region Economic Development Corporation submitted testimony #29169 in favor.

Sandra Larson submitted testimony #29185 in favor.

Patti Jo Larson, Chair, Sheyenne GRIT, submitted testimony #29190 in favor.

Amie Vasichek, City Auditor of Lakota, submitted testimony #29195 in favor.

Tiffany Ford, Project Director for ND APEX Accelerator, submitted testimony #29201 in favor.

Cindy Griffin, Chair of ND Workforce Development Council, submitted testimony #29206 in favor.

Barry Wilfahrt, President and CEO, The Chamber Grand Forks - East Grand Forks, submitted testimony #29217 in favor.

Stephanie Schoenrock, Executive Director, Visit Minot, submitted testimony #29255 in favor.

Nick Ybarra, Director of Save the Maah Daah Hey, submitted testimony #29260 in favor.

Aaron Barth, Executive Director, Fort Abraham Lincoln Foundation and Northern Plains Heritage Foundation submitted testimony #29263 in favor.

James Pladson, CEO of Reach Right Handle, submitted testimony #32983 in favor.

Luke Shafer, Founder/Owner, ND Country Fest, submitted testimony #30780 in favor.

Brecca Kramer, President and CEO, Minot Area Chamber, submitted testimony #29275.

Carol Peterson, Economic Development Coordinator, City of Milnor, submitted testimony #29041 in favor.

5:19 p.m. Chairman Wanzek closed the meeting.

Carol Thompson, Committee Clerk

Destination Development Letter of Support

Greetings, My Name is Kelly Sorge owner/operator of Indian Hills Resort. We have a 40-year history on Lake Sakakawea offering camping and lodging. We are a unique entity as we have been partnered with the US Army Corp or Engineers, ND State Parks. MHA Nations and ND Game and Fish Dept. since 1984. On Nov 1st of 2023 we were fortunate enough to be awarded 40% of our $500,000.00 grant application for the build of the Good Bear Bay Lodge.

I regret that I cannot be there in person, but I feel strongly about supporting this project. The Department of Commerce has worked tirelessly, and, like me, they are excited to see how extraordinary we can become with your support.

As Governor Burgum said during the one of the Destination Developments first grand openings at the Good Bear Bay Lodge, "It's about what we can be and what we can become." This sentiment perfectly captures the spirit of this initiative and the incredible potential it holds for our state.

In the winter months, I have the opportunity to travel out of state, which allows me to observe what other states are offering to attract visitors. I pay particular attention to their strategies, what draws guests, and how they compete in the tourism market. With so many destinations available, it's essential to understand what people are looking for in their travel experiences, as well as what and who are we competing with.

In our region, we identified a significant gap: the need for a larger, family-style lodge. This presented an opportunity to create a space where families, both residents and non-residents, could come together to enjoy one of the most beautiful areas of Lake Sakakawea.

However, this vision could not have become a reality without the support of the Destination Development Program. Within 12 short months, we were able to design, build, and open a facility that meets this need. Without this program, the project would have remained a dream.

Rising costs of building materials, labor, and interest rates made this project financially unfeasible for us as a business and as a family. The funding provided by the program allowed us to bring this vision to life and, importantly, keep our nightly rates affordable for our guests and traveling families.

This program not only enabled us to invest in our business but also enhanced North Dakota's tourism offerings, creating a destination that will serve visitors for years to come.

We strongly support the continuation of the Destination Development Program because we have seen its direct benefits to the local economy and the opportunities it creates for other businesses and communities. This program empowers non-government entities to overcome financial barriers, enabling the development of projects that drive tourism, create jobs, and foster economic growth.

I also want to emphasize that the grant process is rigorous. The program asks the right questions to ensure funding is directed to the most deserving projects—those with sustainable, long-term potential and a clear plan for success. This diligence ensures that funding is appropriated wisely and goes to grantees who can maximize its impact.

Continuing this program will provide critical support for similar projects across the state, ensuring that North Dakota remains a competitive and appealing destination for visitors while strengthening our communities.

Thank you all for your time and support.

Kelly and Dale Sorge.

FOLKWAYS
YOU BELONG HERE

January 14, 2025

Lucas Paper
Director of Strategy
Folkways
210 Broadway #202
Fargo, ND 58102

Chairman Bekkedahl
Senate Appropriations Committee
600 East Boulevard Avenue
Bismarck, ND 58505

Dear Chairman Bekkedahl and Members of the Senate Appropriations Committee,

My name is Lucas Paper, and I am honored to represent Folkways, a Fargo nonprofit dedicated to making Fargo the best small city in America through community events where everyone belongs. I am testifying in support of continued Destination Development funding to encourage the creation of events that attract tourism to our state.

Since 2015, Folkways has welcomed over 750,000 attendees to our events, generating $11.4 million in economic impact while supporting 80 local small businesses and hundreds of performers and artists. Ranked as Fargo's #1 "Thing to Do" by TripAdvisor, we now attract 125,000 annual attendees to our 40 events–comparable to major attractions like the North Dakota State Fair and the Fargo Street Fair.

Community events like ours play a vital role in drawing visitors to our state. Often, North Dakota is the last state people visit. With Destination Development support, we can create experiences that attract tourists, support local businesses, and strengthen our cultural appeal. Allocating funds toward community events builds on the program's success and is a natural next step in its evolution.

Thank you for your ongoing support of Destination Development. With continued funding, Folkways can create even more experiences that drive tourism, foster community, and boost the local economy.

Sincerely,
Lucas Paper
Director of Strategy
Folkways

January 6, 2025

Senate Appropriations Committee
North Dakota Legislative Assembly
600 East Boulevard Avenue
Bismarck, ND 58505

Subject: Support for Senate Bill 2018 – Increasing North Dakota's Tourism Budget

Dear Members of the Senate Appropriations Committee,

I am writing to express my strong support for Senate Bill 2018, which seeks to increase North Dakota's tourism budget. As the founder and majority owner of the Bismarck Larks, Minot Hot Tots, and Minot Honeybees and organizer of numerous North Dakota community events through Funatix Events, I have seen firsthand how tourism and community-driven experiences strengthen local economies, enhance quality of life, and attract visitors. Serving on the boards of the Theodore Roosevelt Medora Foundation and the Mandan Progress Organization has further reinforced my belief that tourism is a critical driver of workforce recruitment, retention, and economic growth.

If workforce recruitment and retention is North Dakota's top priority, I firmly believe we must increase investment in tourism and quality of life initiatives.

Attracting talent is not solely about job creation – it's about fostering vibrant communities that offer a sense of belonging and opportunity. Tourism introduces potential residents to North Dakota's culture, events, and people, providing a firsthand look at what makes our state special. When we invest in community events, public spaces, and attractions, we not only draw visitors but encourage them to stay, work, and build their futures here.

North Dakota's tourism budget lags significantly behind neighboring states like South Dakota, Montana, Wyoming and Minnesota (more than four times). These states have long recognized the direct connection between tourism promotion, economic growth, and workforce attraction. If we want to remain competitive, we must amplify our investment to showcase the authentic experiences and communities that define North Dakota.

Tourism isn't just about drawing visitors – it's about positioning North Dakota as a great place to live. Many individuals first experience our state through local events, landmarks, and community festivals. If workforce development is our focus, tourism must lead the charge in highlighting the lifestyle and values that make North Dakota unique.

When my wife and I moved to North Dakota eight years ago we were so excited to start our company but wondered, "What is there to do? Will we enjoy living here?" Did you know recent research showed only

16% of Americans are familiar with what North Dakota offers? What my wife and I found though was something larger cities often lack – personal, community-driven experiences where events aren't just attended but actively participated in. North Dakota communities excel at creating meaningful, inclusive events that foster connection, community pride, and highlight one of our greatest strengths – North Dakota's hospitality. For newcomers, North Dakota becomes more than just a place to work – it becomes a place to belong.

Today's workforce seeks more than just a paycheck—they desire a vibrant, fulfilling lifestyle.

Events like the Norsk Høstfest in Minot, Mandan Rodeo, ND Country Fest in New Salem, Fargo & Bismarck Marathons, ArtFest in Grand Forks, Chokecherry Festival in Watford City, and many others are vital to North Dakota's identity.

However, rising costs of construction, marketing, and operations make it increasingly difficult for organizers to expand, upgrade, or launch new attractions. The financial strain often limits their ability to broaden their reach and grow attendance. By increasing the tourism budget and expanding marketing grants and other strategic support programs, events like the Bismarck Marathon and Mandan Rodeo could access funding to attract more out-of-state visitors while strengthening their local impact.

The Destination Development Fund is a prime example of how strategic investment can drive growth. When North Dakota allocated $25 million in matching grants for new attractions, it generated $150 million in private investment interest. This overwhelming response highlights the demand for funding and the readiness of organizations to pursue transformative projects. Expanding grant programs will unlock new initiatives that create jobs, drive visitation, and enhance communities statewide.

Supporting Senate Bill 2018 is not just an investment in tourism – it's an investment in North Dakota's workforce, economy, and future. By expanding our tourism infrastructure and supporting organizations that create these experiences, we will attract new visitors, retain residents, and cultivate the workforce needed to sustain and grow our economy.

Thank you for your leadership and dedication to North Dakota's growth. I appreciate your consideration of this important initiative and welcome the opportunity to discuss it further.

Sincerely,

John Bollinger

Founder/Owner/CEO
Funatix Entertainment
201 W Front Ave
Bismarck, ND 58504
john@larksbaseball.com
701-557-7600

2025 SB 2018

Senate Appropriations Government Operations Division

Senator Terry Wanzek, Chairman

January 15, 2025

Chairman Wanzek and members of the Senate Appropriations Government Operations Division, I am Tim Blasl, President of the North Dakota Hospital Association (NDHA). I am here to testify in support of Senate Bill 2018. I ask that you give this bill a **Do Pass** recommendation.

Hospitals support the funding of a rural health care grant program in the department of commerce to provide matching funds to assist in the recruitment, distribution, and supply, and enhancing the quality and efficiency of personnel providing health services in rural areas of the state. We appreciate any assistance the legislature gives to promote and enhance rural health care services by funding workforce initiatives to deliver health care to rural populations in our state. This in turn helps to improve population health and health care sustainability in rural North Dakota. We envision the grant program strengthening local health care resources and access in rural communities. Through the grants, communities can develop innovative approaches to solve their own unique challenges and factors underlying rural health access disparities.

In summary, we support passage of this bill and hope that you will give it a **Do Pass** recommendation.

I would be happy to respond to any questions you may have. Thank you.

Respectfully Submitted,

Tim Blasl, President
North Dakota Hospital Association

408 Main Street - PO Box 70 – Milnor, North Dakota 58060-0070

City Auditor: 701-427-5272 Fax: 701-427-5292

Testimony of Carol Peterson

Economic Development Coordinator, City of Milnor

701-6785415 milnorND@hotmail.com

January 13, 2025

I am testifying today as the Economic Development Coordinator and a citizen of Milnor, ND to support funding for the Department of Commerce, Workforce Housing.

The Milnor community has made great strides recently, adding 26 new businesses in the past 15 years, some of which are anchor businesses such as a veterinary service, HVAC/electrical business, a plumbing enterprise, pet care/kennel, a licensed childcare center, MDU Natural Gas, as well as a new John Deere dealership. We continue to support all our long-term key businesses such as Milnor Market Grocery, Stock Growers Bank, Dakota Valley Electric Cooperative, Milnor Grain, Community Credit Union, Milnor Clinic, and many others. We have changed the appeal of our downtown business district with new street lights, sidewalks, and several new businesses. Our childcare center, that was originally built in 2014 has been recently enlarged in 2024, to accommodate up to 122 children to attend daycare, pre-school, and after-school programs. This is the only licensed childcare center in Sargent County and supports our K-12 school system as well as the employees at Doosan Bobcat and all our other local businesses and farms. Milnor used the Rural Workforce Impact Program (RWIP) grant to help enlarge the childcare center from 5,000 square feet to an 8,800 square foot facility, allowing their licensed capacity to increase from 67 to 122 children.

The people who live and work in southeast North Dakota enjoy our scenic lakes area which includes the Dead Colt Creek Recreation Area, Silver Lake Recreation Area, Tewaukon National Wildlife Refuge, the Storm Lake National Wildlife Refuge and the Sheyenne National Grasslands with the North Country National Scenic Trail, all located within minutes of the Milnor community.

Our existing businesses, expanding businesses and new enterprises have added to our area's workforce. Many of our citizens work in Milnor or have a ten-minute drive to the Doosan Bobcat plant that employs over 1,500 people from southeast North Dakota. Our area people also work at and support many of the

suppliers that Bobcat relies on. Businesses such as Comstock Construction, Lunseth Plumbing, HA Thompson & Sons, Gates Inc., Job Erection, ICS, Grotberg Electric (which all work on-site at the Bobcat factory), along with local support industries such as Thompson Customizing, Ray Mac, Wurth Service Supply, Fargo Assembly, J & M Printing, Neuweg Industries, Briton Manufacturing, several trucking companies, and many other auxiliary businesses working with and supporting Bobcat. However, Doosan Bobcat has been continually moving production lines to North Carolina and other locations due to lack of workforce in our area which has been caused by a lack of housing. These production reductions at Bobcat causes a ripple effect for their supporting industries, businesses and the financial well-being of southeast North Dakota. Readily available housing would allow a smooth transition for the potential employee coming from within North Dakota or from in-migration.

Milnor has used the Renaissance Zone incentives which has helped immensely in rehabbing our older homes. We have worked with the Sargent County JDA in building two spec homes, that have been sold. Milnor has been fortunate to have had 17 new homes built in the past 15 years by homeowners, but we have not been able to entice a developer to build multi-family units in our community which is one of the factors causing our workforce crisis. The area does not have enough homes and not every potential employee wants to or is financially capable of buying a single-family home, many want or need an apartment. We do not have local developers in our area and the developers from Fargo (80 miles) stress additional costs in building due to the windshield time to the job sites. Milnor is shovel-ready for homes and multi-family units with our new housing development, including infrastructure such as roads, water, sewer and natural gas. We also have several other incentives including rebates on the lots. Our area needs State of North Dakota financial assistance to incentivize the developers to come to smaller communities to build the housing our workforce needs today and into the future. The Milnor 2023 Housing Study stresses the need for additional housing, both residential and multi-family. (Housing Study on Milnor website: 2023 - Housing Study - Milnor, ND). But we lack the finances and local talent and other incentives to exercise such a plan.

Milnor supports additional workforce housing in the entire State of North Dakota. The southeast area of North Dakota, which includes our state's largest manufacturing facility with all their supporting businesses, needs your help.

MILNOR
North Dakota

408 Main Street - PO Box 70 – Milnor, North Dakota 58060-0070

City Auditor: 701-427-5272 Fax: 701-427-5292

Testimony of Carol Peterson

Economic Development Coordinator, City of Milnor

701-6785415 milnorND@hotmail.com

January 13, 2025

I am testifying as the Economic Development Coordinator and a citizen of Milnor, ND to support funding for the Department of Commerce, Community Revitalization (Rural Slum and Blight Grant).

Milnor has had a direct experience with the Community Revitalization program. We applied for the Rural Slum and Blight Removal Grant in 2024 for a property on our Main Street which encompassed six lots. This was for the removal of a 56' x 117' building that had not been used for over 20 years due to age and deterioration. This grant not only helped us remove a blighted eyesore and safety hazard, but it is paving the way for a new building that can be used for business and housing, and be a great asset to our community.

This project has created a ripple effect for our town, exciting others to move forward with projects. After a long planning process, the VFW removed a dangerous building immediately to the south of the city project mentioned above, and they are in the process of building a new 5,000 sq ft public-use facility. Another building next to the VFW project, was an ice cream shop, known as "The Keg", used by a community-wide group that was completely outdated and in very poor condition. This building was removed in the fall of 2024 and a public fundraising campaign began to raise money to replace it. This project is important to our citizens because – well, who doesn't like ice cream and sweet treats. The new building will be finished in the spring of 2025 and they hope to open on Memorial Day to serve ice cream treats that attract people from over a 20-mile radius of Milnor. In the next block, on Main Street, another entrepreneur purchased an empty, two-story brick building that the main floor had not been used since 2021, and the apartment upstairs had not been viable to rent for a very long time. The new owner completely gutted the entire building. Renovations are starting, and the main floor will soon be an insurance office and the upstairs will be a beautiful apartment.

All these 2024 improvements to our Main Street are having a great domino effect. This is an amazing feat for a small rural community. And it was all started by the idea to improve our Main Street and dispose of an old building.

Milnor asks the legislature to continue the Community Revitalization Slum and Blight Grant as our town is a great example of how one program can ignite a community and make a difference.

ednd
economic development association of north dakota

PO Box 1091 • Bismarck, ND 58502
701-355-4458 • www.ednd.org

Testimony of Laura Lacher

Economic Development Association of North Dakota

In Support of SB 2018

January 15, 2025

Chair Wanzek and members of the Senate Appropriations Committee – Government Operations Division:

I am Laura Lacher, executive director of the Economic Development Association of North Dakota (EDND). I want to express EDND's support for SB 2018.

EDND represents more than 80 state economic development organizations on the front line of economic development efforts throughout North Dakota. The organization's primary purpose is to support the creation of new wealth and the diversification of North Dakota's economy.

EDND has a long-standing and complementary relationship with the Department of Commerce. They are a premier partner providing valuable tools, programs and resources for the economic developers in our state.

This strong partnership with the state helps us recruit and retain new and expanding businesses locally, train North Dakota's workforce, and compete in national and international markets. We also rely on the Commerce Department to help local entrepreneurs explore potential opportunities and diversify the state's economy.

Because of what Commerce does for communities of all sizes, we would like to support SB 2018. Thank you for your consideration.

January 14, 2025

Sen. Terry Wanzek, Chair
Appropriations Committee – Government Operations Division
North Dakota Senate
Via Electronic Mail

Dear Sen. Wanzek and Members of the Committee:

I am respectfully requesting that the Committee consider increasing funding in SB 2018 for the Tourism Division's destination marketing efforts. While some advocates are asking for seven-million dollars ($7,000,000) in that category, which would be an improvement on the Governor's budget request, I honestly believe an increase to ten-million dollars ($10,000,000) would be far more appropriate. Going to that amount, which translates to five-million dollars ($5,000,000) per year of the biennium, would still leave North Dakota *significantly* below the typical tourism spending of other states. Looking only at our closest neighbors, we are outspent by South Dakota, at more than $25 Million each year, Montana, at $40 Million per year, and Minnesota, at more than $18 Million per year.

We cannot be complacent-- room demand and occupancy rates rebounded sharply after the pandemic, but have slipped back in Fargo and in North Dakota in the last couple of months, while Sioux Falls and Rapid City have stayed steady or continued to grow. There is no question that effective marketing works, and the Tourism Division's excellent Marketing Team would be able to invite more people to this beautiful state if they had more dollars with which to work.

Increased spending is even more important now, as we know that all our marketing—state and local—boosts workforce attraction as well as tourism.

On a separate but equally important note, I heartily endorse bringing back the last biennium's successful Destination Development Grant program, ideally at the $50 Million dollar level. Demand for the program was apparent, as there were more than eighty requests worth more than $150 Million the first time around. The community enhancements that result from this program improve the state's appeal for visitors and potential residents, alike.

Thank you very much for your time and attention. If you have any questions, feel free to contact me by phone (701-365-4567 office, 701-371-9911 mobile) or via email, which is charley@fargomoorhead.org.

Sincerely,

Charley Johnson
President & CEO

Visit Fargo-Moorhead
2001 44th St S Fargo ND 58103
701 • 282 • 3653
www.fargomoorhead.org

GRANDSKY
GRAND FORKS COUNTY, ND

To: Chairman Wanzek and committee members
From: Thomas Swoyer, Jr. President of GrandSKY

GrandSKY: A Unique Opportunity for North Dakota

Prior to the beginning of the 2025 Legislative Session, GrandSKY respectfully requested $22.5 Million from the State of North Dakota for investment in infrastructure at the Flight Test and Operations Center located on Grand Forks AFB, Grand Forks County, ND. This request was made with full knowledge that $22.5 Million is a lot of money and there are many competing priorities for the State. The $22.5 Million was requested to support infrastructure required to keep the park growing and to open more opportunities for aerospace companies to move to North Dakota and create jobs here.

Specifically, GrandSKY's request would support two broad funding items (breakdown attached):

- $10M for ongoing investment in utilities, roads, security, and communications infrastructure.
- $12.5M for construction of a new aircraft taxiway and repair / replacement of the existing (inherited) aviation ramps, taxiways, and aprons.

GrandSKY is a unique asset in North Dakota and the United States. It is the first facility in the United States to focus on commercial Uncrewed Aircraft Systems ("UAS"). It is a public / public / private partnership between the US Air Force, Grand Forks County, and Grand Sky Development Company. It leverages many existing US Air Force assets like the runway, emergency services, control tower services, and radar. It is the ONLY facility in the United States that allows piloted or UAS aircraft, military and/or civilian to take off and land at an active-duty Air Force Base.

GrandSKY is physically located on 217 acres, leased by Grand Forks County from the Air Force. Grand Forks County, through a public competition, selected Grand Sky Development Company to manage and administer the project on the County's behalf. GrandSKY is NOT a private development, it is owned by Grand Forks County but managed by a private entity to take advantage of commercial best practices and to enable a dedicated team to the effort in order to maximize success.

GrandSKY has been successful. From an economic impact standpoint, the following statistics, compiled in December 2024, define the facility's success:

- Direct Jobs: 269
- Average Salary: $117,928
- State Investment in Infrastructure (to date): $33 million
- Private Sector Investment in facilities and equipment: $159 million

- Investment leverage: $1 of State investment yields $4.81 of private investment
- State and Local Tax impact from Annual Operations: $2,518,990
- State and Local Tax impact from Construction (2023 and 2024): $194,625

GrandSKY requested these funds to support continued expansion. The Air Force property GrandSKY is developing on was used as an "alert pad" for B-52 bombers during the cold war and more recently as the alert location for KC-135 air refueling tankers. GrandSKY has used state funds to bring utilities to the site where there were none, refresh the alert ramp concrete some of which has been in place since the 1950's and to install roads and other infrastructure to support commercial use of an existing military asset.

GrandSKY currently estimates there is still $26 million of priority infrastructure needs including utilities, roads, and aviation pavements. This sum would complete the installation of basic infrastructure at GrandSKY.

Frequently asked questions about GrandSKY include:

- How long does the State need to continue to fund GrandSKY? Simply put, when GrandSKY started, the initial infrastructure request was $44 million. That's a very large sum of money on an unproven project with no track record of return on investment. Since 2015, GrandSKY has grown but prices for utilities and roads have increased as well. The requested funds would help GrandSKY meet its initial request.
- Does the Developer have "skin in the game?" Yes, Grand Sky Development Company LLC is the developer contracted by Grand Forks County to develop the park. That company has affiliate companies that have invested in facilities at the park. To date, GrandSKY affiliated companies have invested $7 million in buildings and over $1 million in land and operations investments. Grand Sky Development Company's primary role is to secure investment from other companies that see value operating there. The bulk of private investment has come from these companies.
- Do any State funds support tenants at GrandSKY? No, no state funds are used for corporate welfare or for tenant operations. State funds are used for infrastructure including roads, utilities, aviation pavements, security, and other support that benefit ALL tenants of the park. For example, GrandSKY used state funds to place main lines for drinking water into the park. It is the responsibility of each tenant to connect to that main line. The same is true for sanitary sewer, natural gas, data, and electricity. No state funds are used to support privately owned, tenant occupied buildings. State funds are only used for infrastructure.
- Do any State funds support GrandSKY operations? No, no state funds are used to pay operating expenses like utility bills, insurance, or salaries of GrandSKY personnel. State funds are appropriated through the Department of Commerce. The Department of Commerce then enters into an agreement with Grand Forks County who is the fiscal agent for the funds. Grand Sky Development Company presents projects for funding to the County Commission. Once approved, GrandSKY releases the project for public bid and then presents the bid results and final budget to the Commission for final approval. Upon final approval, the project commences and the County Commission approves the monthly

invoices against the budget. State funds are only used for infrastructure at the park that can benefit all tenants.

In addition to state funds only being used for infrastructure, not being used for tenant facilities and not being used for salaries or operations, there is another important fact. Over 90% of all state funds that have been appropriated for GrandSKY have gone to North Dakota companies. It is important to Grand Forks County and to GrandSKY that we utilize North Dakota companies to the maximum extent possible.

GrandSKY currently is tracking over $26.79 million of critical additional infrastructure that is needed to continue growth at the park. These investments include roads, utilities, and aviation support. The expenditures are broken down as follows:

- Utilities: $8,580,000. (Over 7400 linear feet of utilities)
- Roads: $7,264,000. (Over 10,000 linear feet of new roads)
- Aviation Support: $10,351,000. (New vertical takeoff and landing facility and existing pavement repairs)
- Security: $600,000. (new cameras and sensors throughout the park)

GrandSKY respectfully requests that the Appropriations Committee consider funding GrandSKY at the originally requested amount of $22.5 million.

On behalf of GrandSKY, any amount appropriated in the final Commerce Bill will be used to invest in additional infrastructure at GrandSKY and will be gratefully accepted and put to work in the most efficient way possible for the benefit of North Dakota.

Curry & Co. Solutions, LLC

Grand Forks County & GrandSKY EUL Testimony

To: Chairman Wanzek and members of the Senate Appropriations Committee
From: Timothy Curry, Grand Forks County/Grand Sky Consultant, retired USAF Colonel and former GFAFB Wing Commander

January 14, 2025

RE: Senate Bill 2018: A BILL FOR AN ACT TO PROVIDE AN APPROPRIATION FOR DEFRAYING THE EXPENSES OF THE DEPARTMENT OF COMMERCE

Dear Chairman, Wanzek and members of the Senate Appropriations Committee,

My name is Timothy Curry, and I am a national security consultant for Grand Forks County. I am a retired U.S. Air Force Colonel who served for 25 years. I am also a former Wing Commander of Grand Forks Air Force Base where I led an installation of over 5,000 Airmen, civilians, and dependents from June 2021 to June 2023.

I am writing as a military and national defense subject matter expert to express my full support for the Enhanced Use Lease (EUL) Development Grant (GrandSKY) funding identified in the Department of Commerce budget request.

In June 2019, I moved to Grand Forks County and undertook military duties flying and leading Unmanned Aircraft Systems (UAS) missions, also referred to as Remotely Piloted Aircraft (RPA) while stationed at Grand Forks Air Force Base. At the time I was the base director of staff when I met the authors and administrators of the Enhanced Use Lease between the County and the United States Air Force (USAF).

I quickly learned and experienced first-hand the difference GrandSky had on the UAS industry, the state of North Dakota, and most importantly the service members that preserve our way of life. GrandSKY is well known by Commanders and defense leaders stationed in Texas, Virginia, and Washington D.C. where the Numbered Air Force Command, Major Air Force Command, and Department of the Air Force are located.

At a recent installation expo in San Antonio Texas, Grand Forks County administrator Tom Ford expertly chaired an EUL panel with key Air Force leaders. He and others shared best practices of the EUL with industry and military personnel from all over the United States. The EUL between Grand Forks County and GrandSKY was highlighted as an example for others to emulate as other installations and organizations seek new lease agreements nationally.

As a result of your funding and support to GrandSKY, organizations like the Space Development Agency (SDA) and Test Resource Management Center (TRMC) have now joined the North Dakota team leading defense efforts in testing and fielding vital Intelligence Surveillance and Reconnaissance (ISR) capabilities and weapons systems capabilities that will keep America safe for generations to come. I helped facilitate the partnership between these organizations and Grand Forks Air Force Base while I was in Command. SDA and TRMCs budget numbers for 2025 will be approved soon; you can be confident both organizations will remain well funded and resourced based on current global threats.

The Department of the Air Force (DAF) budget proposal directs $188.1 billion to the Air Force and $29.4 billion to the Space Force. Department leaders and congress understand the threat and the capabilities required to deter adversaries and win conflicts in the future. Current Secretary of Air Force Kendall relayed during his testimony to congress for the 2025 budget that the department needs immediate and significant capability modernization to keep pace with the growing military capabilities of the Peoples Republic of China.

Thankfully, North Dakota continues to show Washington leaders how to pragmatically support our service members by funding two key areas mentioned by the Secretary of the Air Force as well as the Air Force and Space Force service chiefs: 1) Space Force and Air Force modernization, and 2) accelerated fielding of Collaborative Combat Aircraft (CCA), which GrandSky and Grand Forks AFB is working toward daily.

Since I joined the Grand Forks County team in October 2024, I have been able to discuss GrandSky and the test range capabilities with over a dozen clients that are all interested in finding ways to partner with the state and particularly GrandSky. Each will bring with them a positive economic impact, but more importantly, each will bring increased defense capabilities required to achieve our national defense and national security objectives. Continued investment into GrandSKY is expected to provide thousands of jobs in North Dakota. Key technologies and expertise will continue to grow at GrandSky and throughout the state that will help with national

defense modernization particularly, CCA testing, evaluation and fielding, Radar and Airspace modernization and development, Hypersonic missile test and evaluation, RPA test and training, as well as upgrading and reconfiguration of the largest RQ-4 inventory in the Department of Defense that will conduct most operations out of GrandSky.

While I was in command at Grand Forks Air Force Base, Department of the Air Force leadership made it clear that bases of the future would need to advance public and private partnerships to thrive, effectively counter peer threats, and in some instances survive in a fiscally constrained environment. Your funding and support remain critical to national defense.

I fully support GrandSKY's requests that the Appropriations Committee consider funding GrandSKY at the originally requested amount of $22.5 million. The return on investment cannot be captured monetarily, yet it is clear that North Dakota continues to lead in advancing our nations ISR and Space capabilities through GrandSKY.

I affirm the testimony of my colleagues that North Dakota is the nation's leader in UAS capabilities. I also agree that it is critical to the state's economy that the Legislature continues to invest in GrandSKY to deter our greatest adversaries like the PRC and ensure our service members are adequately trained and equipped to win should deterrence fail.

Thank you for your time and faithful support to our service members.

Sincerely,

Timothy Curry

Timothy Curry
USAF, Colonel (ret)
CEO Curry & Co Solutions, LLC

GRAND FORKS COUNTY
HEART OF THE RED RIVER VALLEY

Board of Commissioners

Kimberly Hagen Grand Forks, ND
Mark Rustad Grand Forks, ND
Cynthia Pic Niagara, ND
Bob Rost Grand Forks, ND
Terry Bjerke Manvel, ND

To: Chairman Wanzek and members of the Senate Appropriations Committee
From: Commissioner Kimberly Hagen, Chair, Grand Forks County Board of Commissioners

January 13, 2025

RE: Senate Bill 2018: A BILL FOR AN ACT TO PROVIDE AN APPROPRIATION FOR DEFRAYING THE EXPENSES OF THE DEPARTMENT OF COMMERCE

Dear Chairman, Wanzek and members of the Senate Appropriations Committee,

My name is Kimberly Hagen, and I am the Chair of the Grand Forks County Board of Commissioners. I am writing to express the County's support for the Enhanced Use Lease (EUL) Development Grant (GrandSKY) funding identified in the Department of Commerce budget request.

On February 6, 2015, Grand Forks County executed a historic 50-year Enhanced Use Lease with the United States Air Force (USAF). This created GrandSKY, the nation's first commercial testing and training center devoted to the support and development of the Unmanned Aircraft Systems (UAS) industry. GrandSKY has since put North Dakota on the map in the UAS sector and has become the model EUL for other industries to follow. The USAF cites GrandSKY as its most successful and innovative EUL.

Without the State's investments, GrandSKY would not exist. Thanks to the foresight and investment of the State, necessary infrastructure was installed to host two leading UAS companies, Northrop Grumman Corporation and General Atomics. They will soon be joined by the Department of Defense's Test Resource Management Center (TRMC), who will headquarter its Sky Range mission at GrandSKY and Grand Forks AFB. Here, TRMC's Sky Range mission will convert and operate 24 RQ-4 Global Hawks to aid in DoD future weapons development.

Continued investment into GrandSKY provides hundreds of jobs in North Dakota. To date, Grand Sky has the following impacts:

- Direct Jobs: 269
- Average Salary: $117,928
- State Investment in Infrastructure (to date): $33 million
- Private Sector Investment in facilities and equipment: $159 million
- Investment leverage: $1 of State investment yields $4.81 of private investment

Kimberly Hagen Grand Forks, ND
Mark Rustad Grand Forks, ND
Cynthia Pic Niagara, ND
Bob Rost Grand Forks, ND
Terry Bjerke Manvel, ND

- State and Local Tax impact from Annual Operations: $2,518,990
- State and Local Tax impact from Construction (2023 and 2024): $194,625

Such investment from the state also precipitates investments into North Dakota from the private sector through private facilities, internships, and capital assets. This is reflected in $159 million in private equity created at GrandSKY since 2015.

GrandSKY currently is tracking over $26.79 million of critical additional infrastructure that is needed to continue growth at the park. These investments include roads, utilities, and aviation support. The expenditures are broken down as follows:

- Utilities: $8,580,000. (Over 7400 linear feet of utilities)
- Roads: $7,264,000. (Over 10,000 linear feet of new roads)
- Aviation Support: $10,351,000. (New vertical takeoff and landing facility and existing pavement repairs)
- Security: $600,000. (new cameras and sensors throughout the park)

Investments in GrandSKY have strengthened the Grand Forks region and the State's partnership with Grand Forks Air Force Base. Grand Forks County is leading the way in Public- Public-Private Partnerships that positively impact North Dakota, the County, and the Air Force.

Grand Forks County supports GrandSKY's requests that the Appropriations Committee consider funding GrandSKY at the originally requested amount of $22.5 million.

North Dakota is the nation's leader in UAS, but other states are quickly trying to replicate the GrandSKY model to overtake North Dakota's position as the nation's UAS leader. It is critical to our state's economy that the Legislature continues to invest in GrandSKY so that the State's economy diversifies and grows, securing North Dakota as the nation's UAS leader.

Sincerely,

Kimberly Hagen
Chair, Grand Forks County Board of Commissioners

Testimony of Sheri Grossman
Bismarck-Mandan Convention & Visitors Bureau and Destination Marketing Association of North Dakota
Senate Bill 2018
January 15, 2025

Chairman Wanzek and Member of the Committee:

My name is Sheri Grossman and, I am the CEO for the Bismarck-Mandan Convention & Visitors Bureau, and President of Destination Marketing Association of North Dakota (DMAND). DMAND is a cooperative association of independent Convention and Visitor Bureaus, as well as additional communities who share a broad-based community support and whose primary objective is the promotion of North Dakota.

You've all seen the compelling data from the ND Tourism Division showing you the impact visitors have on our state. People are going to travel. They will go somewhere; we need to have the funding to inspire them to choose North Dakota. If not, we are letting other states reap the benefits of the economic impact that could benefit our state.

Unfortunately, our neighboring states have always had much larger budgets than our Tourism Division; the most alarming part is that the gap is growing substantially. It is critical that our Tourism Division has adequate funding to compete with neighboring states. We cannot continue to let our neighbors capture these visitors and risk losing the economic impact that they could have on North Dakota. It is imperative to attract this business to fill our hotels, restaurants, gas stations and stores. They also generate a significant amount of tax that is needed by the local municipalities in every county. In 2023, visitors paid $307M in state and local taxes.

In addition to marketing to get visitors here, we need to have adequate offerings to aid in enticement and increase the length of stay. Thank you so much for appropriating money for the Destination Development Grants last session. We request that you continue that appropriation with an increased amount. As you know, there was no shortage of worthy projects. The Bismarck-Mandan Convention & Visitors Bureau pledged $500,000 towards the Riverfront Festival Grounds that was selected to receive a grant. This project, like the others that were awarded, will increase the length of stay for visitors. The more unique offerings that we can provide, the more visitors will want to come to North Dakota and extend their time exploring our beautiful state. Walking along the boardwalk overlooking the Missouri River is going to be a memorable experience. Projects like this will also help to attract new residents to our state to experience our quality of life and join our workforce. It is so exciting to see the results when State Government and other organizations work together.

Sara and her team do a remarkable job showing a return on investment with every dollar that is entrusted with them. I hope you will make the commitment to invest our state's resources in the Tourism Division a priority. All of North Dakota will reap the benefits.

Thank you for your time and consideration.

North Dakota

Travel Alliance Partnership

Testimony of Scooter Pursley
Executive Director, ND Travel Alliance Partnership
In Opposition to SB 2018
January 15, 2025

Dear Chairman Wanzek and the Senate Appropriations Government Operations Division:

I am writing to you in support of Senate Bill 2018, the Department of Commerce bill, which includes funding for the Tourism Division.

My name is Scooter Pursley. I am the executive director of the North Dakota Travel Alliance Partnership (TAP). TAP is a coalition of travel industry stakeholders, including convention and visitors bureaus, state attractions, businesses and others who help make tourism the third-largest industry in North Dakota's. On behalf of the tourism industry and its partners, TAP asks that you support travel and tourism funding within SB 2018 and consider increasing the levels of funding to keep our Tourism Division within shouting distance of neighboring states.

In 2024, North Dakota Tourism had an annual budget of $7 million compared to $26 million in South Dakota, $19.9 million in Wyoming, $21.8 million in Idaho, $35 million in Minnesota and $19.9 million in Montana. North Dakota Tourism is holding its own despite the economic disadvantage. Imagine what it could do with proper funding and the Theodore Roosevelt Presidential Library coming on line in the next biennium.

The state's 25.6 million annual visitors spend $3.3 billion, including $307 million in visitor-paid taxes. More than 45,000 jobs in the state are in the tourism sector, which incidentally, is also a gateway to workforce recruitment and retention.

Last session, $25 million was appropriated through Destination Development Grants and the industry responded with 81 applications asking for $151 million. This session, $50 million would be a starting point with hopes of more funding, to accommodate the state's needs.

As the third-largest industry in North Dakota, travel and tourism is an important component in the state's economic well-being. It creates new revenue, improves the quality of life for North Dakotans and helps retain workforce.

Please look upon this opportunity favorably and fund the Tourism Division to a level that gives our state's travel and tourism marketing experts the tools they need to keep North Dakota in the fight for visitors in a highly competitive market.

Thank you for your consideration,

Scooter Pursley | Executive Director
North Dakota Travel Alliance Partnership
701-355-4458
NDtravelalliance.com
spursley@clearwatercommunications.net

Testimony in Support of Senate Bill 2018
Senate Appropriations Committee – Government Operations Division
Chairman Terry Wanzek

Testimony of Jessica Ackerman – Aksal Group, Minot, ND
Date: January 15, 2025

Good afternoon, Chairman Wanzek and members of the committee.

Thank you for the opportunity to share my experience as a sub-recipient of a Destination Development Grant and to highlight its impact on communities like Minot and others across North Dakota.

My name is Jessica Ackerman, and I represent Aksal Group, a small family-owned property redevelopment business in downtown Minot. Aksal Group was one of four Minot businesses that took a collaborative approach on a joint application organized under our community's Convention and Visitors Bureau – Visit Minot – to maximize the impact for our community. Visit Minot was the recipient of a nearly $1 million grant to enhance the tourism draw in downtown Minot.

Through Visit Minot, Aksal Group was granted approximately $790,000 toward our $1.8 million Citizens Alley project – a vibrant community plaza in the heart of downtown, a place to host farmers markets, live performances, art installations, outdoor recreation, and seasonal programming such as ice skating. In addition to the $1 million in private funds being used to construct Citizens Alley, $3 million of private investment is being undertaken in adjoining properties, representing a nearly $5 million reinvestment into our city's core.

The grant didn't just fund a project – it is accelerating private philanthropy and private investment. It is fueling collaboration across private businesses, nonprofits, and public entities. It is driving innovation and long-term value for our community. For small family developers like us, this grant pushes us to look deeper into our own resources and find creative ways to stretch every dollar, ensuring that the impact of state funding is amplified.

Projects like Citizens Alley are much more than infrastructure; they are about people. Public spaces and quality of life initiatives are critical for fostering a sense of belonging, social cohesion, and civic engagement. These investments create environments that attract and retain visitors to our communities.

Destination Development Grants are not simply expenditures—they are investments that strengthen the North Dakota economy and North Dakota communities. High-quality public spaces and unique small businesses make our state more attractive to visitors, guests, and residents.

In addition to the economic benefits tied to hosting visitors to our State, these quality-of-life initiatives aid in our efforts to develop workforce by creating the attractive communities that are so important in recruiting people to our state and keeping them here.

Communities often lack the resources to tackle transformative projects independently. Additionally, private investors may not have the resources or the business to support the development of amenities that attract visitors and residents alike. This program has unlocked the potential that exists in the collaborative space between public and private, for-profit and non-profit. When all of these stakeholders are working together to achieve a common goal of making our state more attractive to visitors and residents, the results are nothing short of exceptional.

On behalf of Aksal Group, the community of Minot, and Destination Development Grant recipients statewide, thank you for supporting this program in the past, and we ask for your support in the budget that is in front of you today. It's a privilege to be part of this effort. This grant has helped us dream bigger to create destinations that inspire pride and connection with our great state. Your investment will benefit generations to come.

Thank you.

Grand Forks
Region ECONOMIC DEVELOPMENT

Becca Cruger
Director of Workforce Development
Grand Forks Region Economic Development Corp.
120 N 4th Street, Grand Forks, ND 58203

January 14, 2025

Chairman Bekkedahl and Members of the Appropriations Committee,
I am writing in strong support of SB2018. Last year (2023), for the first time in recent history, North Dakota ranked number one in the nation for percentage of net movers. North Dakota. We had the highest percentage of people moving into the state minus those choosing to leave it, far surpassing states like North Carolina, Texas, and Florida.

Why did we land this title and why are we, one of the smallest states by population, starting to carve a name for ourselves in attracting talent and retaining residents? I believe it is because the Governor's office and our legislators have had an eagle eye and understanding for the war on talent. Workforce is, and will continue to be, the number one determinant for whether companies choose to invest in North Dakota or site their locations elsewhere.

Our legislature and our Commerce Division have been leaders and innovators, looking for new talent pools and doubling down on efforts to retain North Dakotans who already call this place home. Landmark legislation in the last two sessions has funded talent attraction efforts, regional workforce development like RWIP funding, reimbursement for companies who add internships, and scholarships for North Dakotans.

At the regional level, I spend a lot of time visiting with CEOs and human resources managers who need to fill open positions. This is the difference between whether they choose to expand in North Dakota or take their business elsewhere. Because of the leadership and forward vision of Commerce's Division of Workforce, our office has been able to implement programs that have helped recruit new North Dakotans through talent attraction efforts, educate high schoolers about careers in the region, and create over 100 new internships.

Now is not the time to take our eye off the valuable programs administered by Commerce, specifically the Division of Workforce. While we've made significant strides in talent attraction and retention, today North Dakota has over 14,000 published job openings. I strongly encourage you to give your full support to this very warranted bill.

With Warmth,

Becca Cruger

Becca Cruger

SB 2018
Letter of Support
Senate Appropriations - Government Operations Division Public Hearing
January 15, 2025 2:00 PM
Red River Room - ND State Capitol

Dear Chairman Bekkedahl and members of the committee,

My name is Sandra Larson and I am a proud volunteer for the community of Sheyenne, North Dakota. I strongly support funding the grant programs administered by the Department of Commerce.

I was taught to volunteer for my community as soon as I was old enough to pour coffee at a fundraiser. Now, as a civil engineer working on community projects across the region, I see that projects are most successful when they have community support. Projects the people of Sheyenne have been dreaming of for a generation were made possible by the Rural Workforce Housing Grant and Rural Slum and Blight Removal Grant. With $117,300 from two grants, we have torn down five dilapidated structures, moved in a donated three bedroom home, put a new roof on an essential business, are restoring an apartment building, and are offering a free lot for building a new home in a prime location. This investment is not only giving our community a facelift, it's expanding the tax base and allowing people to move to our town. Before these projects, there were no apartments for rent or houses for sale in Sheyenne. Now, five of seven families interested in building a home or moving to Sheyenne are from out of state! As a mighty city of 178, this interest is a big deal. We are working to create workforce housing availability and the Department of Commerce is making that possible.

The hard working people who make up the Department of Commerce select projects that put rural communities on the path to growth and resiliency. The grant application process is strict, and each expense is scrutinized. Not a penny is wasted, and the grant projects we do in Sheyenne invest the funds right back into our community whenever possible, supporting local contractors, the hardware store, and lumber yard. 93% of our Rural Workforce Housing Grant money stayed in Eddy County. Being in favor of this bill means being in favor of creating this opportunity for the 392 towns with populations under 10,000. That's 98% of our communities. Thank you for investing in rural North Dakota.

Sincerely,

Sandra Larson
Sheyenne GRIT

SB 2018
Letter of Support

Hello Chairman Bekkedahl and members of the committee. My name is Patti Larson, and I'm the chair of Sheyenne GRIT. I think fully funding rural grants through the Department of Commerce is money well spent. Sheyenne is proof that a small investment has big impact in rural North Dakota.

Sheyenne GRIT is a community development non-profit run by volunteers addressing six areas of need in Sheyenne, North Dakota. Our top priority is housing. The timing and purpose of the Rural Workforce Housing Grant last year was spot on. Small towns have little to no money to fund community development. GRIT had used Creative Community Solutions funds and volunteers to buy and renovate a house and planned to use the profit from the sale of that first house to purchase and tear down one of the properties in town that was beyond repair. We hoped to get one house renovated and sold and one dilapidated house torn down about every two years. Then we heard about the Rural Workforce Housing Grant. The grant allowed us to clean up three dilapidated properties in one week and invest the house sale profit directly into the next house rehab. This greatly accelerated Sheyenne's path to housing availability.

We know that the demand is there. Seven parties from five different states wanted to buy the first renovated house, and it sold for asking price. The Workforce Housing Grant funded the demo and clean up of the blighted house GRIT replaced by moving a donated ranch style house in to renovate and sell. Several people were expressing interest in the other city lot cleared by the grant, so we are now considering proposals from people who want to build their new home in Sheyenne.

It just makes sense to invest in rural infill housing. All the infrastructure is in place, including fiber optic internet, a 5G cell tower, MDU, sewer, garbage collection, and good clean water. The quality of small town living is exemplary. For these reasons and many more, young professionals who work remotely are choosing to find the good life in rural North Dakota.

Sheyenne still has 18 houses that are not homes. They hold no residents, only things, and are not on the market. Our community is determined to make these modest houses move-in ready and put them up for sale. Future projects also include rehabilitating a six unit apartment building with currently only two livable units and making upgrades to the Open Season Lodge so that we can house 70 wind project workers. We need room for more workers now, and these projects will benefit our community for years to come. Think of all the small towns across the state with dedicated volunteers setting goals for the future of their community. Investing in the Department of Commerce grant program will make these goals a reality for rural North Dakota.

Sincerely,
Patti Jo Larson
Sheyenne GRIT
Sheyenne, ND

CITY OF LAKOTA
EST. 1883

PO BOX 505, 108 B AVENUE EAST
LAKOTA, ND 58344
Website: lakota-nd-com

LAKOTA MUNICIPAL UTILITIES

Phone 701-247-2454
Email lakotact@polarcomm.com

TDD Link 800-366-6888
FAX 701-247-2552

Mayor Bill Solberg
Auditor Amie Vasichek
City Attorney Jayme Tenneson
City Superintendent Josh Ulland

Council Members
Dennis Fahey, President
Dan Ferguson, Vice President
Jim Vasichek, Cole Haugland,
David Matejcek & Josh Nelson

January 15, 2025

Chairman Wanzek and Members of the Senate Appropriations Committee,

Re: SB 2018

My name is Amie Vasichek, and I have had the honor of serving as the City Auditor of Lakota for close to 16 years. Additionally, I am a proud board member of the Red River Regional Council Community Housing Development Organization (CHDO), which I have served for the past two years and Chair of the Nelson County JDA. Today, I am here to provide my unequivocal support for the proposed **Senate Bill 2018** that seeks to allocate additional funding to the pilot program aimed at community revitalization using the Rural Workforce Housing grant program.

Our small town of Lakota, like many other small communities, has faced significant challenges in addressing properties that are dilapidated or abandoned. These areas have not only diminished the aesthetic appeal of our neighborhoods but have also posed safety hazards and negatively impacted property values.

Our community's grant application was fortunate to be selected as a community revitalization project through the Rural Workforce Housing grant program. This initiative provided much-needed resources and support, providing Lakota with a grant of approximately $161,000. Through this program, we were able to demolish and remove two large, dilapidated structures in a business district that were beyond repair, opening available lots to build new structures or expand business on.

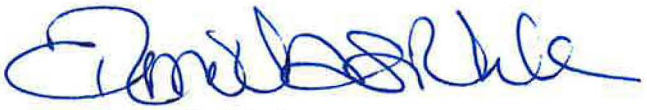
The benefits of participating in the pilot program have been significant:

- **Safety Improvements:** Removing hazardous structures has enhanced the safety of our neighborhoods, reducing the risk of accidents and criminal activity.
- **Economic Growth:** The revitalized areas can attract new or expanding businesses, leading to job creation and increased economic activity.

While the pilot program has yielded positive results, the work is far from complete. Many communities, including ours, require sustained opportunities to continue and expand these efforts. The pilot program for community revitalization has demonstrated its effectiveness with our city and others. However, to build on this success and ensure long-term sustainability, additional funding is imperative. I urge you to support **SB 2018** and provide the necessary resources to help communities like Lakota continue to thrive.

Thank you for your time and consideration.

Sincerely,



Amie Vasichek

701-247-3635

TESTIMONY OF

TREVOR WOODS

EXECUTIVE DIRECTOR, NORTHERN PLAINS UAS TEST SITE

BEFORE THE

SENATE APPROPRIATIONS

JANUARY 15, 2025

SENATE BILL NO. 2018

Good morning, Chairman and members of the committee. My name is Trevor Woods, and I am the Executive Director of the Northern Plains UAS Test Site. I appreciate the opportunity to provide written testimony in support of Senate Bill No. 2018.

Introduction: Who We Are and Why We Matter

The Northern Plains UAS Test Site (NPUASTS) is a state-authorized organization dedicated to advancing the integration and operations of Unmanned Aircraft Systems (UAS) and Advanced Air Mobility (AAM) in the United States. Established as one of seven FAA-designated test sites, NPUASTS has played a pivotal role in developing groundbreaking technologies, providing operational testing, and driving UAS innovation.

Our mission is not just about advancing technology; it's about creating a foundation for economic growth, public safety, and quality of life for North Dakotans. As a governmental function, NPUASTS serves as an enabler for statewide economic development, innovation, and the integration of cutting-edge technology into critical industries such as agriculture, energy, and public safety. It's a model of how state support can position North Dakota as a leader in a competitive and evolving industry.

The necessity for NPUASTS to remain a governmental function is clear: only through continued public support can we maintain the agility, neutrality, and vision required to drive collaboration with federal agencies, secure competitive funding, and ensure public benefits from our work. Private entities alone cannot adequately manage the infrastructure, public trust, or long-term vision needed for programs like Vantis, North Dakota's statewide UAS network.

Success from 2023–2025

From 2023 to 2025, NPUASTS has achieved remarkable success, solidifying its position as a national leader in UAS integration:

- **FAA Partnerships**: Participated in FAA notice of proposed rulemakings. FAA Beyond lead participant aiming to safely integrate unmanned aircraft systems (UAS), or drones,

into the national airspace system (NAS), focusing on beyond visual line of sight (BVLOS) operations, societal and economic benefits of UAS operations, and community engagement. Achieved groundbreaking BVLOS (Beyond Visual Line of Sight) waivers.

- **Economic Growth**: Contributed to the establishment and growth of UAS-focused businesses, attracting investment and driving job creation in North Dakota.
- **Technological Leadership**: Advanced Detect and Avoid (DAA) systems, safety protocols, and operational testing that have set benchmarks for the UAS industry.
- **Collaborations**: Partnered with public and private entities such as Thales and the Department of Agriculture, fostering innovation and addressing critical issues like rural connectivity and agricultural security.
- **National Recognition**: Positioned North Dakota as a premier location for UAS operations, bringing high-profile industry and government events to the state.

Economic Impact

NPUASTS continues to deliver significant economic impact, both directly and indirectly, for North Dakota. In the current biennium, NPUASTS is projected to generate approximately $6 million in direct external project funding. This funding serves as a catalyst, creating additional financial benefits for our project partners, with a multiplier effect of $2-$3 for every $1 received. This equates to an estimated $14 million in indirect funding, bringing the total direct and indirect funding generated by NPUASTS to $20 million for the biennium.

Looking ahead, the opportunity to significantly increase this funding is evident. For every $1 of general appropriation funding provided to NPUASTS, we expect to generate approximately $5 in external funding. The original $7 million funding request, as approved by the Northern Plains Unmanned Systems Authority Board, is a critical investment that supports NPUASTS's strategic objectives. These include:

- **Expanding Advertising and Demand Generation**: Capturing time-sensitive market opportunities and strengthening North Dakota's reputation as a leader in UAS innovation.
- **Talent Recruitment and Retention**: Ensuring NPUASTS remains an industry leader by attracting and retaining top-tier expertise.
- **Leveraging Project ULTRA**: Unlocking expanded funding opportunities through strategic partnerships with the Department of Defense and Department of Homeland Security.

At the requested funding levels for NPUASTS, a REMI analysis conducted by the North Dakota Department of Commerce projects the following economic benefits for the upcoming biennium:

- **290 Supported Jobs**: Direct employment at NPUASTS and its program partners, along with indirect and induced employment from businesses supporting these activities.

- **Gross Domestic Product of $67 Million**: Representing a $1.50 return for every $1 invested.
- **Tax Revenues of $8.5 Million**: A direct contribution to the state's fiscal health.

These figures do not include the additional economic impacts anticipated from the Drone Replacement program, further underscoring NPUASTS' role as an economic driver for the state.

Beyond funding and job creation, NPUASTS and Vantis operations contribute significantly to local economies. Business travel associated with these programs, including visits from clients, subcontractors, vendors, and federal officials, is estimated to generate $1 million in economic impact through overnight stays, meals, and associated purchases.

As a testament to the national and international interest in Vantis, the Mission & Network Operations Center at Grand Sky hosted approximately 50 tours over the past year. These visits not only highlight the value and appeal of Vantis but also position North Dakota as a global leader in UAS innovation.

The Case for Evolution

To continue delivering value and seizing opportunities, NPUASTS must mature as an organization. This means:

1. **Robust Strategy**: Executing on our comprehensive roadmap to align with commercial and federal opportunities.
2. **Higher Security Standards**: Implementing advanced processes and cybersecurity protocols to meet national security requirements, that continues to align North Dakota ....
3. **Training and Knowledge Management**: Building expertise across staff to remain at the cutting edge of UAS technology and regulation.
4. **Opportunity Development**: Expanding engagement strategies to attract commercial and federal partnerships.
5. **Attraction and Retention of Talent**: Creating a thriving workplace that draws and keeps the best minds in UAS innovation.

This evolution is not optional—it is essential for laying the groundwork to pursue federal contracts and long-term goals, including the potential commercialization of Vantis and FAA radar data services.

Budget Request

The NPUASTS projected a budget of $7 million for the 2025-2027 biennium, as approved by the Northern Plains Uncrewed Systems Authority, allowing the NPUASTS to continue ensuring North Dakota's leadership in UAS technology. Specific activities of this request include:

- Supporting North Dakota public safety entities in achieving advanced FAA regulatory approvals, in particular tactical BVLOS waivers.
- Enhanced opportunity development with private sector and federal partners
- Management of critical FAA relationships needed for securing advanced regulatory approvals, a long-time standing North Dakota pedigree
- Strategic initiatives aligned with Department of Defense, Infrastructure, and Advanced integration
- Continue government relations across State and Federal Agencies necessary for communication and securing opportunities
- Provide ongoing support to the growing ecosystem of entrepreneurs and mature organizations.
- Support North Dakota business growth in adjacent sectors looking to use UAS
- Enhanced engagement and communication efforts, and long-standing cultural challenge.

Should funding be less than the projected $7 million, NPUASTS will need to strategically re-evaluate and reassess priorities and planned initiatives for the 2025-2027 biennium.

Vantis: North Dakota's Shared UAS Infrastructure

What Is Vantis?
Northern Plains UAS Test Site is the longest standing federal UAS test site, and recognizes the greatest barrier to UAS advancement is policy and regulation. But there is an equally great secondary barrier, less often recognized, the lack of shared infrastructure to support UAS. Shared use infrastructure, a concept integral to all modes of transportation, does not currently exist for the UAS industry. For example, roadways, bridges, rail networks, and air traffic control systems all represent shared infrastructure. First Responders rely on emergency response networks, such as 911 systems, and public roadways, which provide a shared infrastructure that ensures swift coordination and deployment of critical services to protect lives during emergencies. These systems enable scalability, reduce redundancy, and serve the public good by fostering collaboration and efficiency. The UAS industry lacks this critical shared foundation. Each operator is often left to create their own systems for navigation, communication, and operation—an approach that is inefficient, costly, and limits the broader integration of drones into the National Airspace System (NAS). Vantis seeks to solve this gap by establishing shared use infrastructure for UAS.

Vantis is the nation's first statewide UAS system designed to enable safe, efficient BVLOS operations. While traditional infrastructure programs focus on physical assets like roads or utilities, Vantis is a comprehensive system of communication towers, radars, and command centers, providing the backbone for advanced UAS operations. Because this has never been done before, the Vantis program has had to tackle challenges that traditional infrastructure has not,

such as standards development, policy advocacy, regulatory approvals, demand generation, education, outreach, and more. At its core, Vantis remains an infrastructure initiative – bringing a shared use model to UAS, much like how roads bring shared infrastructure for motor vehicles.

Why North Dakota Pursued a Statewide Network
North Dakota chose to invest in Vantis to lead in UAS integration, viewing it as more than infrastructure. Vantis offers direct and indirect returns:

- **Direct ROI**:
    - **User Fees**: As Vantis attracts commercial operations, leveraging the system, a direct return on investment may be collected through user fee.
    - **Royalties**; The model established by Vantis has been recognized by at least a dozen other states and growing, gaining increased interest in buying into the model North Dakota has created, generating royalties' from Vantis expansion to other states.
- **Indirect ROI**: These are the less tangible, and harder-to-qualify benefits of the Vantis investment. Vantis brings immense amount of return on value. There isn't a simple formula to ROV because each is likely to put a different value on what's important to them.
    - **Rural connectivity**: In an advancing society, our rural communities often lag in the development of new services. Fiber and internet connectivity was one such example – the lack of fiber connectivity in rural communities drove people from their farmsteads and into more urban areas. North Dakota recognized the importance of providing opportunities for citizens to stay in their homes, and invested state resources in expanding connectivity, permitting families to stay in their homes. Vantis offers the same rural connectivity opportunities, by laying a foundation for UAS services to expand to rural and urban areas alike.
    - **Public Safety:** Without shared infrastructure model like Vantis, public safety entities must often develop redundant, costly, and bespoke systems to achieve their UAS missions, diverting resources that could be better allocated elsewhere. Vantis brings a shared foundation model, allowing agencies to enable drones as a first responder missions where UAS enhance the speed of life-saving emergency response missions. In 2023, as North Dakota faced a state wide emergency, Vantis was able to provide continuity in the state's emergency response, supporting not only the flood efforts of the Red River Valley, but also to assist in utility inspections in response to ice storms that swept across the west.
    - **Commercial Service Offerings**: Shared infrastructure provides a foundation for enabling new commercial service offerings as well. UAS commercial operations to date, have been driven into large metropolitan areas, where there is high demand to offset their investment. Package deliveries, as showcased in Texas, are once such example. But in North Dakota, we don't have a last mile challenge, we

have a last 100 mile challenge. Package deliveries aren't same day, and often aren't even the stereotypical "2 day delivery." Vantis enables attraction of these high value commercial operators to consider North Dakota with substantially less business investment, making North Dakota an attractive destination. Subsequently, the increased commercial services offered to North Dakota citizens enhances their quality of life.

The Value of Investment

The economic value of Vantis mirrors that of traditional infrastructure like roadways:

- **Economic Development**: Attracts businesses, increases tax revenue, and improves services for residents.
- **Rural Benefits**: Enables critical services, similar to rural fiber optic networks, allowing families to thrive in rural areas.
- **Public Safety**: Enhances emergency response capabilities, protecting lives and property.

Comparison to Roadways

Building roadways costs approximately $1.5 million per mile. With $70 million invested in Vantis to date, North Dakota has efficiently built a system that serves 3,000 square miles—far beyond what 35 miles of road could achieve with equivalent financial investment. Vantis aims to expand to 56,000 square miles, providing an unparalleled return on investment for the state.

Achievements of Vantis in the 2023–2025 Biennium

We extend our sincere gratitude for the $26 million in funding allocated to Vantis for the 2023–2025 biennium. While this substantial investment has propelled our initiatives forward, enabling the full strategic vision for this period was projected to require $30 million. Consequently, we conducted a thorough re-evaluation of our program's strategic goals, resulting in the postponement of certain initiatives. Despite these adjustments, Vantis has achieved monumental successes during this timeframe.

Key Highlights from 2023–2025 Biennium

- **FAA Approval for BVLOS Operations:** In 2023, uAvionix, a UAS operator leveraging the Vantis network, received approval from the Federal Aviation Administration (FAA) to conduct beyond visual line-of-sight (BVLOS) small unmanned aircraft flights in North Dakota. This marked a significant milestone, demonstrating that Vantis provides the necessary infrastructure to meet stringent safety standards for advanced UAS operations.
- **Industry Recognition and Collaboration:** Throughout 2023, Vantis and the Northern Plains UAS Test Site (NPUASTS) engaged with industry and government leaders at major events, including the Commercial UAV Expo, AUVSI Xponential, and Autonomous Nation, featuring the success of the Vantis program. These engagements have elevated North Dakota's profile as a leader in UAS integration and facilitated valuable partnerships, cultivating a foundation for return on investment.

- **Strategic Planning for Expansion:** In December 2023, NPUASTS convened a comprehensive strategy session with over three dozen stakeholders to chart the course for Vantis' next phase. This collaborative effort focused on generating new use cases, improving services, and expanding the network's capabilities to support high-availability, multi-user operations. Throughout 2024, this strategy was put into development building an impact for years to come.
- **More FAA Approvals for BVLOS Operations:** In 2024, iSight Drone Services achieved a significant milestone by obtaining a BVLOS waiver from the FAA. This authorization enables iSight to conduct extended drone operations, enhancing their capacity to undertake large-scale projects such as comprehensive inspections of utility poles and lines. The BVLOS capability also opens avenues for critical services, including embarking on a partnership with Altru Health System, aiming to improve healthcare accessibility for communities in need.
- **Enhance Public Service Capabilities:** Grand Forks Fire Department (GFFD) secured a Tactical Beyond Visual Line of Sight (TBVLOS) waiver from the FAA in July 2024. This waiver empowers GFFD to deploy drones beyond the operator's visual line of sight during extreme emergency situations, such as assessing large fires, conducting aerial searches, or locating missing individuals in challenging environments. The enhanced situational awareness provided by this capability facilitates faster decision-making, ensuring swift aid to the community while reducing risks to first responders.
- **Enhanced Infrastructure and Safety Measures:** In October 2024, Vantis achieved an industry milestone with FAA approval for BVLOS operations, underscoring the network's advanced capabilities and robust safety features. This approval positions Vantis as a replicable model for UAS integration across the United States.

These achievements underscore Vantis' commitment to advancing UAS integration, fostering economic growth, and enhancing public safety in North Dakota. The support and investment from the state have been instrumental in realizing these milestones, and we remain dedicated to building upon this foundation to achieve even greater success in the future.

The FAA Radar Data Pathfinder Program: A Groundbreaking Opportunity for North Dakota

In the 2023–2025 biennium, Vantis solidified its position as a national leader in UAS integration through unprecedented collaboration with the Federal Aviation Administration (FAA). One of the most significant achievements was becoming the first non-federally sanctioned entity to participate in the FAA Radar Data Pathfinder Program.

This program is a natural extension of North Dakota’s strategic vision for Vantis. Its goal is to demonstrate how federal surveillance data can meaningfully contribute to the safe and efficient integration of UAS into the National Airspace System (NAS). This initiative is groundbreaking in its scope and ambition, marking the first collaboration of its kind between the FAA and a state

entity. It not only positions North Dakota as a pioneer but also sets the national standard for UAS integration, establishing benchmarks that others must meet to leverage FAA radar data.

Realizing the Opportunity and Its Costs

The opportunity to participate in the FAA Radar Data Pathfinder Program was recognized in February 2024 when NPUASTS approached then-Governor Burgum's administration. This initiative, while aligned with North Dakota's long-term strategic goals, presented an unbudgeted financial demand. The total cost of the 1 year pathfinder program, $11 million, was beyond the scope of the current biennium's budget.

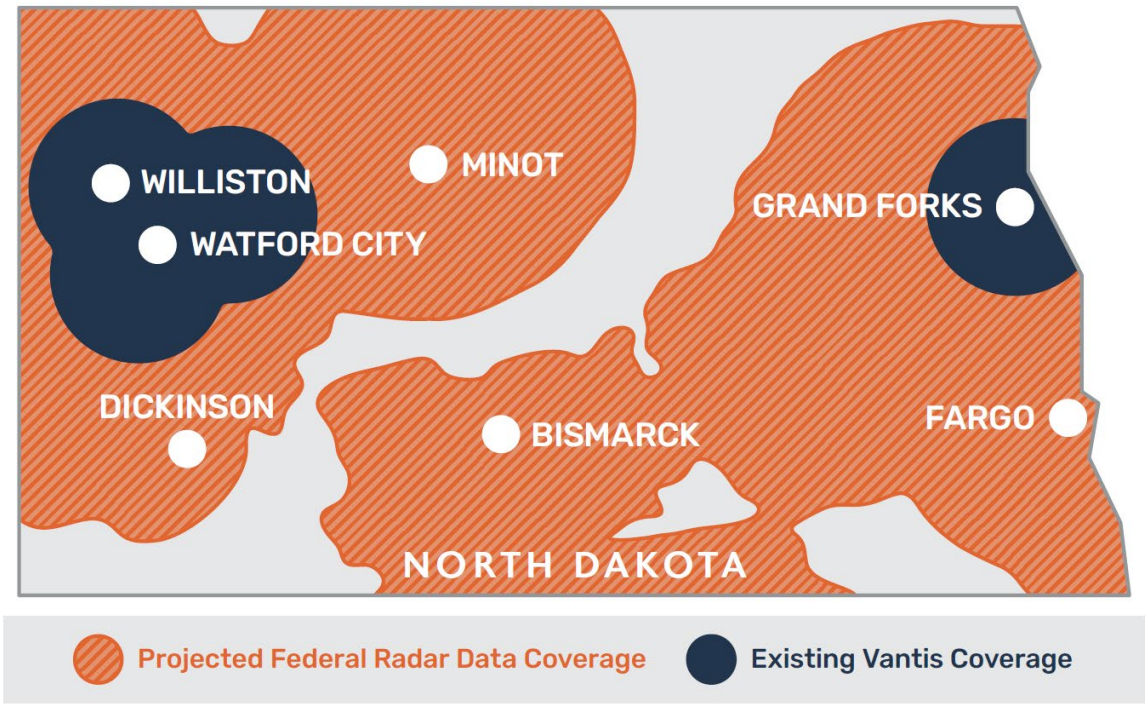
The state faced a critical decision: prioritize either the radar data pathfinder program or the in-state expansion of Vantis. Recognizing the immense value of both, the administration directed NPUASTS to pursue both opportunities, committing to work diligently to find the necessary funding. Despite extensive efforts to secure the required funds through the end of 2024, all traditional options were exhausted. As a result, HB 1038 was introduced with an emergency clause to address this unbudgeted expense and ensure North Dakota remains at the forefront of UAS innovation.

Value of the FAA Radar Data Opportunity

The FAA Radar Data Pathfinder Program provides unparalleled value for North Dakota:

- **Expanding Coverage:** The integration of FAA radar data will enable Vantis to expand from its current 3,000 square miles of coverage to a potential 56,000 square miles—17 times greater than its current reach.
- **National Leadership:** North Dakota will define the federal standard for utilizing FAA radar data in UAS operations, cementing its leadership role in UAS integration.
- **Economic Impact:** Enhanced network capabilities will attract businesses and investments to the state, driving economic growth and technological innovation.

The $11 million allocated for this program through HB 1038 supports essential activities, including cybersecurity improvements, system integration, safety assessments, and operational testing. This funding ensures that the foundational work required for long-term success is completed during the one-year test program, setting the stage for stable and scalable service in the future.



Looking Ahead: The 2025–2027 Biennium

The Radar Data Pathfinder Program will extend into the early months of the 2025–2027 biennium, but transitioning from a test program to a stable service will require ongoing investment. Beyond the initial test program, an additional $3.5 million annually will be needed to support:

- **System and Network Administration:** Ensuring reliable operations and scalability.
- **Security Management:** Meeting stringent federal requirements through periodic third-party audits and assessments.
- **Further Development:** Enhancing Vantis capabilities to serve public and private sectors effectively.

What Vantis Will Achieve in the 2025–2027 Biennium

The current executive budget proposal includes $20 million in funding for Vantis, which is a critical step in sustaining and growing the nation's first statewide UAS network. However, an ideal funding level of $27 million would enable Vantis to achieve its full strategic potential, ensuring North Dakota remains at the forefront of UAS integration. With $27 million, Vantis could not only sustain its current operations but also expand infrastructure, enhance safety and operational programs, and attract new operators, paving the way for unmatched economic and technological returns for the state.

Here is what the proposed $27 million funding would achieve:

Infrastructure-as-a-Service

A significant portion of the funding will go toward building and maintaining the physical infrastructure of Vantis. This includes:

- **New Surveillance Radar Sites:** Expanding coverage to underserved areas by installing additional radar sites, increasing the network's reach to support more advanced UAS operations.
- **Ongoing Maintenance, Insurance, and Warranty Services:** Ensuring that existing and new infrastructure remains reliable and operational, safeguarding the state's investment and operational continuity.

Software-as-a-Service

The program will fund the critical software backbone of Vantis, which provides real-time operational control and management. This includes:

- **Network Management Software:** Monitoring and controlling the performance of the network at the Mission Network Operations Center (MNOC) in Grand Forks, North Dakota.
- **Pilot Interface and Mission Planning Software:** Enabling operators to plan and execute flights safely and efficiently within the Vantis network.
- **Safety and Monitoring Software:** Ensuring live oversight of network performance, flight safety, and compliance with regulatory requirements.

Operations and Safety

To support the operational and safety aspects of Vantis, the funding will cover:

- **Technical Operations and Flight Operations:** Managing the day-to-day operations of the network, ensuring seamless service for current and new users.
- **Safety Assessments and Risk Evaluations:** Establishing and maintaining robust safety programs to meet and exceed FAA standards and support future regulatory frameworks.
- **Lifecycle Technology Replacements:** Ensuring that aging technology is replaced at the appropriate time to maintain the reliability and effectiveness of the network.

Demand Generation and Outreach

The funding will enable targeted initiatives to attract and retain users, including:

- **Education and Outreach:** Promoting the benefits of Vantis to new operators and educating potential users on how to integrate with the network.
- **Demand Generation:** Actively engaging with industries to demonstrate the value of Vantis and bring new customers onto the system.
- **Customer Support:** Providing ongoing assistance and training to ensure operators are able to fully utilize the network's capabilities.

Strategic Leadership and Collaboration

The program will also prioritize strategic leadership and collaboration with key stakeholders, including:

- **FAA Collaboration:** Driving regulatory support and shaping industry standards by working closely with the FAA to ensure that Vantis becomes the model for UAS integration nationwide.
- **Performance Monitoring:** Establishing systems to track and improve the network's performance, ensuring it meets the highest standards of reliability and safety.
- **Leadership and Oversight:** Supporting executive and strategic leadership to guide the program, expand its influence, and attract new opportunities to North Dakota.

Operational Support

Funding will also cover essential operational costs, including:

- **Mission Network Operations Center:** Supporting the ongoing operation of the MNOC, which serves as the command hub for the Vantis network.
- **Rents, Utilities, and IT Support:** Ensuring the infrastructure remains secure, functional, and scalable.
- **Network Security:** Maintaining robust connectivity, firewalls, and cybersecurity measures to protect the network and ensure compliance with federal requirements.

Expansion and Integration

Vantis will continue to leverage the FAA Radar Data Pathfinder Program to expand its capabilities, augmenting both federal and state infrastructure to better serve key North Dakota populations. This effort will allow Vantis to enhance its coverage, attract new users, and set the standard for UAS operations across the country.

Building the Future of UAS with Vantis

In just six years, North Dakota's investment in Vantis has already begun to yield tangible returns. A modest yet promising direct return on investment has been realized through the deployment of Vantis-like infrastructure in Texas, demonstrating the scalability and appeal of North Dakota's shared-use UAS model. Additionally, imminent contracts with other states signal the potential for substantial revenue growth from user fees and royalties as Vantis expands nationally. These successes provide clear evidence that the direct ROI models underpinning Vantis are viable and effective.

However, the true value of Vantis lies in its indirect benefits, which have the potential to transform North Dakota's economy, public safety, and quality of life in profound ways:

- **Economic Growth and Business Attraction:** By establishing North Dakota as the national leader in UAS infrastructure, Vantis attracts cutting-edge businesses and high-

value commercial operators, fostering job creation and increasing tax revenues. For example, the availability of advanced UAS infrastructure could attract tech companies to establish headquarters or operations in the state, further diversifying the economy.

- **Rural Connectivity:** Just as fiber-optic networks revolutionized rural internet access, Vantis can bridge the service gap in rural areas, enabling everything from same-day package delivery to emergency medical supply transport. This connectivity allows families to remain in their homes while enjoying the benefits of modern services, ensuring rural communities can thrive.
- **Enhanced Public Safety:** Vantis empowers first responders to deploy drones rapidly for search and rescue missions, disaster response, and critical infrastructure inspections. Imagine drones equipped with thermal imaging locating lost hikers in vast rural landscapes or assessing flood-damaged areas in real-time to direct resources where they're most needed.
- **Quality of Life Improvements:** Commercial drone services made possible by Vantis will enable North Dakotans to access services previously unavailable in the state, such as remote healthcare delivery and agricultural monitoring that saves farmers time and resources.

These examples of indirect value illustrate that Vantis is more than an infrastructure project; it is a platform for opportunity, innovation, and improved quality of life.

A Call to Action: Invest in the Future

North Dakota is poised at a pivotal moment. The foundation laid by Vantis has already positioned the state as the leader in UAS integration, attracting national attention and setting the standard for future developments. Yet, the full potential of Vantis can only be realized through continued investment.

This is not just about funding infrastructure—it is about securing North Dakota's place at the forefront of a rapidly growing industry, ensuring our rural communities have the tools to thrive, and enabling businesses and public safety agencies to deliver better, faster, and more efficient services.

The choice is clear: investing in Vantis is an investment in North Dakota's future. It ensures the state remains the national model for UAS infrastructure, driving economic growth, improving quality of life, and enhancing public safety. Now is the time to act boldly and decisively to capitalize on the momentum we have built. Vantis is not just a program—it is a vision for a more connected, prosperous, and innovative North Dakota. Let us work together to make this vision a reality.

Conclusion

Investing in NPUASTS and Vantis is investing in the future of North Dakota. The requested funding is the minimum to ensure NPUASTS remains a national leader, attracting opportunities, delivering economic growth, and providing value to all North Dakotans. The state's commitment today will position North Dakota as the hub of UAS innovation and operations for decades to come.

TESTIMONY of TIFFANY FORD
SB 2018
JANUARY 15, 2025

Chairman Wanzek and members of the Committee:

My name is Tiffany Ford, Project Director for the North Dakota APEX Accelerator. The ND APEX Accelerator program is hosted by the University of North Dakota's Center for Business Engagement and Development, within the Nistler College of Business and Public Administration. Federal program funding is provided by the Department of Defense Office of Small Business Programs. APEX Accelerators have a local presence in all 50 states. The ND APEX Accelerator currently operates a statewide program with only three full-time positions.

The APEX Accelerators, formerly known as the Procurement Technical Assistance Program (PTAP), was authorized by Congress in 1985 to expand the number of businesses capable of participating in government contracts. The program focuses on building a strong, sustainable, and resilient U.S. supply chains by assisting a wide range of businesses that pursue and perform under contracts with the DoD, other federal agencies, state and local governments and with government prime contractors. APEX Accelerators work with federal, state, and local partners to provide the opportunity for companies new to government contracting to acquire the skills and know-how to compete in the government marketplace. Education and training ensures that all businesses become capable of participating in federal, state, and local government contracts. APEX Accelerators help businesses:

- Complete registration with a wide range of databases necessary for them to participate in the government marketplace (e.g., SAM).
- Identify which agencies and offices may need their products or services and how connect with buying agencies and offices.
- Determine whether they are ready for government opportunities and how to position themselves to succeed.
- Navigate solicitations and potential funding opportunities.
- Receive notifications of government contract opportunities on a regular basis.
- Network with buying officers, prime contractors, and other businesses.
- Resolve performance issues and prepare for audit, after receiving an award, if needed.

The government marketplace and procurement process is very complex and difficult to maneuver, however it offers an incredible opportunity for businesses to expand their market share, find new revenue streams, grow their workforce, and positively strengthen their community and state economy as a successful and profitable business. *Federal, state, and local governments reap the reward of having strong suppliers to keep costs down, and specifically for state and local governments, to keep dollars within their own local economy*.

The provisions of the cooperative agreement from the Department of Defense require each state APEX Accelerator program to obtain non-federal matching funds at a 65% federal/35% non-federal rate. *For every one dollar of support the program receives from our local partners, we leverage almost $2 of federal funding.*

North Dakota's investment in this program is very small, measured against its economic impact. Since the beginning of the 2023-25 biennium, the ND APEX Accelerator has assisted nearly 600 small and large businesses in our state enter the government marketplace. **Many of these clients have been successful, having received more than $736 million in government contracts.**

For the past 10 years, the ND APEX Accelerators program has been supported by the ND Department of Commerce. Over the past year and a half, we have engaged in ongoing discussions and collaboration with department leadership regarding program funding. In late December, we were informed that the current budget recommendation for the upcoming legislative session does not include funding for the program. Without the required state matching funds, the ND APEX Accelerators program will cease to exist beyond June 30 of this year. We remain committed to educating and advocating for the reinstatement of funding to ensure the continuation of this impactful program.

APEX Accelerators provide a critical front door for industry and is a vital partner in our state's entrepreneur ecosystem. This direct support to North Dakota businesses results in *diversification of revenue streams, real job creation in our communities, and positive economic impacts in our communities*. I have included with this testimony: a program impacts overview sheet, client successes and testimonials, and data on clients and award amounts by county, demonstrating that the impacts are statewide. Thank you for taking the time to review this testimony. Please reach out if there are questions or need for clarification.

Respectfully,
Tiffany Ford
Project Director, North Dakota APEX Accelerator
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NORTH DAKOTA APEX ACCELERATOR

BIENNIUM IMPACTS

to date (7/1/23 - 12/31/24)

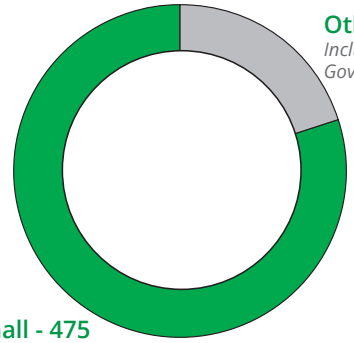
$736.3M IN FEDERAL CONTRACTS AWARDED TO CLIENTS

86% of all federal contracts awarded in ND

597

Unique Clients Served

BUSINESS SIZE



Other than Small - 122

Includes Large, Non-profit, Local Government Entities

Small - 475

Includes Small Disadvantaged and Minority Owned Small

8 out of 10 Federal Prime contracts in the state are ND APEX clients

TOP TECHNOLOGIES

ND's top critical and emerging technologies sought by DoD

1. Advanced & Network Sensors
2. Artificial Intelligence
3. Advanced Computing/Software
4. Advanced Manufacturing
4. Microelectronics & Semiconductors
4. Communication & Networking

TOP 5 INDUSTRIES

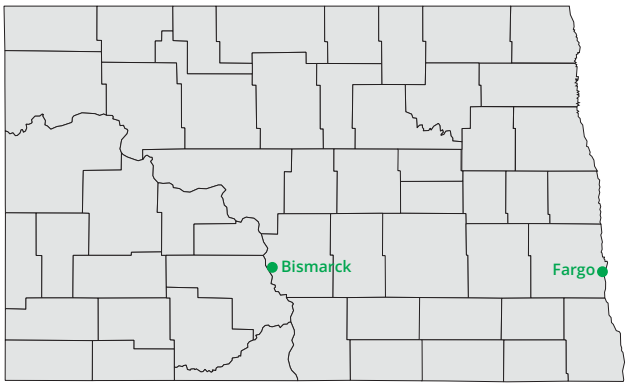
Number in parenthesis indicates 2-digit NAICS

1. Construction (23)
2. Professional & Scientific (54)
3. Admin & Support Services (56)
4. Manufacturing (31-33)
5. Accommodation & Food (72)

PROGRAM GOALS

The APEX Accelerators program, under management of the Department of Defense (DoD) Office of Small Business Programs (OSBP), plays a critical role in the Department's efforts to identify and help a wide range of businesses enter and participate in the defense supply-chain. The program provides the education and training to ensure that all large and small businesses become capable of participating in federal, state, and local government contracts. In 2024, program metrics focused on the following:

- Cultivate and sustain the Defense Industrial Base (DIB) and Government Industrial Base (GIB)
  - » Facilitate achievement of DIB and GIB readiness for new entrants
  - » Sustain the DIB and GIB
- Increase Equity and Inclusion
  - » Increase the number of DIB and GIB-ready Small Disadvantaged Businesses (SDBs), HubZones, Service Disabled Veteran Owned Small Businesses (SDVOBs), and Woman-Owned Small Business (WOSB) businesses
  - » Promote subcontracting opportunities for SDBs, HubZone businesses, SDVOBs, WOSBs, and other underrepresented small businesses
  - » Encourage and support participation in Mentor-Protege Program (MPP)
- Educate to Increase Awareness of and Compliance with Foreign Ownership Control or Influence (FOCI)
- Improve Cybersecurity on the DIB and GIB
- Connect innovative businesses to Government-led Innovation Programs (GIPs)
- Strengthen the Supply Chain
  - » Support Defense Production Act (DPA) Title III activities
  - » Support Industrial Base Analysis and Sustainment (IBAS)
- Identify businesses working on critical and emerging technologies and capture information about the businesses



ND APEX ACCELERATOR

The ND APEX program is a resource for assisting North Dakota businesses in obtaining federal, state, and local government contracts. Our services also include training webinars as well as workshops around the state and an annual procurement event with one-on-one matchmaking opportunities. Our team is here to assist your business in navigating the government contracting learning curve and make the whole process easier.

UND UNIVERSITY OF NORTH DAKOTA
CENTER FOR BUSINESS ENGAGEMENT & DEVELOPMENT

NORTH Dakota | Commerce
Be Legendary.

Proud Member of NAPEX
NATIONAL APEX ACCELERATOR ALLIANCE

This APEX Accelerator is funded in part through a cooperative agreement with the Department of Defense.

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28,532 new business clients + **5,845** training events @ **19** per day = **$99.8B** in contracts & subcontracts awarded to APEX clients

52% from socio-economic categories

*Jan. 1, 2023 - Mar. 31, 2024 statistics provided by the Office of Small Business Programs

APEX Accelerators provide a critical front door for industry.

We work with federal, state, and local partners to expand suppliers to the federal, state, and local government marketplaces and provide opportunities for companies new to government contracting to acquire the skills and know-how to compete.

Our work increases economic opportunity across the entire country which advances our national security. A strong economy with a modernized industrial ecosystem creates a strong military that deters potential adversaries.

The Work We Do Together Matters:

- Fortifying the Defense and Government Industrial Bases
- Increasing Diversity, Equity, and Inclusion
- Increasing Awareness of and Compliance with Foreign Ownership, Control, or Influence
- Improving Cybersecurity of the Defense and Government Industrial Bases
- Facilitating Innovation for the Defense and Government Industrial Bases
- Strengthening the Supply Chain
- Capturing Market Data in Key Industries

Our Services

NO COST GUIDANCE
Providing contract support, registration assistance, suitability assessments and more, at no cost to you

SUITABILITY ASSESSMENT
Evaluating readiness for government opportunities and positioning your company for success

REGISTRATION ASSISTANCE
Registering with essential databases to facilitate participation in the government marketplace

MARKET RESEARCH
Pinpointing the agencies in need of your product or service

BID OPPORTUNITY IDENTIFICATION
Creating daily notifications of government contracts your company can bid on

NETWORKING OPPORTUNITIES
Extending opportunities to meet buying officers, prime contractors, and other businesses

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Supporting complex solicitation packages to ensure you capture every contract opportunity

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After winning a contract, help is available for some contract performance issues and audits

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ndapex@und.edu

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701.777.6571

NORTH DAKOTA APEX ACCELERATOR

CLIENT SUCCESS

GREENSTONE CONSTRUCTION

Owner: Justin Lindteigen
Notable: Certified SDVOSB and 8(a) Program, continues to gain extensive experience
Awards: 290 awards totaling **$167,301,553**
Agencies: DoD Air Force/Army/Navy/National Guard, USDA, Dept. of the Interior, Bureau of Indian Affairs, Dept. of Veterans Affairs, GSA Public Building Service, Bureau of Land Management, North Dakota OMB, Local government
Industry: 236220 – Commercial and Institutional Building Construction
Services used: All APEX services including assistance with certifications, maintaining Bid match search profile, APEX sponsored training.

"We are always working diligently to gain experience with new agencies in North Dakota, but it can be challenging to meet the right people and build relationships at the various agencies. ND APEX created the opportunity for our team."

"ND APEX has provided unprecedented support that has helped Black Ridge Construction understand and move forward in government contracting. Without this resource, I'm not sure that we would be where we are today. BRC would recommend ND APEX to all small businesses looking into government contracting. Their advisement and accountability have been phenomenal."

BLACK RIDGE CONSTRUCTION

Owners: Will Klinke and Casey Schumacher
Notable: New business 5/25/2023 but owners previously worked for a gov't contractor
Awards: 5 awards totaling **$177,311**
Agencies: USDA, GSA Public Buildings Service, Dept. of Interior
Industry: 236220 – Commercial and Institutional Construction
Services used: Attended Industry Day Event, SAM/SBA Profile, Bid Match, explored teaming/joint venture, DCAA training event

BUDDING STARS

Owner: Amanda Tukums
Notable: Signed as a client after attending 2018 Fargo Navy Week event
Awards: 60 awards totaling **$1,270,058**
Agencies: USDA, DoD Army, Dept. of Interior, Dept. of Veterans Affairs, Dept. of Treasury, Dept. of Homeland Security
Industry: 561720 – Janitorial Services
Services used: Market research, SAM.gov, finding opportunities, Bid Match, training webinars, federal regulations

MY AQUATIC SERVICES

Owner: Troy Derheim
Notable: SDVOSB certification, 2019 SBA ND Small Business Person of the Year
Awards: 22 state and local awards totaling **$221,700**
Agencies: Fargo School District, ND Dept. of Human Services, Fargo Park District, City of Moorhead
Industry: 238990 – Other Specialty Trade
Services used: SAM, market research, Bid Match, training webinars, federal regulations

DAMAJA SYSTEMS

Owner: De Lorenco L. Jackson
Notable: SDVOSB certification, prepping for 8(a) application
Awards: 7 awards totaling **$8,066,271**
Agencies: Dept. of Veterans Affairs, DoD, State of Rhode Island
Industry: 325413 In-vitro Diagnostic Substance Manufacturing (COVID test kits), 721110 hotels
Services used: APEX assisted with SBA VetCert, SAM.gov, SBA Profile, DLA Internet Bid Board System (DIBBS), Bid Match, Finding Opportunities

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NATIONAL APEX ACCELERATOR ALLIANCE

This APEX Accelerator is funded in part through a cooperative agreement with the Department of Defense.

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NORTH DAKOTA APEX ACCELERATOR

Reporting Date:7/1/2023-12/31/2024

Contracts by County (Summary)

Physical Address County	Client Count	Award Count	DoD	Other Fed	State	Commercial
Barnes	12	2	$ 20,640	$ 0	$ 0	$ 0
Bottineau	5	2	$ 54,900	$ 0	$ 0	$ 0
Bowman	1					
Burke	1					
Burleigh	86	40	$ 576,796	$ 21,582,730	$ 200,000	$ 450
Cass	221	688	$ 48,207,344	$ 593,166,919	$ 0	$ 0
Cavalier	2					
Dickey	1					
Dunn	3					
Eddy	3	2	$ 14,700	$ 0	$ 0	$ 0
Emmons	3					
Foster	1					
Golden Valley	4					
Grand Forks	67	53	$ 22,692,380	$ 1,154,277	$ 0	$ 0
Griggs	2	1	$ 0	$ 0	$ 72,000	$ 0
Hettinger	2					
Hillsborough	1					
Lamoure	1					
McHenry	4	8	$ 36,100	$ 117,000	$ 0	$ 0
McIntosh	5					
McKenzie	12	46	$ 1,759,409	$ 6,821,355	$ 0	$ 0
McLean	12	39	$ 29,270	$ 11,009,644	$ 0	$ 0
Mercer	10	6	$ 399,667	$ 103,500	$ 0	$ 0
Morton	18	2	$ 50,404	$ 0	$ 0	$ 0
Mountrail	3					
Oliver	1					
Pembina	4	2	$ 0	$ 105,920	$ 0	$ 0
Pierce	1					
Ramsey	7	3	$ 0	$ 18,493	$ 0	$ 0
Renville	1					
Richland	11	1	$ 0	$ 0	$ 300,000	$ 0
Rolette	9					
Sioux	1					
Slope	2					
Stark	30	8	$ 90,558	$ 64,280	$ 10,000	$ 0
Steele	2					
Stutsman	14	3	$ 18,240	$ 53,938	$ 0	$ 0
Towner	2					
Traill	10					
Walsh	4	1	$ 0	$ 9,912	$ 0	$ 0
Ward	47	58	$ 12,441,319	$ 30,342	$ 0	$ 0
Wells	2	3	$ 14,074,941	$ 0	$ 270,280	$ 0
Williams	38	3	$ 687,975	$ 84,937	$ 0	$ 0

Harvestone LCP
1815 Schafer St. Suite 220
Bismarck, ND 58503

January 2025

To Whom It May Concern,

As the Chair of the North Dakota Workforce Development Council, I am proud to offer my unwavering support for the Council and its critical initiatives. Our mission is to advise the governor and the public on the nature and extent of workforce needs within the state, as well as to identify innovative and effective ways to address these needs. Through our biennial report, we have consistently delivered actionable recommendations, many of which have been adopted by the Department of Commerce and funded by the legislature.

The Council's work has directly contributed to transformative programs such as:

- **Regional Workforce Impact Program and Find the Good Life:** These initiatives originated from the Council's recommendations for a funding model supporting locally-led workforce solutions and a statewide talent attraction campaign. Both programs have become essential in tackling workforce challenges and enhancing North Dakota's competitive edge.
- **Operation Intern and the Technical Skills Training Grant:** The Council's endorsement of these programs highlights the value of investing in students and underscores the importance of skilled workforce training. These initiatives have strengthened the pipeline of talent entering high-demand careers.

Having attended multiple National Governors Association (NGA) Workforce conferences, I can confidently say that North Dakota is at the forefront of finding creative solutions to workforce challenges. The state has demonstrated remarkable innovation and adaptability in implementing strategies that effectively address labor shortages, skill gaps, and workforce development needs. From fostering strong public-private partnerships, North Dakota has built a comprehensive approach that not only supports current economic demands but also anticipates future workforce trends. As a result, other states are actively studying and seeking to adopt North Dakota's best practices, recognizing the effectiveness of its initiatives in strengthening economic growth and building a resilient, skilled workforce.

I urge you to support the recommendations brought forward by the Workforce Development Council. Investing in workforce development is essential for driving results that benefit the private sector and ensuring long-term economic prosperity for North Dakota. Without appropriate resources, we cannot sustain the progress we have made or address future challenges.

Thank you for your continued commitment to finding workforce solutions.

Sincerely,

Cindy Griffin
Chair, North Dakota Workforce Development Council

202 N. 3rd Street
Grand Forks, ND 58203
p: 701-772-7271
www.gochamber.org

DATE: January 15, 2025
TO: ND Legislature
FROM: The Chamber Grand Forks / East Grand Forks
RE: Base Retention Funding

On behalf of the Grand Forks/ East Grand Forks Chamber of Commerce and the Grand Forks Mayor's Base Retention Committee we respectfully request your support of the Base Retention Funding request.

Grand Forks Air Force Base (GFAFB) is an Intelligence, Surveillance and Reconnaissance (ISR) Base. The mission of the 319th Reconnaissance Wing is to provide decisional advantage to our warfighters and national leaders through support of our Nation's Global Hawk High Altitude ISR mission. The Space Development Agency (SDA) also operates the DOD Low Earth Orbit Satellite array from Grand Forks Air Force Base.

Additional Base Retention Grant Program funding will support:

Advocacy and Awareness with regular strategic meetings with U.S. Air Force leadership at the Pentagon, Air Combat Command, 16th Air Force, and at GFAFB to support existing missions and explore and pursue future mission opportunities such as an Arctic Mission, space missions, and additional ISR missions. The USAF supports communities who care and support airmen/guardians and their missions.

Community and stakeholder education on new Intelligence Surveillance Reconnaissance (ISR) designation at GFAFB and the additional cyber, communications, UAS and technology assets.

Brief rotating senior Air Force leadership on GFAFB infrastructure, ISR and cyber-capabilities, and the eco-system among GFAFB, Grand Sky tenants, Cavalier Space Station, UND, and Grand Forks community partners. Constant briefing are needed because of regular turnover.

Quality of Life. Research, studies, and investments into quality of life for service members and their families to include support of K-12 public education, student services, higher education programming and research, medical care and behavioral/mental health, spousal employment, and educational and recreational opportunities.

Utilize the Support of Military Families Report, which is weighed by Air Force leadership during mission and basing decisions, to identify and address how to best support the military family. New missions go to bases where airmen can be attracted and retained.

Strategic Advising & Guidance to raise national awareness and align the community and GFAFB with current and future Air Force initiatives.

Utilize experts to arrange meetings with top Air Force leadership and to help craft strategic priorities and messaging such as preventing base encroachment from airspace, land and electromagnetic radio installations including from Chinese investments.

On behalf of the Mayor's Base Retention Committee thanks in advance for your consideration of our joint request with Fargo and Minot.

Sincerely,

Barry Wilfahrt
President & CEO
The Chamber Grand Forks / East Grand Forks
M: 701-317-1555
Barry@GoChamber.org

THE CHAMBER
FARGO MOORHEAD WEST FARGO

Letter of Support – SB 2018

Wednesday, January 15th, 2025

Chairman Wanzek and Members of the Senate Appropriations Committee – Government Operations Division,

For the record, my name is Cale Dunwoody, and I have the distinct pleasure of serving as the Vice President of Public Policy for the Fargo Moorhead West Fargo Chamber of Commerce (FMWF Chamber). On behalf of our over 1,700 members, I respectfully offer testimony in support of Senate Bill 2018.

At the FMWF Chamber, our mission is to protect and promote business, inspire individuals, cultivate communities, and influence action. Our members continue to express concerns centered around the availability of high-quality, skilled workers and a strong workforce pipeline. While the shortage gap across the United States is narrowing, North Dakota remains one of the most severe states when it comes to workforce challenges. The U.S. Chamber estimates that there are approximately only 30 available workers for every 100 open jobs, compared to the national statistic of 83 available workers for every 100 open jobs.

As of November of 2024, North Dakota's Labor Force Participation rate trends well above the national average at 68.9% (the national average is 62.8%) and Unemployment rates are amongst the lowest in that nation at 2.4%. This low unemployment rate, coupled with a high labor force participation rate, suggests that most individuals who are able and willing to work are already employed, amplifying the challenge for employers seeking to fill open positions.

These challenges themselves are not unique to our state, every state in the nation is competing to attract, acclimate, retain, and develop workforce. To compete on a nationally and globally, North Dakota must remain committed to identifying and funding creative and multi-pronged solutions to addressing this crisis. We applaud the legislature's commitment to establishing and investing in key workforce programs, like the Regional Workforce Impact Program (RWIP), Operation Intern, Automate ND, targeted training grants, and others. These programs have demonstrated success by creating creative workforce solutions that allow communities and businesses across North Dakota to develop and/or access programs to meet the specific needs of their community and industry.

Operation intern is a critical program with high demand and strong outcomes. The purpose of this program is to expand the number of internships, work experience, and apprenticeship positions throughout the state by providing matching funds that can be used for items needed for the intern/apprentice (i.e. wages, tools, equipment, training, and tuition reimbursements). During the last biennium, the legislature appropriated $1,006,896 to this program and the entire biennium's funding was fully committed within 24 hours of opening the application process. We know that these valuable experiences lead to employment, making them one of the most effective workforce attraction and retention tools. The National Association of College and Employers (NACE) stated in their 2024 Internship and Co-op Report that retention rates for hires with internal internship experience is 71.4% after one year. This demonstrates the effectiveness of internship programs in fostering affinity and long-term employment relationships, which highlights the importance of significantly increasing the funding of this program to help provide an important solution to our workforce crisis. Through increasing this funding, we could enhance the retention and attraction of young talent in our state, creating meaningful connections and opportunities for industries and businesses.

The RWIP program is a vital initiative that addresses North Dakota's ongoing workforce challenges through a regionally tailored and collaborative approach. The program's ability to tailor solutions to the unique needs of each

region has made it highly effective. Communities have the flexibility to identify their most pressing workforce challenges and use RWIP resources to address them directly. Since its inception, the program has allocated approximately $27.5 million to support innovative workforce solutions across the state. These funds have proven effective by launching training initiatives, expanded childcare access for working families, enhanced recruitment and retention strategies, and strengthening career pathway programs in critical industries such as healthcare, education, manufacturing, and agriculture. Within our community this funding has provided the opportunity to develop a sustainable model for acclimating and retaining top talent that has resulted in several relocations of top talent to our region and will provide for many more in the future. Additionally, through this funding we have been able to develop an innovative externship experience (EDventures) that provides secondary educators and influencers the opportunity to immerse into career experiences through visiting more than 10 businesses through this week-long experience. These 70 educators and influencers have translated their new understanding of career pathways into curriculum and relationship for their students – raising awareness and understanding of the many opportunities right here in North Dakota. As workforce shortages persist and evolve, it is essential to sustain and expand programs like RWIP. Continued funding will allow communities to build on their progress, scale successful initiatives, and innovatively address new challenges as they arise.

Automate ND is a forward-thinking initiative that addresses the evolving needs of North Dakota's economy by fostering the adoption of automation and advanced technologies across industries. By supporting businesses in integrating automation, this program not only enhances productivity and competitiveness but also addresses the persistent workforce shortages that many sectors face. Since its inception, Automate ND has provided essential resources, including grants, technical assistance, and training opportunities, enabling businesses to implement automation solutions. These investments have been critical for industries such as manufacturing, agriculture, and energy, which are foundational to North Dakota's economy. Automate ND is also vital for positioning North Dakota as a leader in technological innovation. By incentivizing the adoption of cutting-edge solutions, the program attracts new investments and strengthens the state's reputation as a hub for advanced industries. Looking ahead, continued support for Automate ND will enable businesses to scale their automation efforts, drive economic growth, and ensure that North Dakota remains competitive in an increasingly technology-driven world. By addressing labor shortages and boosting efficiency, this initiative represents an investment in the long-term success of our state's economy.

As the Legislative Assembly considers this budget, we would encourage continued and enhanced strategic investments into key programs like Operation Intern, RWIP, and Automate ND, underscoring the importance of internship experiences, regional-based solutions that recognize the unique challenge and opportunities of different regions, and the evolving technological innovation needs to drive our economy

Thank you for your attention to this matter and your commitment to North Dakota.

Sincerely,

Cale Dunwoody
Vice President of Public Policy
Fargo Moorhead West Fargo Chamber of Commerce

NDSC
NORTH DAKOTA SAFETY COUNCIL
A private non-profit.

2025 SB 2018
Senate Appropriations Government Operations Division
Senator Terry Wanzek, Chairman
January 15, 2025

Testimony of Charles P. Clairmont
Executive Director, North Dakota Safety Council

Chairman Wanzek, members of the Senate Appropriations Government Operations Division, my name is Charles P. Clairmont, and I serve as the Executive Director of the North Dakota Safety Council (NDSC). I appreciate the opportunity to speak in support of SB 2018 and to highlight the vital role of workforce and community safety in supporting economic growth and protecting North Dakotans.

The NDSC has been serving our state since 1942 as a private nonprofit organization dedicated to making North Dakota the safest state in the nation. In the last two years, we provided safety training to more than 50,000 individuals across industries, schools, and communities, delivering over 300 consultations to improve workplace safety and prevent injuries and fatalities.

We are seeking $1.5 million in funding to expand our workforce safety training programs across the state. These funds will address critical safety challenges that are costing lives and driving up workers' compensation costs for businesses.

Key Safety Challenges in North Dakota

1. **Transportation Fatalities:**
    - **Issue:** Transportation-related incidents remain the leading cause of workplace deaths in North Dakota, accounting for 12 of 26 workplace fatalities in 2023 (source: Bureau of Labor Statistics). Our state's fatality rate is 9.0 per 100,000 full-time equivalent workers—nearly three times higher than the national average of 3.5 per 100,000 workers (source: BLS Injury Report).
    - **NDSC Solution:** We offer **Fleet Essentials** driver training to address the training gap for non-CDL drivers and provide risk-reduction resources to businesses. Our **Alive at 25** program equips young drivers with defensive driving skills, helping to lower crash rates among new drivers.
2. **Falls and Construction Safety:**

- **Issue:** Falls from heights are a leading cause of fatalities in the construction industry, with six construction-related deaths recorded in North Dakota in 2023 (source: OSHA National Data).
- **NDSC Solution:** Our **Fall Protection Lab** offers hands-on training to workers on proper equipment use and safety procedures. Our **Slip Simulator** at the main facility trains participants to recognize hazards and improve their reaction times to avoid injuries caused by slips and trips.

3. **Trenching and Excavation Hazards:**
   - **Issue:** OSHA's Denver Region, which includes North Dakota, has an emphasis program targeting trench collapses due to rising fatalities. Trench collapses are one of the deadliest incidents in construction, with a high likelihood of resulting in fatalities.
   - **NDSC Solution:** We provide comprehensive trench safety training, especially for small and mid-sized contractors that often lack the resources to implement robust training programs.
4. **Agricultural Safety:**
   - **Issue:** Agriculture is one of the most hazardous industries in North Dakota, accounting for nearly 50% of workplace fatalities in 2020 and 30% of the state's workplace fatalities in 2022 (source: Bureau of Labor Statistics). With heavy machinery, confined spaces, and grain-handling equipment, rural workers face significant risks.
   - **NDSC Solution:** Our **Ag Safety Training Trailer** travels across the state, delivering lifesaving demonstrations to schools, trade shows, county fairs, and co-ops. These sessions teach farm families and workers how to avoid entrapment in grain bins, safely operate machinery, and respond to farm-related emergencies.
5. **Industrial Hygiene and Hazardous Exposures:**
   - **Issue:** Hazardous exposures remain a growing concern in industries such as manufacturing, construction, and oil and gas. Seven North Dakota workers died from harmful substance exposure in 2023 (source: BLS Report).

- **NDSC Solution:** We have expanded our **Industrial Hygiene Program** to include noise assessments, air quality sampling, and workplace exposure evaluations. Our industrial hygiene experts conduct thorough audits to identify hazards and recommend practical solutions to reduce risks, ensuring compliance with regulatory standards and improving overall worker safety.

6. **Substance Use and Mental Health:**
   - **Issue:** The opioid crisis and rising mental health challenges have reached North Dakota's workplaces. The state averages 2.8 unintentional overdose deaths per week, and mental health-related workplace issues, including absenteeism and crises, are increasing statewide (source: CDC Opioid Report).
   - **NDSC Solution:** Our **Respond Ready Workplace** program equips employers and employees with the tools and knowledge to respond effectively to opioid overdoses, including the distribution and use of naloxone kits. Additionally, our **Mental Health First Aid (MHFA)** training teaches organizations to recognize early signs of mental health challenges and implement preventive support, reducing stigma and fostering a safer, more responsive work environment.

Why Invest in the North Dakota Safety Council?

1. **Proven Track Record:** We have decades of experience working across a wide range of industries, including agriculture, construction, oil and gas, transportation, and manufacturing. Our ability to adapt our services to meet the unique safety challenges of each sector has made us a trusted partner for hundreds of organizations statewide.
2. **Comprehensive Safety Services:** Our programs cover the full spectrum of safety needs—from compliance and regulatory training to workplace consultations, safety program development, and leadership coaching. Whether it's teaching defensive driving to new teen drivers, helping a small business build a safety management plan, or providing advanced trench safety training, we cover "soup to nuts" when it comes to workplace safety.
3. **Highly Experienced Safety Consultants:**
   Our team of safety consultants is one of the greatest assets of the NDSC. Our consultants are not only highly trained but also bring decades of real-world experience across a variety of high-risk industries, including oil and gas, agriculture, construction, and healthcare.

4. **Community Safety Program:**
   The NDSC's **Community Safety Program** is one of the most comprehensive in the state, aimed at equipping individuals, families, schools, and organizations with lifesaving skills to respond to emergencies and make safe decisions.
   - **Key Initiatives:**
     - **Active Threat Response Training:** Helps schools, businesses, and community organizations prepare for and respond to active threats with confidence.
     - **School Emergency Response Planning:** Supports schools across the state in developing and testing emergency protocols.
     - **Mental Health First Aid (MHFA):** Provides community members and organizations with the knowledge to support individuals experiencing a mental health or substance use crisis.
     - **Responsible Beverage Server (RBS) Program:** Trains bartenders, servers, and business owners on the legal responsibilities and best practices for preventing alcohol-related incidents, helping to keep communities safer.
5. **Partnerships with State Agencies and Associations:**
   We work closely with key North Dakota agencies, including Workforce Safety and Insurance (WSI), the Department of Transportation, the Department of Commerce, the Department of Public Instruction (DPI), the Department of Health and Human Services, the ND Petroleum Council, the Associated General Contractors of ND and local emergency response teams, to provide safety solutions tailored to the needs of North Dakota's workforce and communities.
6. **Rural and Statewide Reach:**
   Our mobile training solutions, such as the **Ag Safety Training Trailer** and our **Fire Extinguisher Simulator**, enable us to bring safety education directly to rural communities, schools, and businesses that may not have the ability to attend training at centralized locations.

By investing in NDSC, you are supporting a proven organization that not only provides compliance-based training but also offers proactive consultations, leadership development, and community safety initiatives that address specific hazards and save lives.

NDSC
NORTH DAKOTA SAFETY COUNCIL
A private non-profit.

Conclusion

The $1.5 million we are requesting represents a vital investment in the safety and productivity of North Dakota's workforce and communities. Our comprehensive approach to safety—including workforce training, school emergency preparedness, and community safety programs—ensures that North Dakotans are equipped to respond to any challenge they may face. Preventable injuries and fatalities not only cost lives but also strain families, businesses, and our economy. With this funding, the NDSC can enhance its training, consultations, and outreach programs to create safer workplaces and communities.

Thank you for your time and consideration. I look forward to your questions and the opportunity to collaborate to make North Dakota the safest state in the nation.

Sincerely,

Charles P. Clairmont - Executive Director
North Dakota Safety Council

VISIT MINOT

1020 South Broadway
PO Box 2066 Minot, ND 58701
T 800.264.2626 701.857.8206

January 15, 2025

Testimony of Stephanie Schoenrock Visit Minot

Testimony in Support of SB 2018 and Funding for the Destination Development Grant

Chairman Wanzek and Members of the Committee:
Thank you for the opportunity to provide testimony today. I am here to respectfully request your support for SB 2018 and funding for the Destination Development Grant.

We have a significant opportunity to improve how North Dakota attracts and engages visitors, and my perspective on this has profoundly evolved over the past five years, particularly since I began interacting with travelers daily at the Minot Visitor Center.

When I first transitioned from marketing events/tourism to working directly with visitors, I, like many community leaders, often wondered, Where are these tourists? That question was quickly answered. By June 30th this year, the Minot Visitor Center welcomed guests from all 50 states and 27 countries. It was eye-opening to witness, firsthand, the volume and diversity of travelers exploring North Dakota. Statistics can only tell part of the story; it's these countless personal interactions that shift perceptions.

Consistently, we hear three key themes from visitors:
1. Escape from Crowds: Travelers choose North Dakota to avoid the overcrowding common in many popular destinations, particularly National Parks.
2. Surprise and Delight: Many visitors are surprised to learn how much there is to do here and express regret they didn't allocate more time for their trip.
3. Part of a Larger Journey: For most, North Dakota is a stopover rather than the primary destination.

These insights highlight both a challenge and an opportunity. North Dakota has a compelling story to tell, but we need the resources to tell it more effectively. Funding for SB2018 and the Destination Development Grant is critical in ensuring we can promote our state, develop tourism infrastructure, and encourage longer stays, all while delivering a measurable return on investment. This is not a handout—it's a smart investment in our economy and communities.

Thank you for considering this important request. I urge you to support SB 2018 and the Destination Development Grant to help us realize the full potential of North Dakota's tourism industry.

Respectfully submitted,

Stephanie Schoenrock
Visit Minot

Good afternoon, Chair Bekkedahl and members of the Senate Appropriations Committee;

My name is Nick Ybarra, and I am the director of the Save the Maah Daah Hey nonprofit, an organization dedicated to the stewardship, maintenance, and expansion of the Maah Daah Hey Trail system in the stunning Badlands of Western North Dakota. It is an honor to provide testimony today in support of the Destination Development program within the North Dakota Department of Commerce budget.

The Maah Daah Hey Trail is more than just a ribbon of dirt winding through our rugged Badlands. It is a lifeline for communities across Western North Dakota, a magnet for outdoor enthusiasts, and a symbol of the unique beauty our state has to offer. Spanning over 170 miles, the Maah Daah Hey Trail attracts thousands of visitors annually who come to hike, bike, and ride horseback through one of the most spectacular landscapes in the country. These visitors not only experience the natural wonder of North Dakota but also support local businesses, hotels, restaurants, and outfitters, injecting millions of dollars into our rural economy.

The Destination Development program is critical to advancing our efforts to expand recreational opportunities and grow tourism in North Dakota. Trails like the Maah Daah Hey are essential to our state's ability to compete in the growing outdoor recreation market. Travelers are increasingly seeking unique, authentic outdoor experiences, and the Badlands offer just that. However, to truly unlock the region's potential, we must invest in both maintaining our existing trails and creating new ones.

At Save the Maah Daah Hey, we have an ambitious vision for the future: to expand the trail network in the Badlands to 1,000 miles. This expansion would make North Dakota a premier destination for outdoor recreation, rivaling renowned trail systems in places like Utah and Colorado. A project of this scale would not only draw in mountain bikers, hikers, and equestrians from around the globe but also position our state as a leader in sustainable tourism and land stewardship.

The benefits of this expansion go far beyond tourism. Trails connect people to the land and to each other. They promote physical health, mental well-being, and a sense of community. For young families, retirees, and adventure seekers alike, they are an invitation to explore the great outdoors and to discover the beauty and history of our state. And for the communities near these trails, they are an economic lifeline, creating jobs, supporting small businesses, and fostering a sense of pride in our shared heritage.

However, achieving this vision requires support from programs like Destination Development. Funding from this program would enable us to:

1. Improve and maintain the existing Maah Daah Hey Trail to ensure a world-class experience for visitors.
2. Expand the trail network, connecting more communities to the benefits of outdoor recreation.

3. Promote North Dakota as a premier destination for trail-based tourism, attracting visitors from across the nation and around the world.
4. Train and employ local trail crews, creating jobs and fostering a culture of stewardship and sustainability.

The Destination Development program is an investment in North Dakota's future. It is an investment in our communities, our economy, and our quality of life. By supporting this program, you are helping to ensure that the Badlands remain a destination that inspires awe and adventure for generations to come.

On behalf of Save the Maah Daah Hey and the countless visitors and residents who cherish our trails, I urge you to fully fund the Destination Development program. Together, we can build a legacy of recreation, conservation, and connection that will define North Dakota's future.

Thank you for the opportunity to speak today. I am happy to answer any questions you may have.

Nick Ybarra
Trail Operations Director – Save the Maah Daah Hey

Chairman and Vice Chair, and honorable committee, my name is Aaron Barth, and I oversee the Fort Abraham Lincoln Foundation and the Northern Plains Heritage Foundation, cultural heritage nonprofits that regularly partner and work with the North Dakota Department of Commerce and Tourism Division. People visit places because they are curious about them, and they are curious about the lived history that is the heritage of those places. All of this allows us to inform residents and visitors of how and why we arrived to our present. This, in turn, provides all of us with a footing of where we want to launch tomorrow.

Through these partnerships we develop historic senses of place in the urban and the rural. This in turn allows us to bring history beyond the textbook and show residents and visitors the heritage and history within the landscape.

Three recent examples are as follows. In July 2024, our cultural nonprofits hosted National Park Service visitors from across the nation in Bismarck and took them upriver to the Lewis and Clark Interpretive Center in Washburn and Knife River Indian Village National Historic Site in Stanton. We brought along tribal historians (from Standing Rock and the MHA Nation) who provided oral histories of this area, past and present. To this day, the visitors still text and e-mail me about the intellectual and cultural wonders of that visit. “I didn’t realize you had so much here!” is the often-repeated phrase we hear.

Another example is our artist trained cohort for cultural heritage public murals: from 2016 to 2023, we developed a community public mural install on the Interstate-94 Grant Marsh bridge pier that spans the Missouri River in Bismarck. Every component of this mural was informed by heritage and naturalist history. The mural completion, in turn, gave rise in the summer of 2024 to using the same process for developing the community cultural heritage mural on the north elevation of the historic Carnegie Library in Grafton, ND. We were able to assist local Grafton community members on that. This process, as of yesterday, has garnered the interest of the communities of Maddock and Gwinner, North Dakota. These community murals are expressions of love of place and communicate to visitors why all our places matter.

A third example is the North Dakota Destination Development (NDDD) grant awarded to the Fort Abraham Lincoln Foundation to create a publicly spirited cultural heritage park immediate to the Missouri River in North Dakota’s capital city of Bismarck. We were able to leverage this $4,000,000 NDDD grant award into, at present, an additional $4.3 million in non-state awards. This project will be completed in summer 2026, an appropriate time and space to host one of the many America 250 (1776-2026) celebrations, among others.

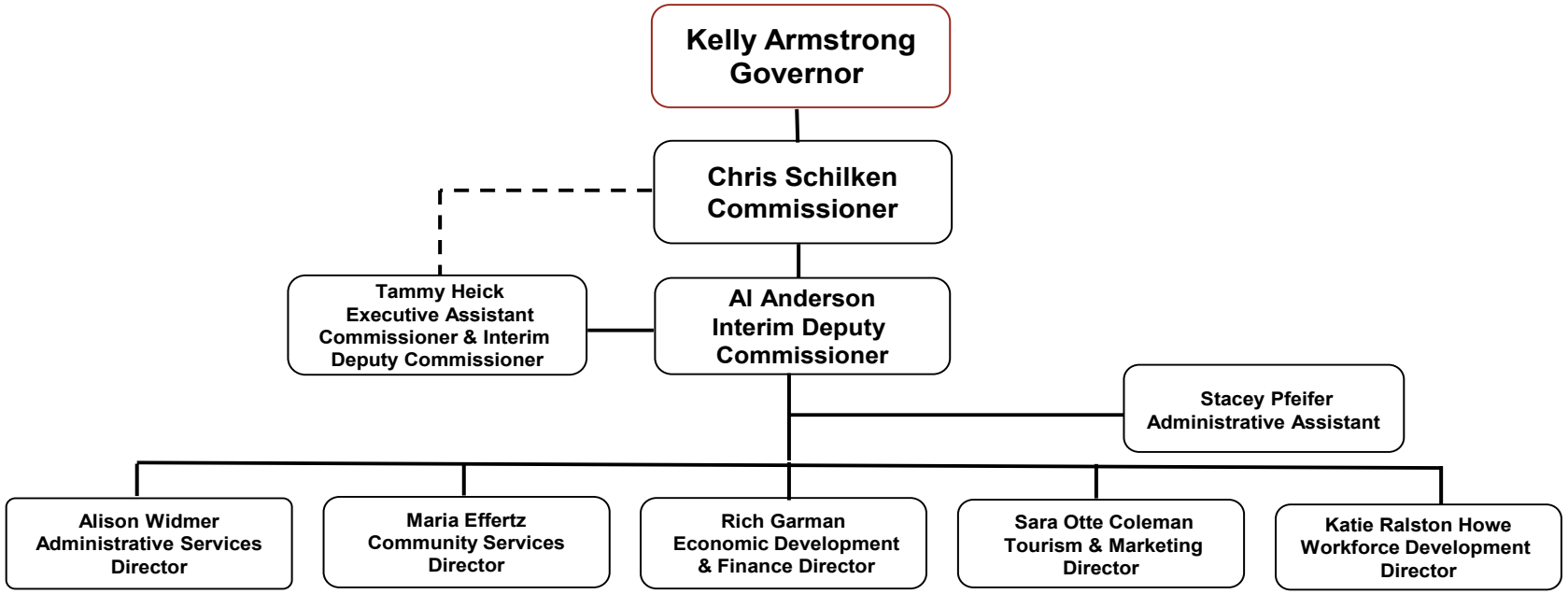
To get to the point: it is important to our nonprofits that the legislature funds ND Commerce and Tourism at the requested amounts. Thank you so very much for reading my submitted testimony to the end.

Sincerely,

Aaron L. Barth
Executive Director
Fort Abraham Lincoln Foundation
Northern Plains Heritage Foundation
Aaron@northernplainsheritage.org

NORTH Dakota
Be Legendary.

Department of Commerce Organizational Chart



NORTH Dakota
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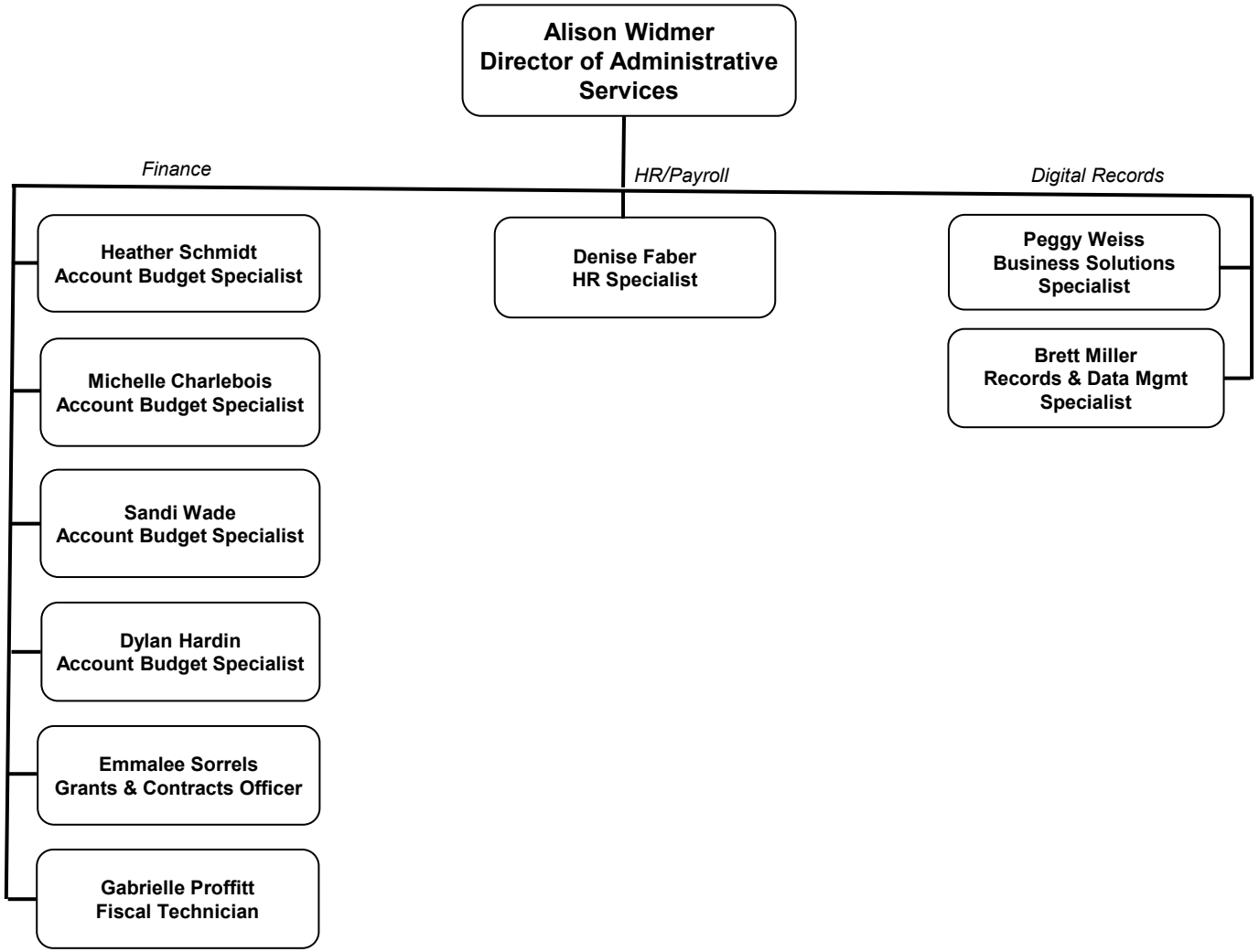
Administrative Services Organizational Chart



NORTH Dakota
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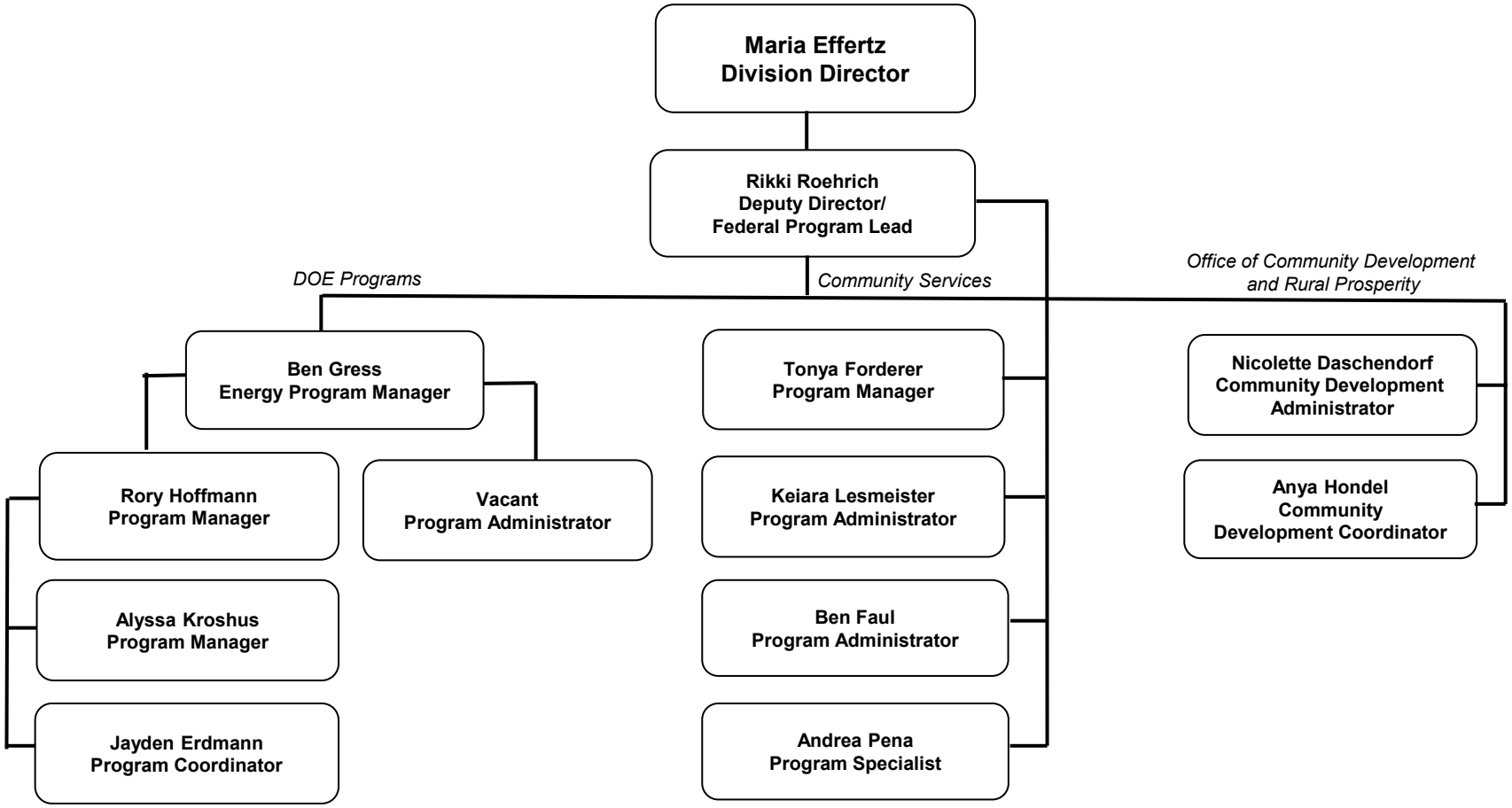
Division of Community Services Organizational Chart



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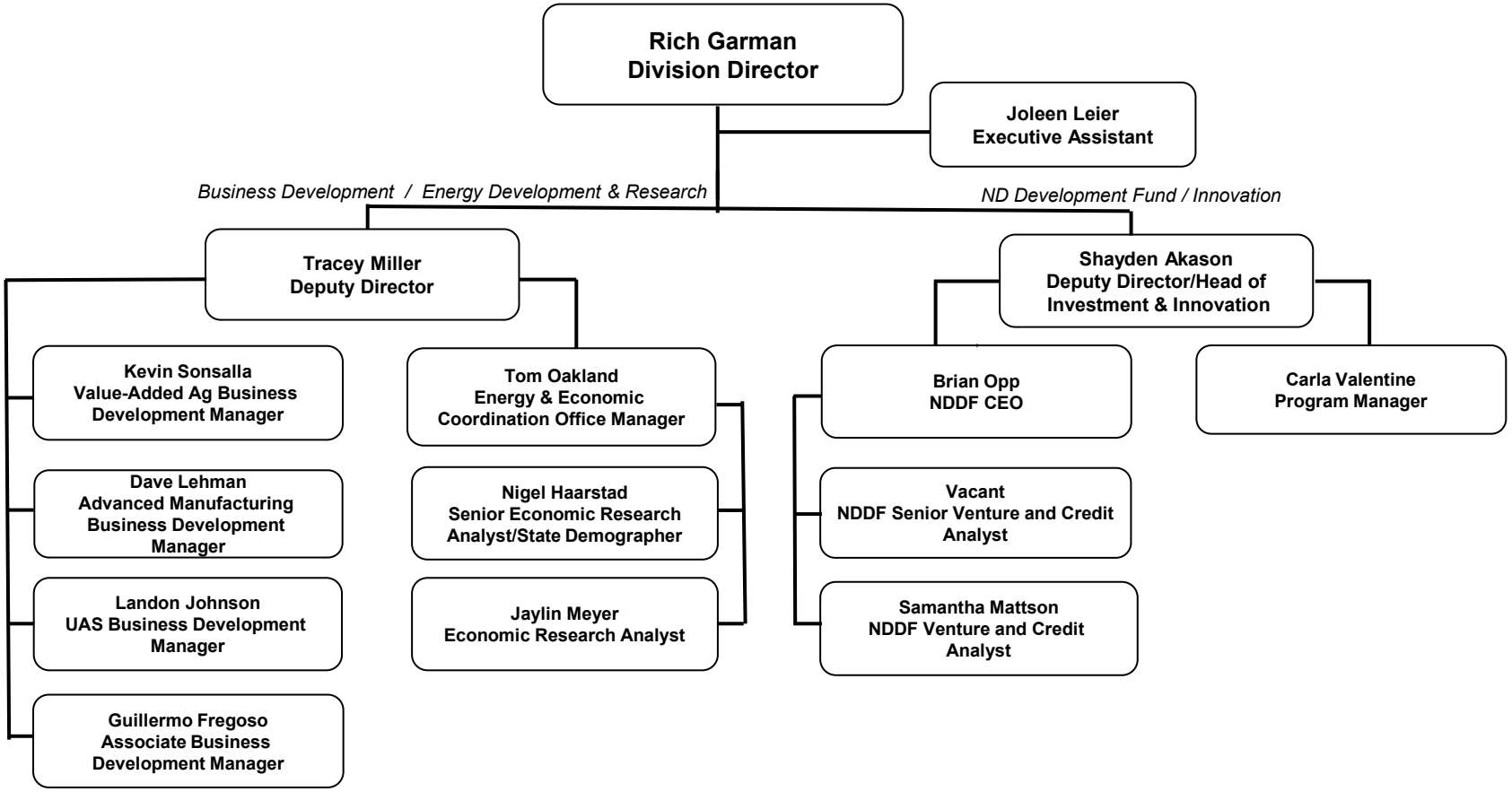
Division of Economic Development & Finance Organizational Chart



NORTH Dakota
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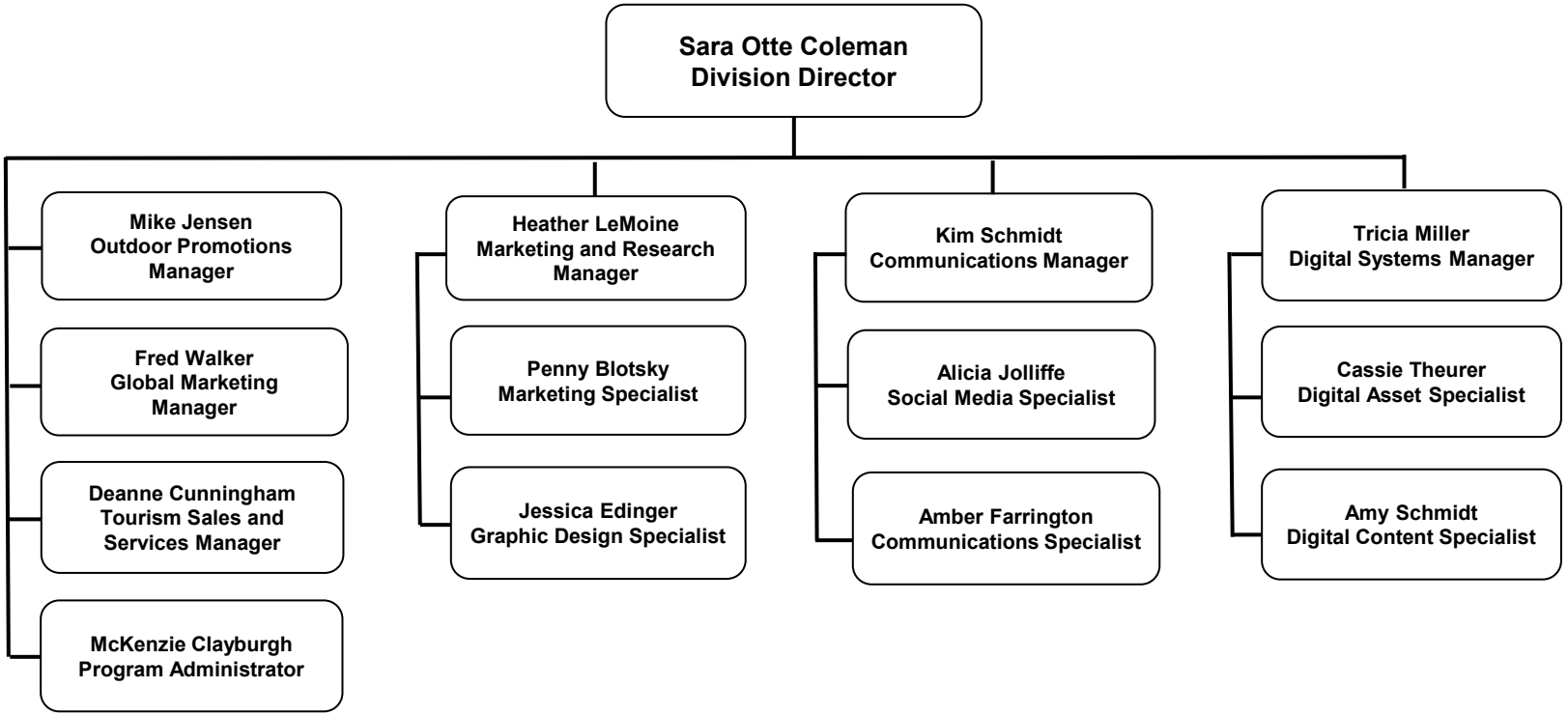
Division of Tourism and Marketing Organizational Chart



NORTH Dakota
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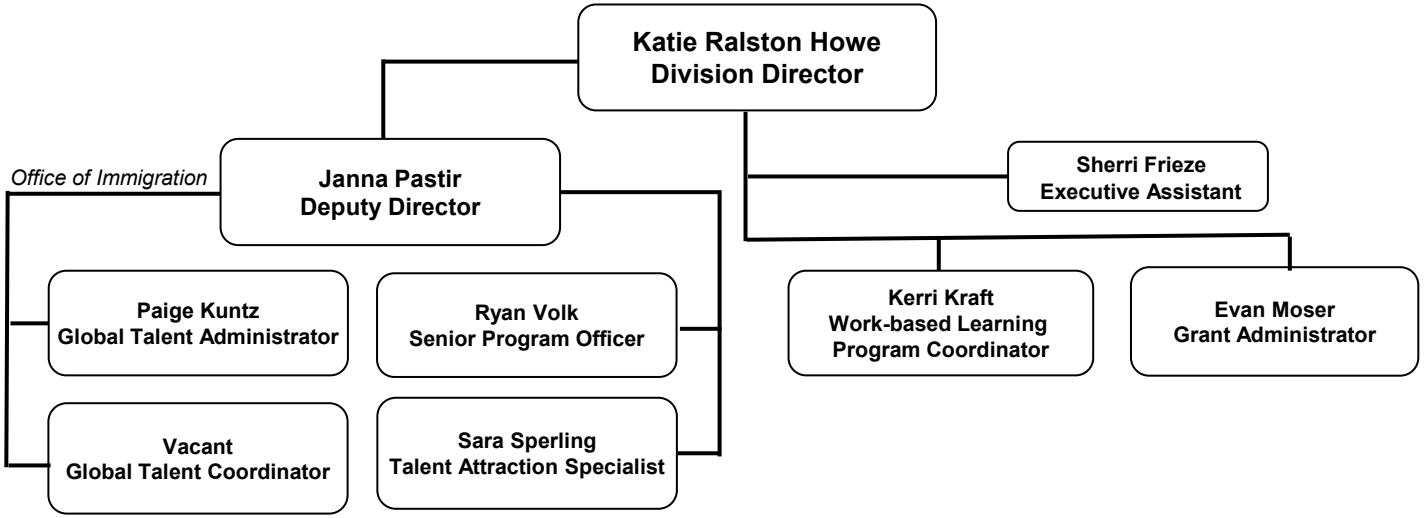
Division of Workforce Development Organizational Chart



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DIVISION OF COMMUNITY SERVICES

The North Dakota Department of Commerce Division of Community Services (DCS) was established to provide technical assistance to local governments and state agencies in the areas of community and rural planning and development, policy research and development and grant program implementation.

Community Services

PROGRAMS INCLUDE:

State Energy Program
Promoting Energy Conservation and Efficiency

The State Energy Program (SEP) provides a range of grant resources for energy conservation related opportunities, including energy education, installation of energy efficient features in homes, businesses and political subdivision facilities, and new and expanding energy technologies. The programs state energy plan is funded through state and U.S. Department of Energy (DOE).

The SEP office administers the North Dakota energy efficiency grant, annual allocation of funds from DOE for program grants, Infrastructure, Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA) grants.

For more information on the SEP program and grants go to **ndgov.link@StateEnergy**

Community Development Block Grant
Developing Vibrant and Sustainable Communities

The Community Development Block Grant Program (CDBG), provided through the U.S. Department of Housing and Urban Development (HUD), provides financial assistance to local governments in the form of grants for public facilities, housing rehabilitation and economic development projects and public services. The primary beneficiaries of these projects must be low to moderate income individuals.

For more information go to **ndgov.link/CDBGApplication**

Weatherization/LIHEAP
Increasing Energy Efficiency for Low Income Persons

The Weatherization Assistance Program and the LIHEAP Weatherization Program impact low-income individuals across the state to:

- Increase energy efficiency in homes
- Strengthen the health and safety of the home
- Reduce total residential energy expenditures
- Provide conservation measures

Since 2001, more than 10,000 homes have been equipped with energy-conserving measures. They are programs of the U.S. Department of Energy and the U.S. Department of Health and Human Services. The Weatherization program shows an ROI of $2.78 in non-energy benefits for every $1 invested in the program.

For assistance, connect with the CAA in your region at **capnd.org**

Updated 01.07.2025

Manufactured Home Installation Program

Inspecting Manufactured Homes

Since 2003, the Division of Community Services has overseen the manufactured home installation program, where all new manufactured homes installed for residential purposes are completed by an inspector licensed by DCS. A minimum of 2 inspections are required on a double-wide home and one inspection on a single-wide home is required. ND currently has 61 installers and 16 licensed inspectors.

For more information go to **ndgov.link/ManufacturedHousing**

Community Services Block Grant

Fighting Poverty in North Dakota

The Community Services Block Grant (CSBG) Program assists communities and individuals in implementing anti-poverty programs. The program administers funding from the U.S. Department of Health and Human Services through the state's seven Community Action Agencies (CAAs), providing various services to low-income persons, including:

- Emergency assistance
- Money management
- Housing counseling
- Self-sufficiency services
- Case management and outreach
- Referral services

For assistance, connect with the CAA in your region at **capnd.org**

Community Development & Rural Prosperity (CDRP)

The CDRP team supports cities, counties and tribal entities throughout the state through strengthened collaboration and coordination of private, public and federal agencies. The Community Development team can be the catalyst for the communities to plan appropriately to grow and prosper.

Several best practices, planning grants and educational training webinars can be found at **ndgov.link/CDRP**

Renaissance Zone Program

The Renaissance Zone Program is a locally driven program for cities across North Dakota for redevelopment and economic investment that incorporates tax incentives to business and residential properties. Major revisions in the program occurred in 2023 which allows local entities to manage their growth and future.

For more information go to **ndgov.link/RenZone**

For more information, contact Maria Effertz at meffertz@nd.gov

NORTH Dakota | Commerce
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State Energy Program

STATE ENERGY PROGRAM APPLICATIONS

- Building Efficiency Projects
- Energy Education
- Energy Workforce Development
- Energy Planning

Updated 12.23.2024

The mission of the State Energy Program is to provide leadership to maximize the benefits of energy efficiency and renewable energy through technology deployment, communications and outreach activities, and access to new partnerships and resources.

While any organization may apply to the program, priority is given to schools, political subdivisions, state agencies and non-profits. The amount of funding available varies from year-to-year. Typically, awards range from $5,000 to $50,000.

The program year runs from July 1–June 30.

APPLICATION PROCESS

Applications are accepted at any time. However, in order to guarantee consideration for the upcoming program year, applications or a letter of intent detailing a description of the proposed project and budget must be received by March 1. The application form can be found at **ndgov.link/SEP**.

GUIDELINES

- Sub-recipients must maintain a SAM registration and valid UEI to be eligible.
- Funds may not be used for product development.
- A 20% match is required. The match may be cash or in-kind.
- Applicants must register as a vendor with the state.
- New construction projects are ineligible.

REIMBURSEMENT

Funds are provided on a reimbursement basis. The reimbursement form is available at **ndgov.link/SEP**. Appropriate supporting documentation must be included.

- Building projects of more than $250,000 are subject to Buy America – Build America (BABA) requirements. Building projects funded under the Infrastructure Investment and Jobs Act -State Energy Program (IIJASEP) grant are subject to Davis Bacon Requirements.
- Invoices must be included for all purchases of services or goods. If a purchase is over $10,000, three bids must be included. Contractors and vendors must not be debarred or suspended on the System for Award Management.
- If requesting reimbursement for employees, a timecard must be provided that shows the full amount of time of each employee. Hours worked on the grant project also must be designated.

For more information, contact Kevin Iverson at kciverson@nd.gov

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NORTH DAKOTA
Carbon Neutrality Opportunity

Carbon dioxide (CO_2) capture and storage technologies have become increasingly important as global markets focus on reducing the amount of CO_2 that is emitted into the atmosphere. As the state with the nation's largest dependence on out-of-state trade, a new focus on $52 trillion in private equity using environmental, social and governance (ESG) standards, new federal regulations and shifting consumer demand, North Dakota is committed to innovation in order to provide our companies optimal access to capital and natural resources. That commitment was solidified in May 2021, when Gov. Doug Burgum announced that the state will strive to become carbon-neutral by 2030. This goal will only be reached through innovation, not regulation. The recent Inflation Reduction Act increased federal incentives to $60-$85 per ton of CO_2 for utilization or storage. Capturing CO_2 from existing in-state and out-of-state facilities can bring a substantial financial benefit while sustaining North Dakota agriculture and energy production. **Carbon neutrality is not only good for the environment, it is also good for business. And our state has a great story to tell.**

NORTH DAKOTA'S GEOLOGY IS IDEAL

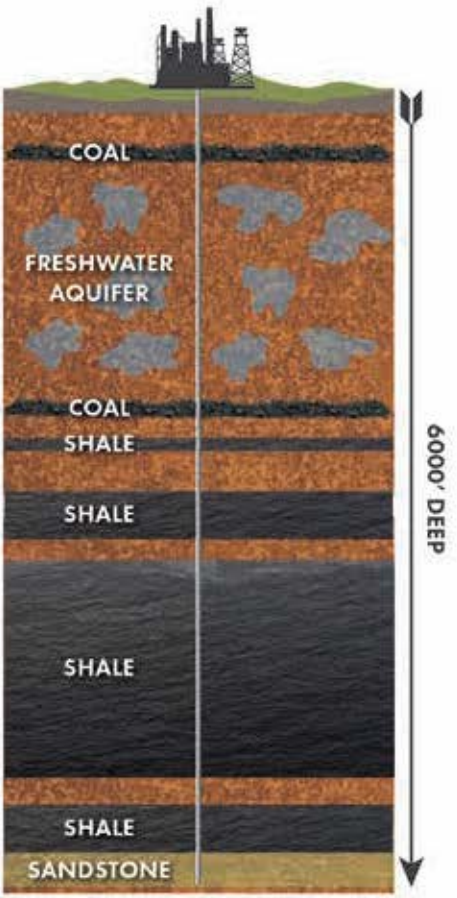
Proactive actions are already underway to fulfill this commitment. For example, Project Tundra in Oliver County, North Dakota, aims to build the largest carbon capture, utilization and storage (CCUS) facility in the world. Red Trail Energy and Blue Flint Ethanol are currently capturing and sequestering CO2 in ND. The Energy and Environmental Research Center (EERC) was instrumental in bringing these projects to reality.

North Dakota is uniquely positioned for this innovation given our geology is ideal for safe and permanent geologic storage of CO_2. A deep porous rock layer will hold the CO_2 more than a mile underground and overlying cap rock layers will seal the CO_2 in the storage zone. EERC estimates that North Dakota has capacity to sequester up to 25 billion tons of CO_2, over 4,400 years' worth of North Dakota's annual production!

DEVELOPING MARKETS FOR CO_2

North Dakota's older (conventional) oil fields: When the market is ready, CO_2 enhanced oil recovery (EOR) will revitalize older fields that are in declining stages of production, producing up to 1 billion additional barrels!

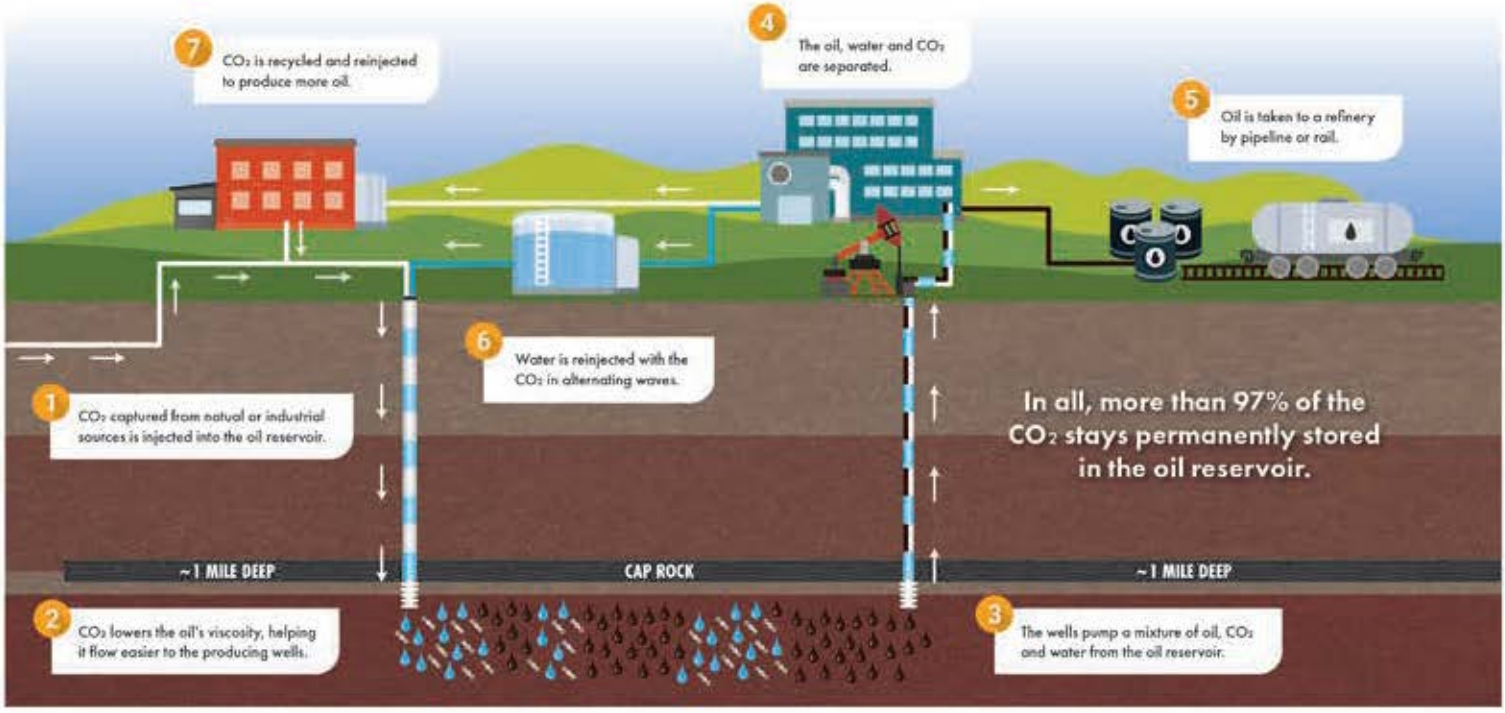
North Dakota's Bakken (unconventional) oil fields: When the technology is ready, CO_2 EOR can be applied to declining Bakken oil wells to improve production, unlocking up to 7 billion additional barrels from the Bakken and Three Forks shale!



Updated 01.07.2025

TERTIARY RECOVERY
(CO_2 Enhanced Oil Recovery)

In addition to carbon capture and storage, North Dakota is working on other ESG initiatives regarding reduction of CO_2 emissions such as using CO_2 for EOR, water recycling in oil fields, plastics manufacturing using excess and flared natural gas, geothermal energy production, and a recently announced partnership with Bakken Energy and Mitsubishi Power to create a blue hydrogen hub, composed of facilities that produce, store, transport and consume clean hydrogen.



CO2 CAPTURE AND UTILIZATION IN ND TODAY

1. Dakota Gasification Company began collecting over 2M tons per year of CO_2 in 2000 and transporting via pipeline Enhanced Oil Recovery (EOR) in Canada 25 years ago.
2. Red Trail Energy began capturing CO_2 from their ethanol production near Richardton ND and sequestering in 2022.
3. Harvestone's Blue Flint Ethanol facility near Underwood ND began capturing CO_2 off their ethanol production and sequestering in fall of 2023.
4. Additional EOR began in 2022 by Denbury in southwestern ND oilfields from CO_2 captured in Wyoming and transported via pipeline.
5. The ND Industrial Commission has multiple investments through the Clean and Sustainable Energy Authority in carbon capture technology for our coal-fired power plants. Those projects are ongoing.

Benefits

- Produces greener oil with a smaller carbon footprint because CO_2 is permanently stored in the process.
- Provides economic incentive to capture the industrial CO_2 as it is sold to offset the cost of capture.
- Enhances energy security with homegrown oil production.
- Generates and maintains well-paying jobs, tax base and viable communities.
- Reduces industrial CO_2 emissions into the atmosphere.

Safety

- Oil reservoirs can hold CO_2 the same way they've been holding other fossil fuels for millions of years.
- North Dakota's stable geology is ideal for CO_2 EOR.
- The oil industry has 40+ years of CO_2 EOR experience.
- Millions of additional barrels of oil have been safely produced (Texas, Montana, Mississippi and Saskatchewan).
- 4,000 miles of CO_2 pipelines in North America move CO_2 every day without incident.

For more information, please contact Tom Oakland at 701-328-5300

Sources for most of this information and additional research materials can be found on the EERC website at: pcor.undeerc.org/Resources.aspx

NORTH Dakota | Commerce

Energy and Natural Resources

INDUSTRY FACTS

ND RANKS
3rd LARGEST
IN NATIONAL OIL PRODUCTION

2nd
IN LOWEST COST ELECTRICITY IN THE U.S.

35%
OF ELECTRICITY GENERATION FROM RENEWABLE SOURCES

2nd LARGEST
KNOWN LIGNITE DEPOSIT IN THE WORLD

GROWING VALUE IN NORTH DAKOTA AGRICULTURE

North Dakota is the second-largest energy-producing state in the nation offering opportunities in oil and gas, coal and alternative energy production. North Dakota is a proactive producer and serves as a model in fostering innovative, long-term strategies to meet our nation's growing energy demand. The state strives with an "all of the above" approach in the development of its wide-ranging energy sector while meeting the need for energy security in an environmentally responsible manner. North Dakota offers a comprehensive package of incentives to stimulate growth in all energy sectors and creates a broad-based energy strategy that maximizes the state's resources.

ENERGY DEVELOPMENT INCENTIVES

Financial Incentives

- North Dakota Development Fund – Gap financing loan and equity program.
- Bank of North Dakota PACE Program – Interest buy down program.
- Bank of North Dakota Match Program – Loans at U.S. Treasury yield rate +0.25% to businesses other than retail that create new wealth, provide jobs and demonstrate considerable financial strength.
- Clean and Sustainable Energy program – Grant and funding options for research, development and commercialization of large scale innovative energy projects administered through the ND Industrial Commission.
- Renewable Energy Program – Grant and funding options to foster the development of renewable energy and related industrial technologies within a broad range of commercial applications. Overseen by the ND Industrial Commission.

Property Tax Exemptions

- Up to five-year property tax exemption. Additional five years available for agricultural processors or projects located on property leased from a governmental entity.
- Payment in lieu of a property tax exemption, in full or part. A company may negotiate a fixed or graduated rate for a period not to exceed 20 years. A privilege tax may be applied to coal conversion facilities.
- Exemptions on all personal property from property taxation except that of certain oil and gas refineries and utilities.

Corporate Tax Exemptions

- Five-year corporate income tax exemption for new or expanding primary sector business.

Updated 01.07.2025

ENERGY HIGHLIGHTS

Williston Basin crude oil export capacity included nearly 1.5 million barrels transported by pipeline per day and 800K barrels by rail per day, totaling nearly 2.3 million barrels per day.

33 North Dakota facilities process natural gas and have a capacity of over four billion cubic feet per day.

Electric vehicle charging stations continue to multiply. Additional $26M to be invested through 2026.

ND produces 35% of overall electricity with wind power, ranking 9th in the U.S.

Sales Tax Exemptions

- Sales and use tax exemptions on manufacturing and processing equipment.
- Sales and use tax exemptions may be granted for purchasing tangible personal property used to construct or expand electrical generating facilities, gas or liquefied natural gas processing facilities or oil refineries.
- Sales and use tax exemptions may be granted for purchasing tangible personal property used for carbon-dioxide enhanced oil or gas recovery, to extract or process by-products from coal gasification and to produce coal from a new mine.

Job Training Programs

- One-stop job training assistance – Both state and federal programs available for businesses.
- New Jobs Training Program – Grant program utilizing employee withholding tax.

SUPPORTING INFRASTRUCTURE

More Than 30K Miles of Pipeline

- 18 major crude oil pipelines, including Enbridge, Keystone, Marathon Petroleum and Dakota Access.
- Nine natural gas pipelines, including Alliance, Northern Border and WBI Energy.
- Four product pipelines, including Cenex, Kinder Morgan Cochin, Magellan, and NuStar Energy.

Rail Services

- Class 1 Carriers – BNSF and Canadian Pacific.
- Four regional lines.
- 38 container service/transloading facilities.
- 42 loop/ladder tracks.

North Dakota Port Services Inc. Serviced by BNSF

- Adjacent to mainline switch yard.
- Daily service and highway access.
- Fully operational intermodal facility with LNG capacity.

Electrical Capacity

- More than 41 million megawatt hours of electricity generated in 2023.
- More than half of state's generated electricity is exported.

NORTH DAKOTA ENERGY SITES

For more information, contact Tom Oakland at thomas.oakland@nd.gov

NORTH Dakota | Commerce
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Manufacturing

INDUSTRY FACTS

$5.66 BILLION
INDUSTRY OUTPUT 2023 PER BEA

108% GDP GROWTH
2012-2023 PER BEA

82%
OF ND EXPORTERS ARE SMALL BUSINESSES

7.6%
OF STATE GDP PER 2023 BEA STATS

Updated 1.08.2025

MANUFACTURING OPPORTUNITIES

Advanced manufacturing companies doing business in North Dakota include Doosan (Bobcat), John Deere, CNH Industrial, Air Liquide and Caterpillar.

Due to an abundance of energy, a skilled workforce, and a business-friendly climate (due in part to being the only state in the nation with its own state bank), North Dakota has enjoyed robust expansion in primary sector activity. Strong market growth, both domestically and internationally, has contributed to a healthy manufacturing economy.

Manufacturing and technology-based businesses in North Dakota face a serious threat from international competition. North Dakota manufacturers are not immune to the pressures of globalization and competition.

The Department of Commerce has concluded, through its work with manufacturing leaders and associations across the state, that future expansion of our manufacturing sector will come not from substantial labor growth, but rather from innovation and productivity gains, as well as a strong focus on developing foreign markets. State policy has been put into place to help stimulate and incentivize growth in this area.

PARTNERS

North Dakota Trade Office

The North Dakota Trade Office (NDTO) continues to increase its efforts to expand North Dakota's exports to high-demand foreign markets. In 2023, North Dakota led the nation in export growth, with a 45% increase over the previous year. Continued support and funding for the NDTO are essential to continued market growth for our state's manufacturers, producers, and exporters. Find more information at www.NDTO.com.

Impact Dakota

Impact Dakota is dedicated to providing world-class support and services to our friends and neighbors at North Dakota manufacturing and ag-processing companies. Our team of manufacturing industry experts conducts detailed needs assessments, outlines potential solutions, and provides technical assistance that delivers significant financial impacts. In 2024, our clients reported impressive results from the projects support provided by Impact Dakota, including $126.1M in total sales retained/gained, 781 jobs retained/gained, $2.2M in total cost savings, and $6.3M in total new investments. As the official representative of the MEP National Network in North Dakota, we are a key part of the U.S. Department of Commerce's nationwide Manufacturing Extension Partnership (MEP) network, which is integral to the United States Manufacturing Sector Infrastructure.

TRADE AND TRANSPORT BY THE NUMBERS

Two foreign trade zones

Two Canada-Mexico trade corridors

Top five export markets Canada, Mexico, Australia, Czech Republic, Germany

Five international airports

Two major interstates
I-94 East/West
and
I-29 North/South

Two Mainline Railroads
Burlington Northern Santa Fe and Canadian Pacific

Manufacturers in North Dakota account for **7.6% of the total output** in the state, employing 6.8% of the workforce.

Areas of service include, but are not limited to:

- **Workforce Development** — Enhancing skills and capabilities to meet the demands of modern manufacturing.
- **Advanced Manufacturing** — Implementing cutting-edge technologies and processes to improve efficiency and innovation.
- **Supply Chain Optimization** — Streamlining purchasing, supplier quality, and logistics to reduce risks & ensure a robust supply chain.
- **Continuous Improvement** — Driving ongoing enhancements in processes, efficiency, and productivity.
- **Regulatory Compliance** — Ensuring adherence to standards such as ISO9001, AS9100, ISO13485 QMS; Global Food Safety (HACCP, PCQI, SQF); Cybersecurity (NIST SP 800-171/CMMC); and OSHA Safety.
- **Business Operations Optimization** — Focusing on strategy, structure, people, methods, communications, metrics, and rewards to optimize overall business performance.

Impact Dakota is committed to fostering growth and excellence in North Dakota's manufacturing sector through our comprehensive and specialized services.

STRATEGIC INCENTIVE ADVANTAGES

Workforce

- New Jobs Training Program — Grant program reimbursing employee withholding taxes.
- Operation Intern – Grant program designed to create new internships and apprenticeships in North Dakota's target industries.
- Career Builders Scholarship and Loan Repayment Program – Public/private matching fund program to promote skilled workforce jobs requiring a two year degree or less.

Financial Incentives

- Angel Match Program - Matches early-stage equity investments into primary sector businesses up to $250,000.
- North Dakota Development Fund, Inc. — Gap financing loan and equity program.
- PACE Program — Interest buy-down program at Bank of North Dakota.
- MATCH Program — Loans at U.S. Treasury yield rate + 0.25%.
- Legacy Investment for Technology (LIFT) Loan Fund — Innovation loan fund to support technology. Low (0-2%) interest financing for research and development in target diversification sectors.

Income Tax Exemptions

- Five-year corporate income tax exemption for new or expanding primary sector business.

Sales Tax Exemptions

- Sales and use tax exemption on machinery and equipment.
- Utilities are not taxed in state.

Property Tax Exemptions

- Up to a five-year 100% property tax exemption.
- Additional five years are available for agricultural processors.
- Payment in lieu of a property tax exemption. A company may negotiate a fixed or graduated tax rate for a period not to exceed 20 years.
- Personal property is not taxed, including equipment, materials in process and accounts receivable.

Tax Credits

- Automation Tax Credit – Tax credit designed to promote factory automation in North Dakota.
- Investment tax credits for business investors.

For more information, contact David Lehman at dlehman@nd.gov

NORTH Dakota | Commerce
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UAS
(UNCREWED AIRCRAFT SYSTEMS)

INDUSTRY
FACTS

TOTAL INVESTMENT BY THE STATE OF NORTH DAKOTA
$118 MILLION

NORTHERN PLAINS UAS TEST SITE
A TOP PERFORMING TEST SITE

GRAND SKY
THE NATION'S FIRST UAS-FOCUSED BUSINESS PARK

THE NATION'S FIRST
BVLOS SYSTEM
VANTIS

NORTH DAKOTA UNCREWED AIRCRAFT SYSTEMS (UAS): THE NEXT GENERATION

North Dakota's uncrewed aircraft systems sector continues to lead the nation in supporting the agricultural and energy industries, commercializing intellectual property, and operationalizing federal requirements. To continue this growth and momentum, North Dakota must continue to invest in growing its Beyond Visual Line of Sight (BVLOS) network, support robust operations at the Northern Plains UAS Test Site (NPUASTS) and expand infrastructure at the Grand Sky UAS Park to support highly diverse and well-paying jobs as well as the national security mission.

GRAND SKY: THE NATION'S FIRST PRIVATE UAS PARK

Grand Sky, the nation's first UAS business and aviation park, is home for flight testing, UAS operations and research and development. Grand Sky offers build-to-suit locations and temporary facilities for commercial UAS development and testing, as well as defense related operations support and has attracted more than $100 million in private investment. Grand Sky offers access to secure defense networks, dark fiber, a 12,351-foot runway, uncongested airspace with less than 10 operations daily and more than 330 days of flying weather annually. Testing operations are supported with electronics component distributors, metal fabrication, 3D printing, and equipment support for the most demanding test requirements. Grand Sky partners like the Northern Plains UAS Test Site (NPUASTS) can support airspace needs. Grand Sky is home to one of the nation's first commercial BVLOS system.

VANTIS

North Dakota is a thriving ecosystem of uncrewed aircraft systems (UAS) for public and private use. Through the development of Vantis, a statewide network enabling UAS flights Beyond Visual Line of Sight (BVLOS), North Dakota is poised to become the nation's epicenter of commercial UAS activity. Vantis is the first such program of its scale in the U.S. To date more than 200 UAS and 68 manned aircraft test flights have been completed on Vantis, as the Northern Plains UAS Test Site works towards expanding the network across all of North Dakota. Commerce is recruiting new industries to assist with energy production and supporting small communities across the state. Autonomous development and the attraction of private equity throughout the agricultural sector continues at a rapid clip as well, including new start-up activity from Plug and Play.

Updated 1.08.2025

KEY NORTH DAKOTA GROWTH

$400 million in private sector investment.

Over 1,000 people employed by industry.

Almost 50 UAS companies call North Dakota home.

Federal partners include DoD, CBP and FFA.

INDUSTRY CLUSTERS

North Dakota's UAS ecosystem offers a unique blend of expertise and opportunity that makes it a top destination for companies such as:

- Northrop Grumman
- General Atomics
- Thales USA
- ISight RPV Services
- Packet Digital
- Thread
- Frontier Precision
- The Hive

SUCCESSES

- DoD selects Grand Sky to host "Sky Range" program under which 24 Global Hawks will be repurposed and modernized for a new national security mission.
- Packet Digital, a leading provider of batteries and charging systems for autonomous systems, opened a new manufacturing facility to increase its production capacity and meet growing demand for its innovative products.
- Growing presence of venture capital firms and accelerators supporting an already vibrant ecosystem.
- Pro-business environment that combines valuable UAS capabilities, amenities, and collaborations with state and local programs that help position UAS companies for success.

PREMIER TEST SITE ADVANTAGES

- Strong industry support
- Open terrain
- Robust energy and agriculture industry clusters
- Broad infrastructure, including Grand Sky Business Park and Northern Plains Test Site
- Research collaborations with UND and NDSU in areas such as autonomous systems and agriculture
- History and culture of aviation safety
- Uncongested airspace
- Climate diversity
- Unique testing locations and scenarios

For more information, contact Landon Johnson at ltjohnson@nd.gov

NORTH Dakota | Commerce
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Value-added Agriculture

INDUSTRY FACTS

$5.9 BILLION
AGRICULTURE EXPORTS ABROAD

24,800
FARMS ACROSS 38.5 MILLION ACRES

OVER
$11 BILLION
IMPACT

#1 IN 11 CROPS

NORTH DAKOTA LEADS THE NATION

North Dakota leads the nation in the production of the following commodities:

Sunflowers	Honey
Pinto beans	Oats
Canola	Wheat, durum
Flaxseed	Wheat, spring
Pink beans	Rye

GROWING VALUE IN NORTH DAKOTA AGRICULTURE

Agriculture is a leading industry in North Dakota, consistently ranking high in crop and livestock production. North Dakota offers tremendous opportunity in value-added agriculture, such as food processing and manufacturing, as only a small percentage of production is processed in-state.

A STATE POISED FOR ECONOMIC GROWTH

North Dakota has all the key elements for successful food processors with the potential for future growth. North Dakota is focused on developing and expanding markets for crops, livestock and bio-fuels. The state offers an array of incentives to encourage continued growth in the industry. Enhanced with attractive business incentives, North Dakota is drawing some of the world's most successful companies to the state. Cavendish Farms, Roman Meal, JR Simplot, Pro Gold and Minot Milling are just a few of the businesses taking advantage of North Dakota's legendary business climate and workforce. North Dakota leads the nation in the production of 11 crops and, with the application of industry leading technology and cutting edge farming practices, our production increases year over year, creating ongoing value-added opportunities.

PROCESSING AND PRODUCTION INCENTIVES

- North Dakota offers a range of agricultural processing and production incentives along with ease of access to local financing institutions – including the only state-owned bank in the nation
- Sales tax exemptions on construction materials
- Property tax exemption of up to five years for new or expanding businesses and up to 10 years for ag processors
- In lieu of property tax exemption, in full or part, a company may negotiate a fixed or graduated property tax rate for up to 20 years
- Corporate income tax exemption of up to five years for new or expanding manufacturers
- Wage and salary corporate income tax credit for new businesses
- Income tax credit for research expenditures
- Sales and use tax exemption for manufacturing equipment
- No personal property tax, including equipment, inventory, materials in process and accounts receivable
- Numerous grants and low-interest loans
- Assistance for job training and workforce development
- Lowest workers compensation premium rates in the United States

TOP 10 EXPORT COUNTRIES FROM NORTH DAKOTA

1. Canada
2. Mexico
3. Dominican Republic
4. Japan
5. Peru
6. Colombia
7. Panama
8. Spain
9. Chile
10. Jamaica

Source: U.S. Department of Commerce, International Trade Administration

DID YOU KNOW?

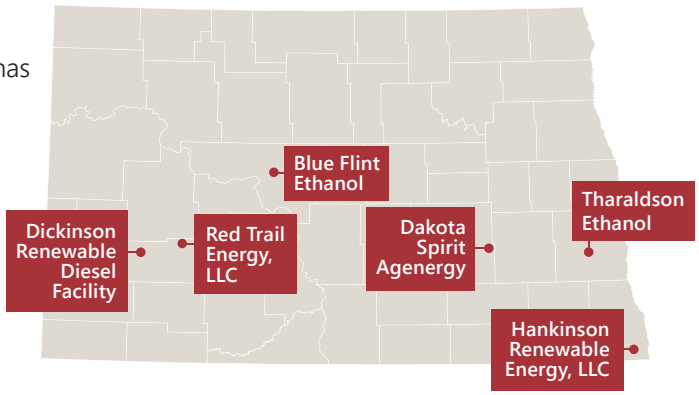
Wheat is produced in all 53 counties in North Dakota. Around 19,200 farms grow wheat — 74% spring, 25% durum and 1% winter wheat.

Beef cattle are raised in every North Dakota county with about 1.7M beef cattle and calves across the state. That's more than **2.2 cattle for every person** in North Dakota.

The state has 25 dairy farms that produce nearly **32 million gallons of milk** each year

There are approximately **12,487 head of bison** in North Dakota. They are raised for meat and hides.

North Dakota has **six renewable fuel facilities.**



For more information, contact Kevin Sonsalla at ksonsalla@nd.gov

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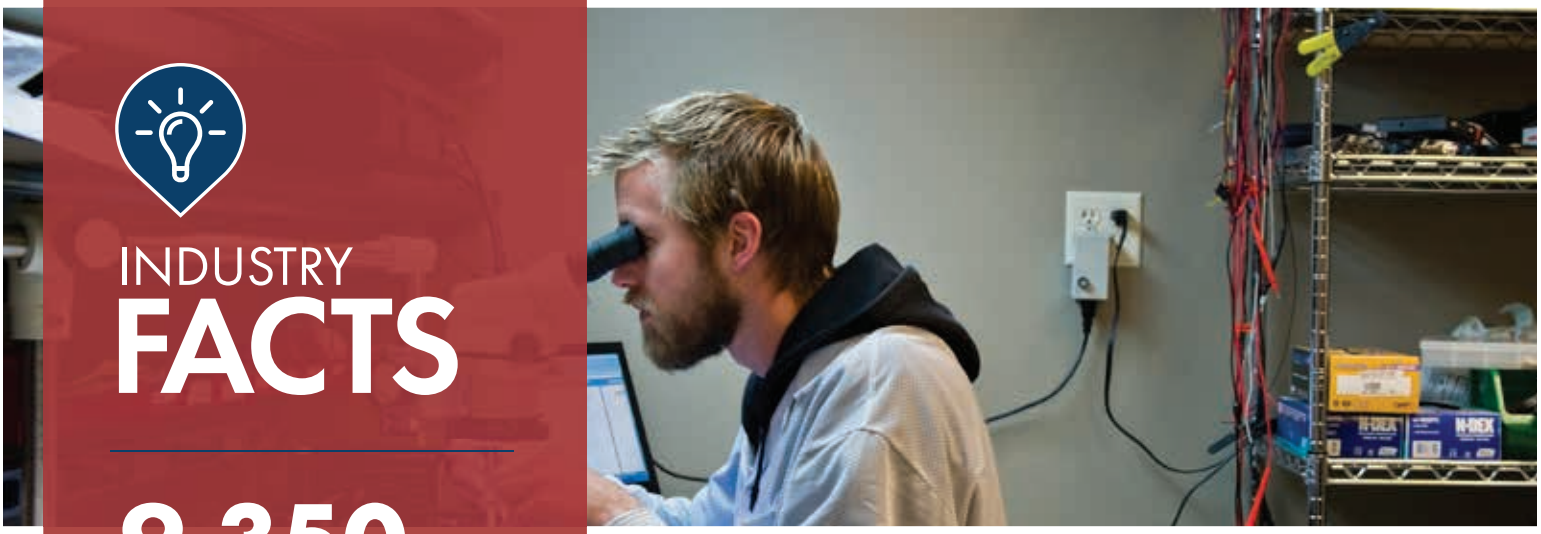
Development Fund



INDUSTRY FACTS

9,350
JOBS CREATED

890
PROJECTS FUNDED SINCE MAY 2024

PRIMARY SECTOR
ECONOMIC DEVELOPMENT TOOL

Updated 1.07.2025

NDDF PROGRAMS

- North Dakota Development Fund
- Regional Rural Development Revolving Loan Fund
- Child Care Loan Program
- Angel Match Program
- Automate ND
- Advance ND

ECONOMIC DEVELOPMENT TOOL

The North Dakota Development Fund, Inc. (NDDF) was created through legislation in 1991 as an economic development tool. It provides flexible gap financing through debt and equity investments for new or expanding North Dakota primary sector businesses. The Development Fund makes investments of up to $3 million. The board of directors may adjust the limit when deemed appropriate.

The following criteria apply to Development Fund investments:

- The NDDF is governed by a board of directors.
- Financing is available to any North Dakota primary sector business project with the exception of production agriculture. Primary sector includes tourism and specific types of investor-owned agriculture.
- Primary sector includes individuals and businesses which, through the employment of knowledge or labor, add value to a product, process or service which results in the creation of new wealth.
- Funds may be used to provide working capital or to finance the purchase of fixed assets, but not to refinance existing debt.
- Applicants must have a financial commitment at stake. Usually, principals are required to have a minimum of 15% equity in the project.
- Principal shareholders with 20% or greater ownership are generally required to guarantee the debt. Other shareholders may also be required to guarantee.
- The NDDF administers the Angel Match Program which provides up to $250,000 in matching funds to venture-backable businesses headquartered in North Dakota. Investments are made on the same terms as matched dollars.
- Financing is available to any North Dakota licensed child care operator up to $1 million, based on availability of funds.

For more information,
contact Brian Opp @ brlopp@nd.gov

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Legacy Investment for Technology Loan Fund

APPLICATION CHECKLIST

1. Completed and signed LIFT Application Form (SFN 61662)
2. Required supplemental documents:
   a. A business plan
   b. Historical financial documents
   c. Three to five years of financial projections
   d. A pitch deck
   e. Organizational documents

LIFT LOAN TERMS INCLUDE:

- 0% interest for the first three years of the loan.
- 2% interest for the next two years of the loan.
- An interest rate equal to a standard Bank of North Dakota loan for all subsequent years.

Updated 12.05.2024

The Legacy Investment for Technology Loan Fund (LIFT) supports technology advancement by providing financing for commercialization of intellectual property within the state of North Dakota.

The use of the loan funds are available to enhance capacity and to the extent possible, leverage state, federal and private sources of funding. Loan funds may be used to conduct applied research, experimentation or operational testing within the state. Loan funds may not be used for capital or building investments or for research, academic or instructive programming, workforce training, administrative costs, or to supplant funding for regular operations of institutions of higher education.

Approval for LIFT applications shall be made by the LIFT Committee with the following considerations:

1. Deliver applied research, experimentation or operational testing in one or more of the diversification sectors to create information or data to enhance North Dakota companies or industries/companies making investments in North Dakota.
2. Lead to the commercialization or patent of an innovative technology solution.
3. Result in the development of a new company or expansion of an existing company that will diversify the state's economy through new products, investment or skilled jobs.

INDUSTRIES QUALIFIED

- **Advanced computing and data management**
- **Agriculture Technology**
- **Energy and value-added energy**
- **Health care**
- **Ag and value-added ag**
- **UAS**

PAVEWISE

A Bismarck/Fargo based construction technology company, specializing in real-time, on-site weather data solutions through its GroundTruth software and Hyperlocal Weather Stations. Originally focused on the asphalt paving industry, Pavewise has expanded its offerings to serve the broader construction market by streamlining operations and ensuring compliance with precise, up-to-the-minute weather insights. Currently Pavewise is advancing its weather station technology, helping construction teams automate processes and maintain regulatory compliance. Pavewise's commitment to innovation is transforming how the construction industry navigates unpredictable weather, reducing manual effort and optimizing project efficiency.

MAC Company

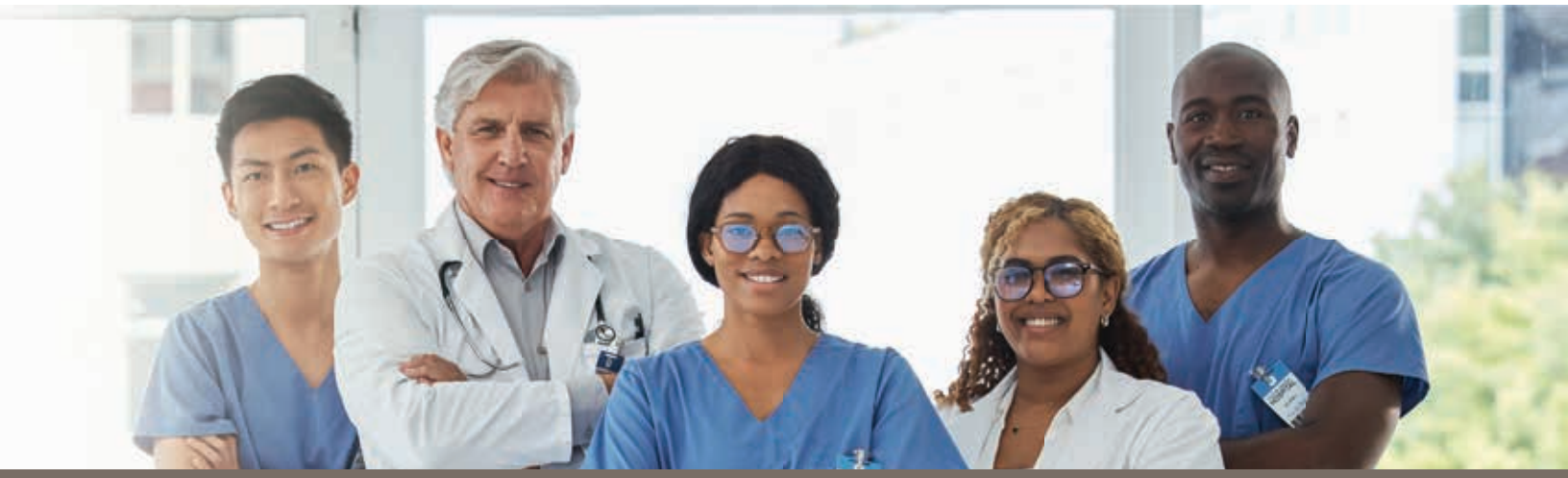
A West Fargo-based company that is producing an innovative small articulated loader, the SwingSteer, and mid-size ProSeries attachments. The design merges the benefits of traditional skid steers with those of articulated loaders. Currently MAC Company is launching these new products through direct sales, equipment dealers and rental companies. Support from LIFT was crucial in funding the commercialization and initial production of these products.

checkable

Checkable Health, a West Fargo based company, is developing the first at-home strep throat test kit and accompanying app, as well as developing other at-home diagnostic tests. LIFT support helped to move the founding team to the state and partner with a North Dakota clinical research partner to execute its trials. The company plans to create high-paying jobs in the bioscience industry.

FLOWCORE SYSTEMS

A Williston-based chemical injection automation solutions manufacturer, specializing in multi-patented high precision fluid dosing for the oil and gas industry. Currently, FlowCore Systems is working towards bringing their industry leading technology to the broader market by optimizing hardware requirements to offer a low-cost solution. Bringing innovation to the oil and gas sector, FlowCore's ongoing IOT integration development (FlowSite) allows for remote visibility and control, reducing well failure and chemical injection over-treatment.



For more information, contact Carla Valentine at crvalentine@nd.gov

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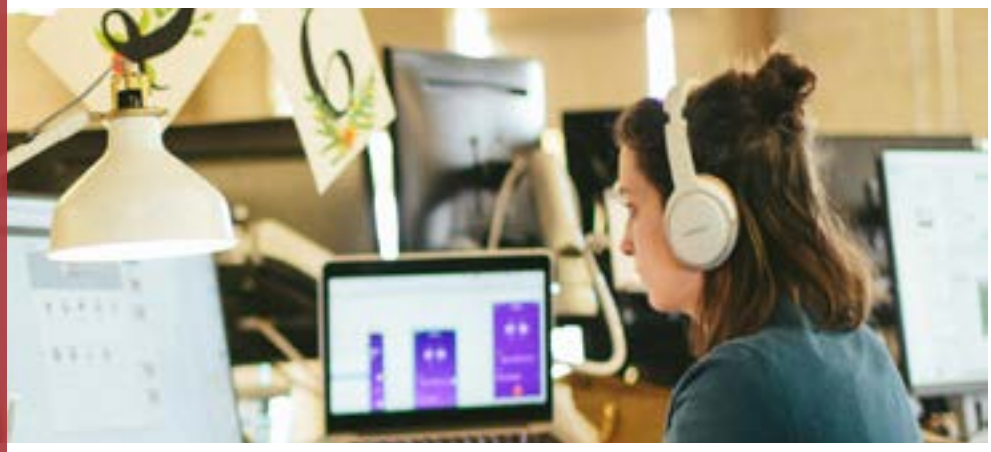
Economic Impacts from Legacy Investment for Technology Loan Fund (LIFT)

INDUSTRY FACTS



$514.9 MILLION
ANNUAL ECONOMIC OUTPUT INCREASE

$305.2 MILLION
ANNUAL GDP INCREASE

$156.2 MILLION
INCREASE IN PERSONAL INCOME

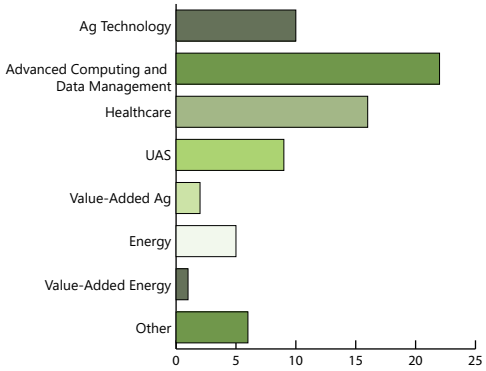
2,320
JOB CREATION ACROSS ALL INDUSTRIES

Updated 1.10.2025

The Legacy Investment for Technology Loan Fund (LIFT) approved $43.7 million (109%) of the appropriated $40 million for the first three biennia of the program The program has provided funding to 56 North Dakota businesses in eight industry sectors. The North Dakota Department of Commerce utilized the Regional Economic Model Tax Policy Insight (REMI Tax PI) to estimate the economic impact the awarded LIFT funds will have on North Dakota's economy through 2026.

- Increased Economic Output--North Dakota's yearly economic output is forecasted to increase by $514.9 million by 2026 because of economic activity supported by LIFT funds. This figure is a measure of the value of all goods and services, including business-to-business sales, above the baseline economic growth expected for North Dakota's economy without this investment.
- Increased Gross Domestic Product (GDP). North Dakota's GDP will increase by $305.2 million per year by 2026, according to this forecast. In contrast to economic input, GDP measures only value-added goods and services, or the value of the final product sold.

LIFT Recipients by Industry



- Increased Personal Income--Collectively, yearly personal income across the state will increase by $156.2 million in total by 2026, an increase of $91 per capita. This results in an average yearly personal income of $78,661, rather than the baseline forecast of $78,570 in the absence of the economic activity spurred by the LIFT program.
- Additional Jobs. The LIFT funds are expected to impact the creation of 2,320 new jobs across several industries by 2026. 1,135 of these jobs are direct impacts, with numbers of employees forecasted by the loan recipients. The economic output and personal income generated by these jobs drives the creation of indirect and induced employment in other areas of North Dakota's economy. This may include suppliers, manufacturers, or jobs made possible by the increase in personal income to the area.

METHODOLOGY

The REMI Tax-PI model is a structural economic forecasting and policy analysis model. The main idea behind economic impact analysis is that one more dollar spent in a local or regional economy results in a change greater than one dollar in the economic activity of the respective area. The REMI Tax-PI model is tailored to North Dakota's Economic Regions using historical data from reliable sources such as the Census Bureau, the Bureau of Economic Analysis, Bureau of Labor Statistics, Energy Information Administration, and other reliable data sources.

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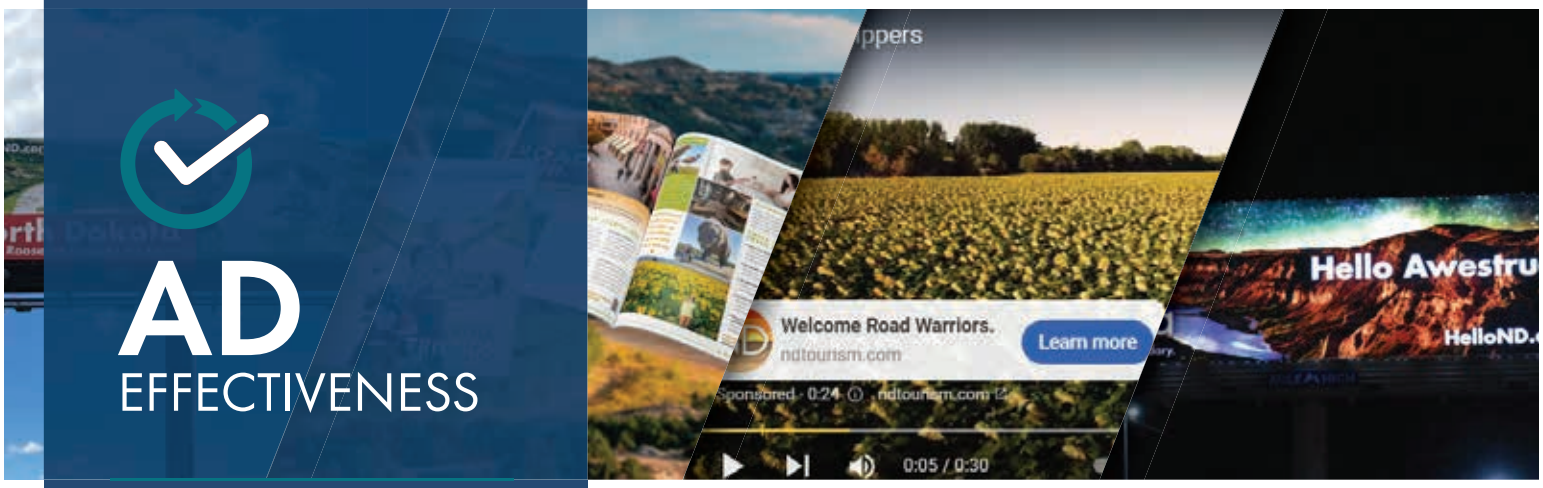
Elevating North Dakota's Image



AD EFFECTIVENESS

13%
AVERAGE IMAGE LIFT FROM ADVERTISING AWARENESS

MORE THAN
3.6 MILLION
VISITS TO NDTOURISM.COM IN 2024

DIGITAL CAMPAIGN HAD MORE THAN
17 MILLION
VIDEO COMPLETIONS

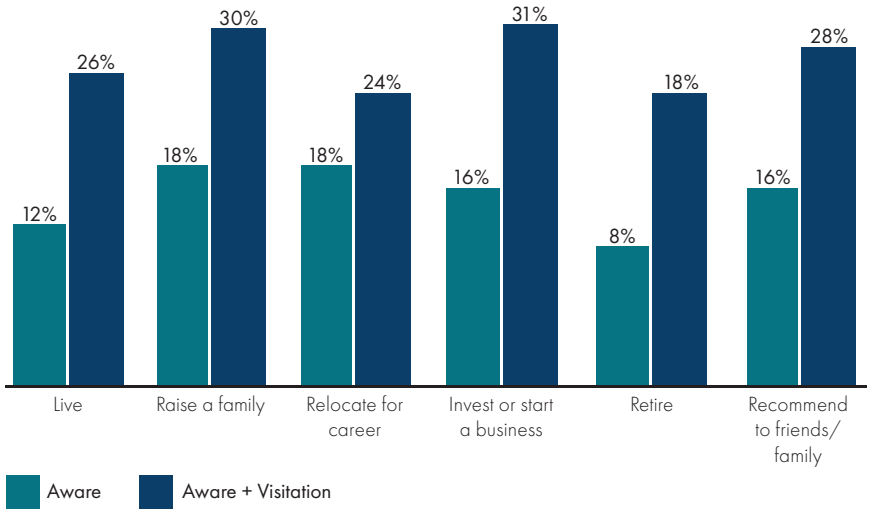
1.4 MILLION
ADDITIONAL ADVERTISING MOTIVATED TRIPS

TOURISM ADVERTISING ELEVATES NORTH DAKOTA'S IMAGE

Advertising is a powerful tool with the ability to change perceptions, attitudes and behaviors. Research shows that North Dakota Tourism's promotional campaigns create a "halo effect" that lifts image and diversifies the economy through increased visitation and makes North Dakota a more favorable place to visit, live, raise a family, work or advance your career, or invest or grow a business.

HALO EFFECT OF NORTH DAKOTA TOURISM MARKETING

Image Lift from Advertising Awareness



A national perception study confirmed North Dakota lacks general awareness and there is potential to influence the state's public image. North Dakota's destination advertising has a positive impact on overall image lift and perception of economic development attributes. Tourism advertising is the most visible and cost-effective tool for reaching those who can be motivated, not only to visit our state, but to consider North Dakota for relocation or business building.

SOLID ADVERTISING OUTREACH

Ongoing research monitors the performance of advertising and digital media's impact on visitation. In 2024, geolocation data showed a 23.5% lift in visitation from ad-exposed devices versus devices that did not receive ad impressions. With changing consumer behavior, a diverse media mix continues to be the most effective at reaching travelers.

TV / Radio
21 MILLION (2024)
76 MILLION (2023)

Print / Out-of-Home
234 MILLION (2024)
157 MILLION (2023)

Digital
132 MILLION (2024)
130 MILLION (2023)

Social Media
50 MILLION (2024)
14 MILLION (2023)

EARNED MEDIA TELLS THE NORTH DAKOTA STORY

Public and media relations efforts elevate North Dakota's image through proactive outreach and storytelling. In 2024, there were 3,429 media instances resulting in 6.1 billion audience impressions. An influencer campaign netted an additional 2.1 million impressions and nearly 126,000 social media engagements. In total, that's like every single person in the states of South Dakota, Montana, and Wyoming seeing a North Dakota tourism story, proving its legendary experiences reached far beyond its borders.

WHY INVEST IN MARKETING?

Tourism marketing **supports** North Dakota entrepreneurs and businesses by **raising awareness** of North Dakota.

Visitors spend on average $**9 million per day** in North Dakota.

Tourism marketing supports North Dakota's vibrant communities with visitation and spending in all **53 counties**.

The **$307 million** in tax revenues supported by visitor activity is a savings of **$960 per household**.

In 2023, there were more than **45k visitor-supported jobs** and **3,097 tourism-related businesses** in North Dakota.

For more information, contact Sara Otte Coleman at socoleman@nd.gov

Tourism Destination Development

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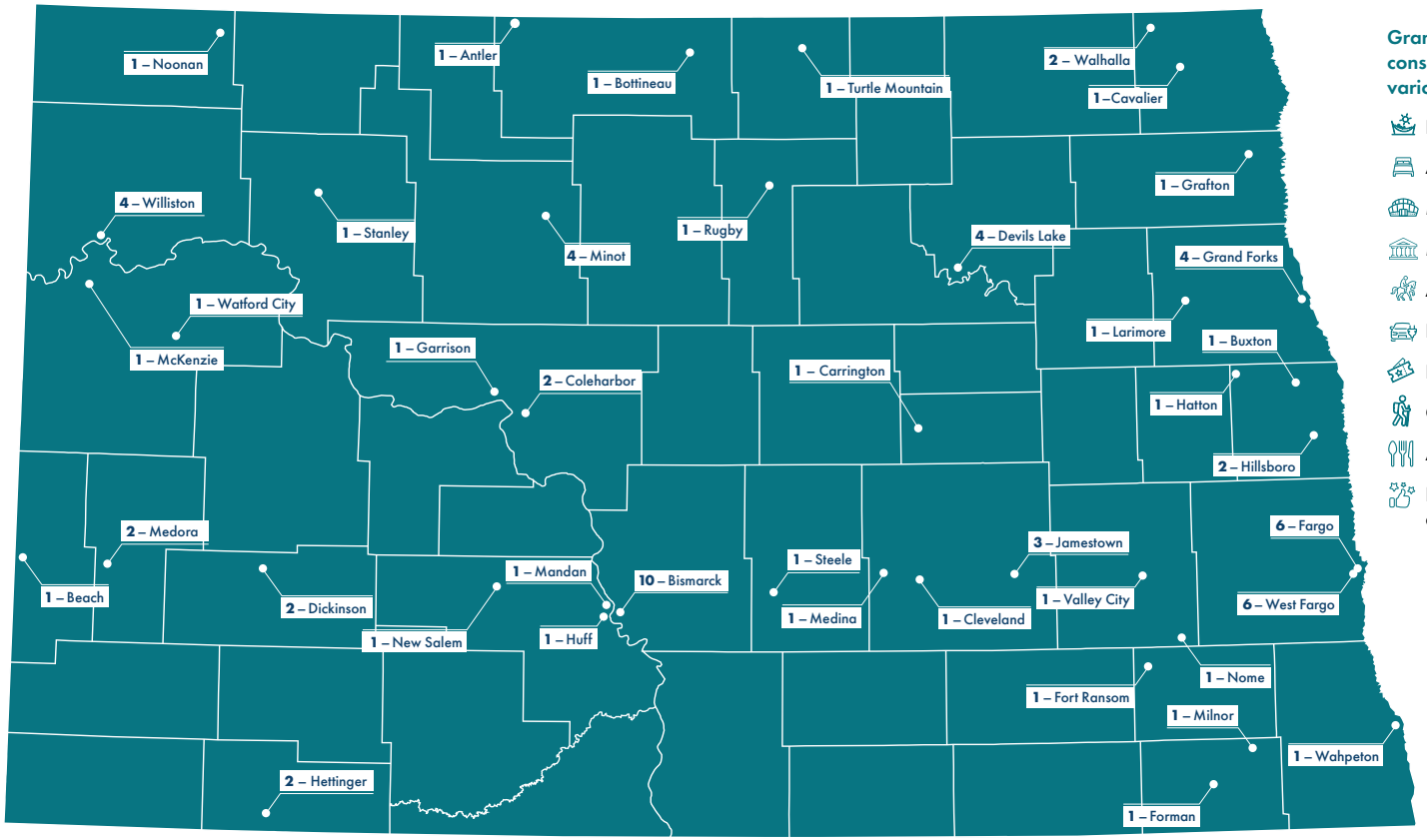
2023 Destination Development Grant Applications

The applications varied considerably in scope and appeal to unique visitor segments. New and expanded destination experiences will not only attract visitors but also improve our quality of life and workforce recruitment efforts.



Grant application projects vary considerably, appealing to various visitor sectors.

- Lake resorts
- Accommodations
- Multi- faceted venues
- Museums
- Activities
- Rentals
- Entertainment
- Outdoor recreation
- Amenities
- New and enhanced complete attraction experiences

$151.5 million in requests | 81 applications | 42 cities

For more information, contact Sara Otte Coleman at socoleman@nd.gov

Tourism destination development has the potential for economic and sociocultural effects that will positively impact further growth in our state. As our state continues to lead innovation in several economic development sectors, it is important to create a better quality of life for our residents by connecting resources to drive economic growth. In addition, we recognize the importance of developing unique tourism experiences that share our story with non-residents to increase tourism revenue and to bring awareness of North Dakota, which supports workforce talent recruitment to the state.

Good Bear Bay Lodge at Indian Hills Resort - The lodge sits on the shores of Lake Sakakawea, and offers a 4-bedroom, 2.5-bath living area for families or larger groups. It also has a full kitchen, living area, and an extended covered outdoor patio.

The Shores Event Center at Woodland Resort, Devils Lake - The Shores will feature panoramic views of Devils Lake, state of the art sound and lighting, outdoor patio and bar/catering on-site. The space can hold 400 people.

For more information, visit NDgov.link/DestinationDevelopment.

THE DESTINATION DEVELOPMENT GRANT

The Destination Development Grant Program was designed to support new and expanded destination attractions, resulting in new or improved experiences for visitors and residents across North Dakota.

List of Recipients:

- Good Bear Lodge at Indian Hills
- Bison World
- Bottineau Winter Park Snow Making
- Brews, Chews, and Views in Minot
- Dickinson Museum Center
- Expansion Project
- Frost Fire Park
- Huff Hills Ski Area
- Riverfront Festival Grounds
- Dakota Prairie Wings Lodge
- The Theodore Roosevelt Presidential Library
- Thrill Hills
- Turtle Mountain Comprehensive Tourism Plan
- Western Heritage
- Woodland Resort Guest Center

$25 million awarded to grow and expand tourism offerings in North Dakota.

Proposed Changes to the Destination Development Grant Program 2025-2027 Biennium

Application Criteria:

- **New Experiences:** Prioritize projects that introduce novel and unique experiences to North Dakota.
- **Defining North Dakota:** Projects should align with the state's identity and values, such as its natural beauty, cultural heritage, or historical significance.
- **Long-Term Impact:** Projects should have a lasting positive impact on the community and the state's tourism industry.
- **Timely Completion:** Projects should be realistic and achievable within the 2025-2027 biennium.

Project Categories:

- **New Experiences:** Support the development of entirely new attractions or experiences.
- **Major Expansions:** Fund significant expansions of existing attractions or facilities.
- **Operational Enhancements:** Provide funding for projects that improve the visitor experience or operational efficiency of existing businesses.

Grant Match and In-Kind Contributions:

- **Matching Funds:** Matching funds can be raised within 12 months prior to the grant award date.
- **In-Kind Contributions**: Acceptable in-kind contributions include:
  - Donated land (valued at fair market price)
  - Donated equipment (valued at fair market price)
  - In-house labor (excluding administrative, personnel, and programmatic costs)
  - Sales taxes on eligible expenses

Grant Administration:

- **Intermediary Entities:** Intermediary entities may apply to coordinate multiple projects that align with the grant criteria. However, they are responsible for ensuring that grant funds are used appropriately and that all projects meet the program's requirements.

By refining these criteria and guidelines, we can ensure that the Destination Development Grant Program continues to support innovative and impactful projects that enhance North Dakota's tourism industry.

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Travel and Tourism

INDUSTRY FACTS

25.6 MILLION
ANNUAL VISITORS

$3.3 BILLION
IN VISITOR SPENDING

MORE THAN
3,000
RELATED BUSINESSES AND ORGANIZATIONS

MORE THAN
45K JOBS

TOURISM DIVERSIFIES NORTH DAKOTA'S ECONOMY

Tourism is a powerful statewide industry, an opportunity for workforce and business recruitment, and a tool for community vitality. Residents benefit from visitor spending and tourism activities. North Dakota's tourism sector comprises five industries: lodging, food/beverage, recreation/arts/entertainment, transportation and retail. From restaurants to museums, service stations to golf courses.

TOURISM IS AN EXPORT COMMODITY

North Dakota's visitor economy grows when more people travel to and within the state, and visitors spend more time within a destination. Shopping, dining, purchasing transportation and lodging, buying event tickets, attending galleries, performances and sporting events and other activities all contribute to a stronger visitor economy.

FAST FACTS ABOUT NORTH DAKOTA'S TOURISM INDUSTRY

Revenue Source

Travel and tourism generated $3.3 billion in direct visitor spending and $307 million in visitor-paid taxes, buoying the state's economy in 2023.

Support Local Business

Tourism is a significant revenue source for hotels, lodges, restaurants, museums, art galleries, parks, fishing and hunting outfitters, casinos, sporting events, retail outlets, coffee shops, festivals, craft shops, golf courses and many other businesses. In 2023, there were more than 25.6 million visitors to and through North Dakota.

Economic Driver

There are more than 3,000 businesses and organizations offering countless attractions, events and tourism-related activities in the state.

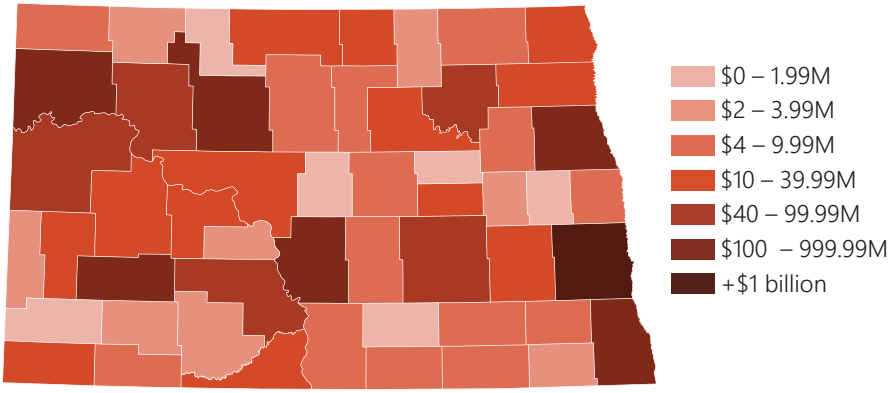
TOURISM IS A GATEWAY TO ECONOMIC AND WORKFORCE DEVELOPMENT

Businesses don't build in a location they know nothing about. People don't move to a location they've never visited. Tourism marketing and visitation are a gateway to a number of key economic development measures.

76% of new residents visited North Dakota before moving.

In 2024, $4.2 million was invested in paid advertising for North Dakota netting more than 438 million impressions. Advertising significantly contributed to a new record high in website traffic at more than 3.6 million visits.

VISITOR SPENDING BY COUNTY



Travel and tourism benefits every county in North Dakota, creating jobs, generating sales across dozens of sectors and improving our quality of life.

VISITOR SPENDING BRINGS OUTSIDE DOLLARS INTO NORTH DAKOTA'S ECONOMY, GENERATING TAX REVENUE, ADDITIONAL BUSINESS INCOME, JOBS AND A MORE DIVERSE ECONOMY.

$572 MILLION IN LODGING

$949 MILLION IN FOOD AND BEVERAGES

$631 MILLION IN TRANSPORTATION

$506 MILLION IN RECREATION

$675 MILLION IN RETAIL

For more information, contact Sara Otte Coleman at socoleman@nd.gov

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AmeriCorps

INDUSTRY FACTS

$900K
ANNUAL FUNDING

2,500
AMERICORPS MEMBERS IN ND

2.8 MILLION
HOURS OF SERVICE

$6.5 MILLION
IN EDUCATION AWARDS

FULFILLING A NEED

ServeND conducts an annual competition for AmeriCorps funding. The following types of organizations and agencies are eligible to participate:

- State and local nonprofit organizations
- Community and faith-based organizations
- State, local and higher education institutions
- State and local governments
- U.S. territories

MEETING NEEDS IN NORTH DAKOTA

Last year more than 200 Americans of all ages and backgrounds met local needs, strengthened communities, and expanded economic opportunity through national service in North Dakota. The AmeriCorps Agency invested more than $4.3 million in federal and local funding to support cost-effective community solutions, working hand in hand with local partners to empower citizens to solve problems.

AMERICORPS: HELPING COMMUNITIES

AmeriCorps state programs address critical needs specific to communities located in North Dakota. Programs are open to U.S. citizens, nationals, or lawful permanent resident aliens age 17 and older. Members may serve full or part-time over a period not to exceed 12 months. Individuals can serve as AmeriCorps members in North Dakota depending on the location of currently funded AmeriCorps projects. AmeriCorps grants provide assistance to eligible organizations and agencies to recruit, train and supervise AmeriCorps members in meeting critical community needs in the areas of:

- Education
- Disaster services
- Health
- Environmental stewardship
- Economic opportunity
- Service to veterans and military families

MEMBERSHIP BENEFITS

- Living allowances (established by project)
- Education awards for members (not to exceed the maximum federal college Pell Grant)
- Career development for members
- Community volunteer activity required by many colleges and universities

DID YOU KNOW?

218,019 volunteers contribute **15.6 million hours of service** statewide

Ranked 11th in the nation, **37.4% of North Dakota residents volunteer**

Volunteer service is worth an estimated **$377.8 million**

65.2% of state residents **do favors** for neighbors

25.5% of state residents **do something positive** for the neighborhood

39.7% of state residents **participate** in local groups or organizations

62.6% of state residents **donate** $25 or more to charity

PARTICIPATE AS AN ORGANIZATION

Serve ND is leading the challenge in our state to serve communities in need. The goal is to provide resources such as AmeriCorps funding to eligible North Dakota organizations and agencies committed to providing service. AmeriCorps funding helps organizations and agencies recruit, train and supervise AmeriCorps members to meet critical community needs.

AMERICORPS MEMBERS

AmeriCorps members meet pressing local needs across North Dakota, making a lasting impact in communities while gaining valuable skills and experience to advance their careers.

AmeriCorps members serve in one of three programs: AmeriCorps National Civilian Community Corps (NCCC), AmeriCorps state and national and AmeriCorps Volunteers In Service To America (VISTA). All programs engage volunteers at locations across the country through nonprofits, schools, public agencies, tribes, and community and faith-based groups.

- AmeriCorps State and National members engage in a diverse range of service projects at local and national organizations to address critical community needs of disaster services, economic opportunity, education, healthy futures, environmental stewardship and veterans and military families. Most AmeriCorps grant funding goes to the North Dakota State Commission on National and Community Service, the Governor-appointed State Service Commission, which in turn awards grants to organizations to respond to local needs.
- AmeriCorps VISTA taps the skills, talents, and passion of Americans of all ages to support community efforts to overcome poverty.
- AmeriCorps NCCC strengthens communities and develops leadership skills by contributing to public safety, environment, and disaster projects through direct, team-based service. Federal Emergency Management Agency (FEMA) Corps, a unit of NCCC, focuses solely on disaster preparedness, response, and recovery.

In exchange for their service, AmeriCorps members earn a Segal AmeriCorps Education Award that can be used to pay for trade school, college, graduate school, or to pay back qualified student loans. Since 1994, approximately 2,500 North Dakota residents have served approximately 2.8 million hours and earned education awards totaling more than $6.5 million.

For more information, contact Ryan Volk at rdvolk@nd.gov

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Apprenticeship Program

FACTS

OVER **100** APPROVED PROGRAMS WITH OVER 1,757 APPRENTICES, AND STILL GROWING

90% EMPLOYMENT RETENTION AFTER APPRENTICESHIP COMPLETION

29 EMPLOYERS WORKING UNDER THE COLLEGE PROGRAMS IN NORTH DAKOTA

Nearly 65% of current jobs do not require a college degree, but they do require some sort of post-secondary education. Apprenticeship fills this void.

WHAT IS AN APPRENTICESHIP?

An apprenticeship is a formal, on-the-job training program that typically has five components:

1. Employer involvement.
2. On-the-job training.
3. Related instruction.
4. Work experience and skills development.
5. Award of a college credit or nationally recognized industry credential. Apprenticeship programs can be sponsored by individual employers, joint employer and labor groups, and/or employers associations.

BENEFITS OF APPRENTICESHIP FOR THE WORKER

- Earn while they learn, receiving a paycheck from day one.
- Hands-on career training.
- Potential to earn college credit while working.
- Career advancement.
- Industry recognized credential.

For the Business

- An ongoing supply of skilled workforce, trained to fit your needs and work environment.
- Incentive to attract quality workers.
- Reduced turnover rates.
- Higher productivity.
- More diverse workforce.
- Federal and state programs for financial assistance may be available.

For North Dakota's Workforce System

- Job seekers can enter workforce quicker.
- Apprenticeship connects industry with education.

EMPLOYER RESOURCES

Outside of the apprentice's wages and benefits, other costs may include staff time to set up and manage the apprenticeship program and its curriculum, recruitment, mentorship time, equipment, and possibly tuition and classroom materials. However, financial resources may be available to employers:

Credential Funding
Funding to pay for industry recognized credentials.

Operation Intern
Matching funds for new apprenticeship wages.

Boot Camps
Accelerated, intense training to skill up individuals to prepare them for apprenticeships.

HOW TO GET STARTED

Conduct a brief company assessment.

- Jobs for which it is difficult to find workers with the right skills?
- Positions with high turnover? Occupations where a highly skilled workforce is retiring soon?
- Challenges helping workers keep pace with continuing industry advances?
- Positions requiring skills that can be learned on the job?
- Difficulty in attracting new and more diverse talent pools?

If you answered yes to a majority of these questions you may be an excellent fit for an apprenticeship program.

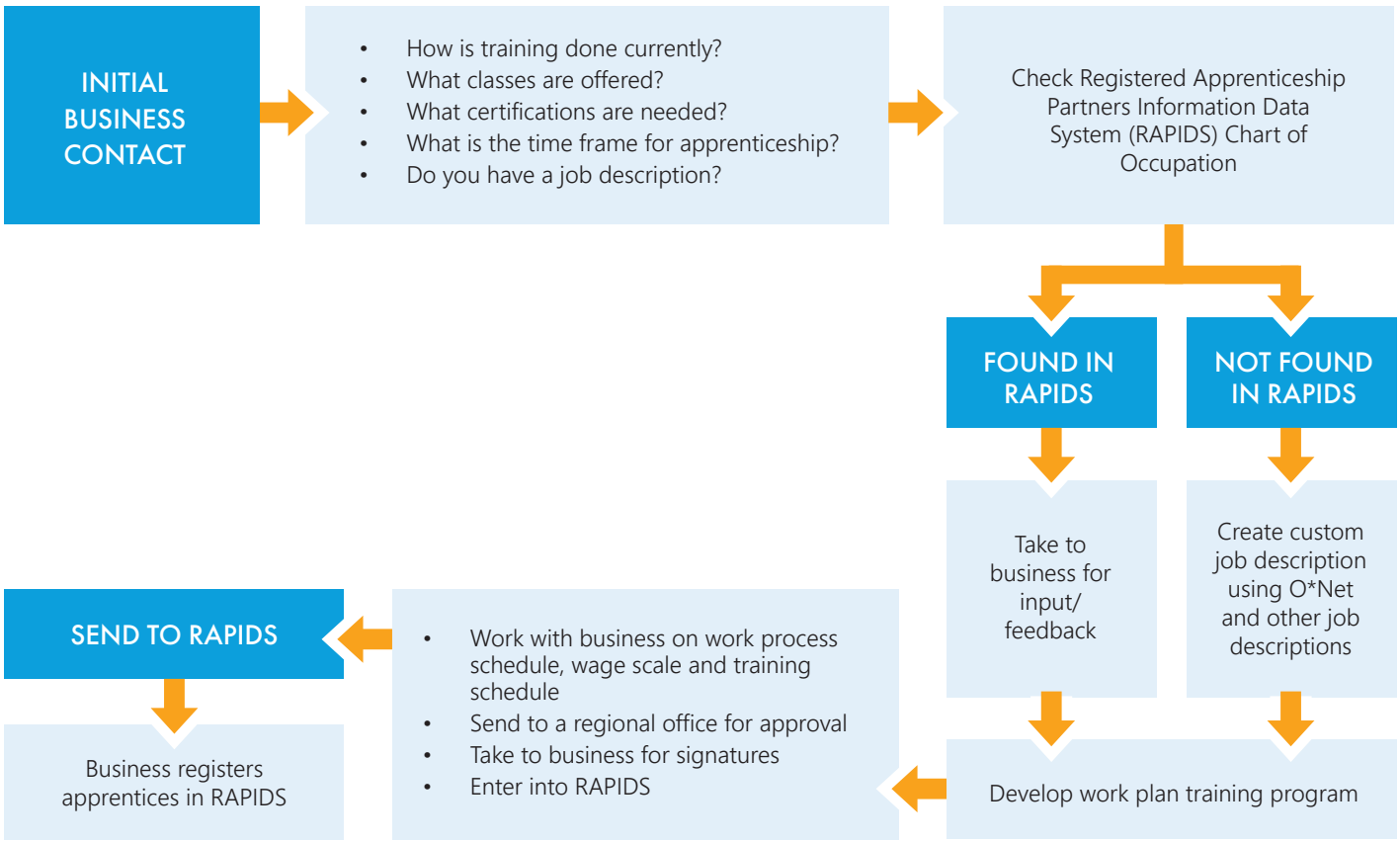
Conduct assessment on the specific occupation.

- How is the training done currently?
- What classes are offered?
- What certifications are needed or desired?
- What is the time frame for the apprenticeship?
- Is there a job description?
- What is the wage schedule of the occupation?

Contact the North Dakota apprenticeship program coordinator.

The apprenticeship program coordinator will assist the employer to explore financial resources that may be available for apprenticeship program development and help navigate through the program development process.

HOW AN APPRENTICESHIP PROGRAM IS ESTABLISHED



Updated 12.19.2024

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FIND THE goodlife in North Dakota

TALENT ATTRACTION

15K
POSTED JOBS IN NORTH DAKOTA

ONLY **16%**
OF U.S. RESIDENTS SURVEYED ARE FAMILIAR WITH ND

68%
OF U.S. RESIDENTS SURVEYED WOULD CONSIDER ND

76%
OF NEW RESIDENTS REPORT VISITING NORTH DAKOTA PRIOR TO RELOCATING

"I believe North Dakota is a gold mine of opportunity for people to find their fit and connect with their community."
–Charles, Mover from NC to Valley City

FIND THE GOOD LIFE

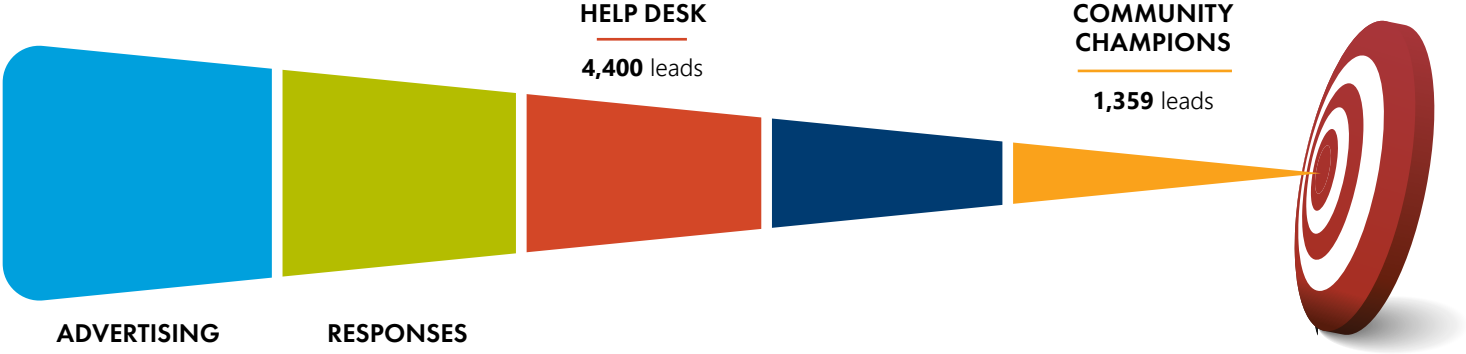
The North Dakota Department of Commerce implemented a national talent attraction program, Find the Good Life, in June 2022. Since its launch, over 4,500 individuals interested in relocating to North Dakota have entered the pipeline designed to connect leads with local community champions. The community champions provide these individuals with additional materials to improve awareness and showcase the best of life in North Dakota, with the goal of motivating jobseekers to relocate to the state.

Research identified four primary personas likely to relocate to North Dakota. National media was placed to attract those personas: boomerangs (previous North Dakotans), young families, recent college graduates, and veterans, and to drive traffic to findthegoodlife.com. The website includes a relocation help desk that connects prospective residents with locals eager to share resources and real-life experiences about life in North Dakota. The relocation help desk utilizes three forms to collect information on career aspirations and lifestyle to help community champions personalize the conversation regarding the individual's relocation journey. Additionally, prospective residents who provide career information now enter the Candidate Marketplace, a tool for employers to directly access individuals with skills that could fill their open positions.

Find the Good Life is continuing to innovate and provide new ways to connect prospective residents with opportunities across North Dakota and to collaborate with communities and employers to leverage the state and its local talent attraction initiatives.

MARKETING CAMPAIGN EFFECTIVENESS

Marketing improves awareness and positions North Dakota as a potential new state for workers to consider. Advertising has been shown to increase the national perception of North Dakota and influence relocation even when the audience does not utilize the Help Desk and relocator tools.



ADVERTISING

Digital, social, emails, TV, Native, OOH, print, audio

$2.6 million invested in advertising from June 2022-December 2024 netted 167,073,780 impressions.

RESPONSES

Paid digital generated **753,693** total users.

Paid social generated **219,498** total users.

ENGAGED WITH HELP DESK

4,400 leads

ENTERED CANDIDATE MARKETPLACE

2,522 leads

CONNECTED TO COMMUNITY CHAMPIONS

1,359 leads

MADE THE MOVE TO ND

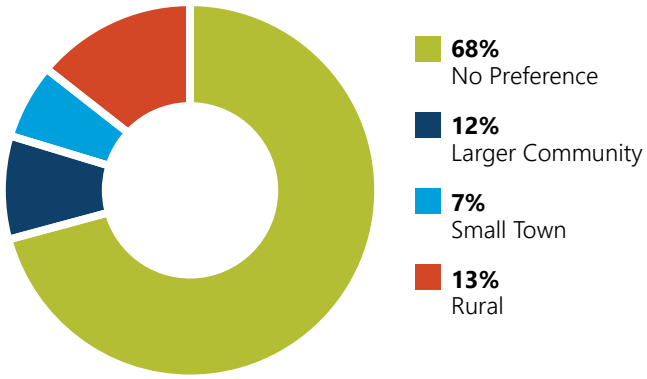
71 individuals to **17** communities attributable to the full talent pipeline

$3 million economic impact (+impact of accompanying family)

TOP INTERESTS OF **RELOCATORS**

1. Things to do, Festivals & Events
2. Outdoor Recreation
3. Remote Work & Entrepreneurial Opportunities
4. Food Scene
5. Arts & Entertainment

TOP RELOCATION **INTEREST**



TOP STATES FOR **RELOCATOR INTEREST**

- California
- Florida
- Texas
- Minnesota
- New York

TOP INDUSTRIES **RELOCATORS WORK IN**

- Business Mgt & Admin
- Healthcare
- Manufacturing
- Skilled Trades
- Retail & Food Services

Updated 01.10.2025

For more information, contact Sara Sperling at ssperling@nd.gov

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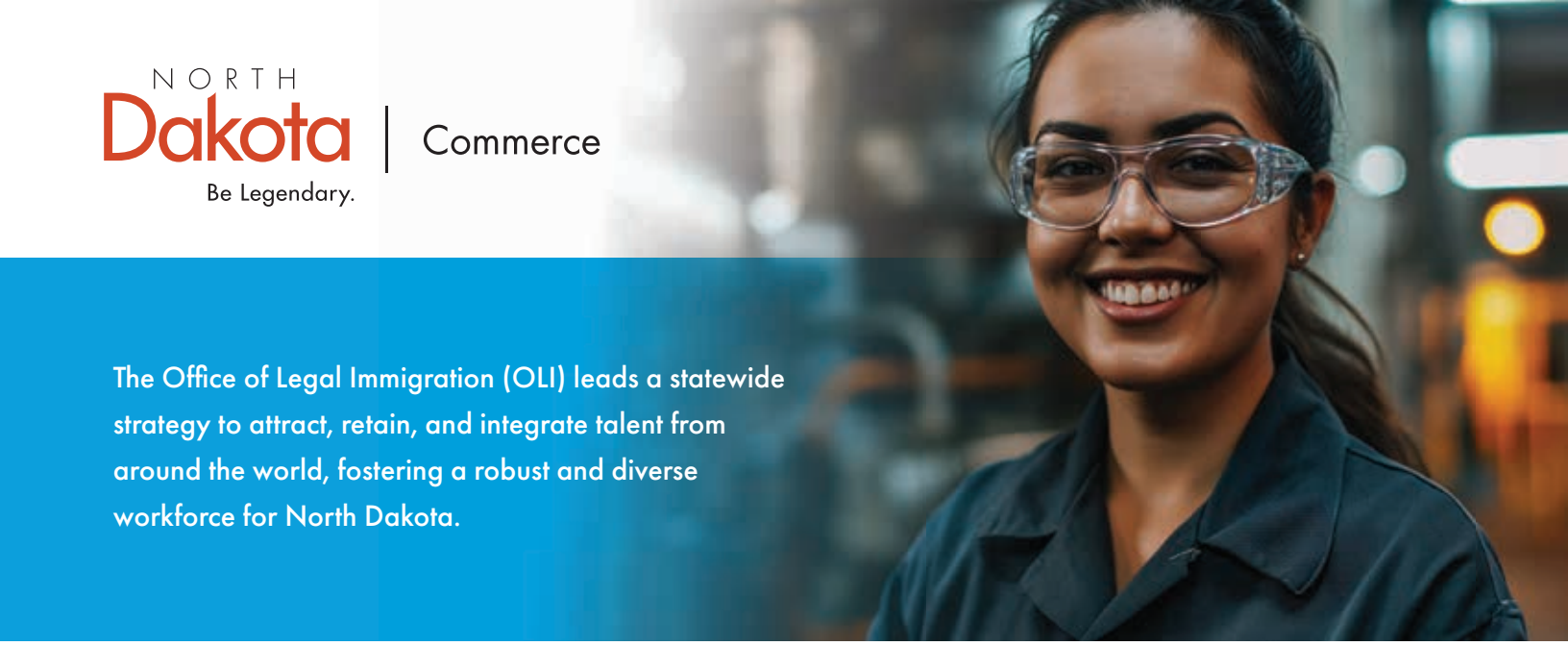

The Office of Legal Immigration (OLI) leads a statewide strategy to attract, retain, and integrate talent from around the world, fostering a robust and diverse workforce for North Dakota.

KEY OBJECTIVES

Attract and Retain Global Talent: Develop and implement a statewide strategy for recruiting and retaining highly skilled immigrants, both those already in the U.S. and those seeking new opportunities.

Empower Businesses and Communities: Advise and support businesses in navigating the legal immigration process, connecting them to resources and talent pipelines, and providing guidance on best practices. Collaborate with communities to develop welcoming environments for newcomers.

Foster Integration: Design pilot programs that assist businesses in integrating work-authorized immigrants into their workforce and equip communities with resources to support newcomers. Partner with other state agencies to ensure seamless integration services.

Statewide Coordination: Serve as a central hub for immigration-related activities, connecting stakeholders across state agencies, the governor's office, and the legislative body.

BUILDING A STRONG FOUNDATION

- A comprehensive study has been completed and serves as a road map to guide our work in a thoughtful, strategic, and effective way.
- OLI provides a robust education continuum for employers, communities, and interstate agencies through initiatives such as the Annual Global Talent Summit, webinars, presentations, and one-on-one meetings.
- As a trusted resource and collaborative thought partner, OLI works closely with these groups to drive meaningful outcomes.
- OLI bridges the gap between North Dakota and pools of qualified candidates, fostering connections that align workforce needs with global talent opportunities.
- To ensure success, OLI continually tracks these connections, assessing their viability, effectiveness, and overall impact on the workforce.

CONTACT US

Paige Kuntz, *Global Talent Administrator*
pemkuntz@nd.gov 701-328-7292

Janna Pastir, *Deputy Director*
jalpastir@nd.gov 701-328-5393

LEARN MORE
ndgov.link/OLI

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Operation Intern

FACTS

3,780
INTERNSHIP POSITIONS ASSISTED

515
BUSINESSES PARTICIPATING SINCE 2007

$5,000
MATCHING FUNDS AVAILABLE

Attracting workers to North Dakota is essential in helping to meet the state's current and future workforce needs. Internships provide a valuable way for students to make connections with businesses and identify career options in North Dakota. Operation Intern is designed to expand the number of internships, work experience and apprenticeship positions with North Dakota employers.

The program's primary focus is employers in the state's targeted industries: energy, advanced manufacturing, value-added agriculture, tourism and technology-based businesses, and autonomous systems. Funding may also be granted for other in-demand occupations on the Workforce Development Council's In-Demand Occupations Annual List. Government entities and non-profit organizations do not qualify for the program. Non-profit organizations in tourism and healthcare may be considered on a case-by-case basis, pending eligibility on the in-demand occupations list.

North Dakota businesses receive up to $5,000 in matching funds for the internships. Funding can be used for items needed for the intern to perform their internships, like wages, tools and equipment, essential training or tuition reimbursement. The funding is a one-to-one match.

The Workforce Development Division of the North Dakota Department of Commerce manages Operation Intern.

Updated 01.10.2025

"Interns are an important part of OmniByte history and future. I have been utilizing the Operation Intern program nearly since its inception. I have been a big supporter of having a solid internship program where we provide real-world work for students while realizing value-added output from them."

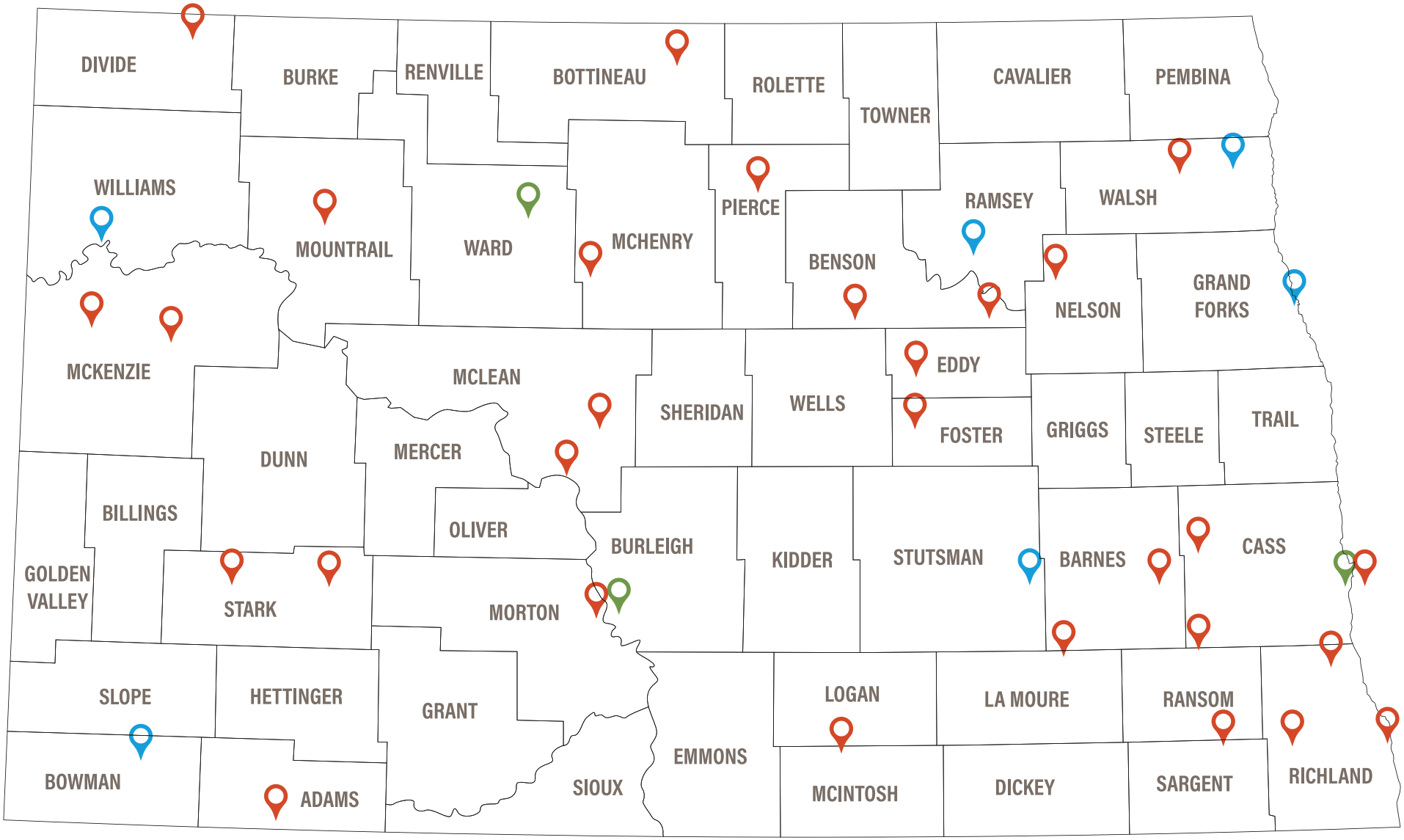
President and CEO Ray Berry of OmniByte Technology

"This apprenticeship program is important as this is a growing and important field with a limited number of graduates. It allows us to select solid employees and offer them the opportunity to develop new skills and earn higher wages."

Human Resources Manager Vicki Ham with Marvin Windows

For more information, contact opintern@nd.gov or visit ndgov.link/OpIntern

REGIONAL WORKFORCE IMPACT PROGRAM (RWIP) RECIPIENTS



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1 - 4 Recipients

5 - 8 Recipients

9 - 12 Recipients

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Technical Skills Training Grant

ELIGIBLE PROJECTS

Track A
New and expanding accelerated, non-degree training programs that prepare trainees for new jobs.

Funding available: Up to $200,000 with a dollar-for-dollar match throughout the lifetime of the grant program (not for incumbent workers).

Track B
Internal upskilling opportunities for incumbent workers to promote movement and advancement throughout the organization, create more comprehensive onboarding and new worker training programs, and/or provide safety training for employees.

Funding available: Up to $100,000 with a dollar-for-dollar match throughout the lifetime of the grant program.

Track C
Support workforce automation enhancement including but not limited to training and/or upskilling existing employees related to automation that has been implemented prior to the funding period; or to new or enhanced strategies, not to include the actual purchase of automation equipment.

Funding available: Up to $200,000 for training and/or upskilling existing workforce related to automation.; or up to $100,000 for a feasibility study, related to automation.

Updated 11.22.2024

BACKGROUND
The Technical Skills Training Grant was first developed in 2020 in response to the economic impacts of the COVID-19 pandemic. The program supported new and expanding accelerated skilled workforce training programs for displaced workers. The Technical Skills Training Grant program aims to offset the cost for program providers and employers in their effort to support the development of highly trained skilled workers to meet the demands of our labor market. Since the initial launch of this program, the following legislative assemblies provided additional funding to keep the program operational. Please visit **ndgov.link/TSTG** for more information.

PROGRAM OBJECTIVE
The Technical Skills Training Grant is designed to support eligible training providers and employers in their efforts to design and launch rapid, non-degree re-skilling and upskilling programs (with occupations listed on the In-Demand Occupations List), or expand capacity in existing programs. All tracks require a 1:1 match.

ELIGIBLE APPLICANTS
North Dakota colleges and universities, businesses, non-profit organizations, city/county municipals, and/or trades organizations/associations in North Dakota. Note: *Degree programs are not eligible for funding under this grant.*

Additional Eligibility
- Applicants must be registered and in good standing with the North Dakota Secretary of State's office.
- Training must take place in North Dakota.
- Majority of program participants must reside and intend to work in North Dakota.
- If tuition or training costs are part of the proposed application, the applicant may not pay those funds directly to the individuals receiving the education or training; the funds must be paid to the organization providing the education or training.
- Jobs for which workers are being trained must be on the In-Demand Occupations List.

For more information, contact Kerri Kraft at kkraft@nd.gov.

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Workforce Development Council

FACTS

81
SCHOOL DISTRICTS SUPPORTED BY AREA CAREER & TECHNOLOGY CENTERS

4,000+
JOBSEEKERS IN FIND THE GOOD LIFE PIPELINE

3,247
WIOA PARTICIPANTS IN PROGRAM YEAR 2023

110
LOCALLY-LED WORKFORCE INITIATIVES SUPPORTED SINCE 2022

For more information, contact Katie Ralston Howe at keralston@nd.gov

ROLE OF WORKFORCE DEVELOPMENT COUNCIL

The role of the North Dakota Workforce Development Council is to advise the governor and the public concerning the nature and extent of workforce development in the context of North Dakota's economic development needs and how to meet these needs effectively while maximizing the efficient use of available resources and avoiding unnecessary duplication of effort.

The Workforce Development Council consists of more than 30 members, with representation from industry; K-12, post-secondary and career and technical education; organized labor; Workforce Innovation and Opportunity Act (WIOA) state workforce partners and local and state elected officials.

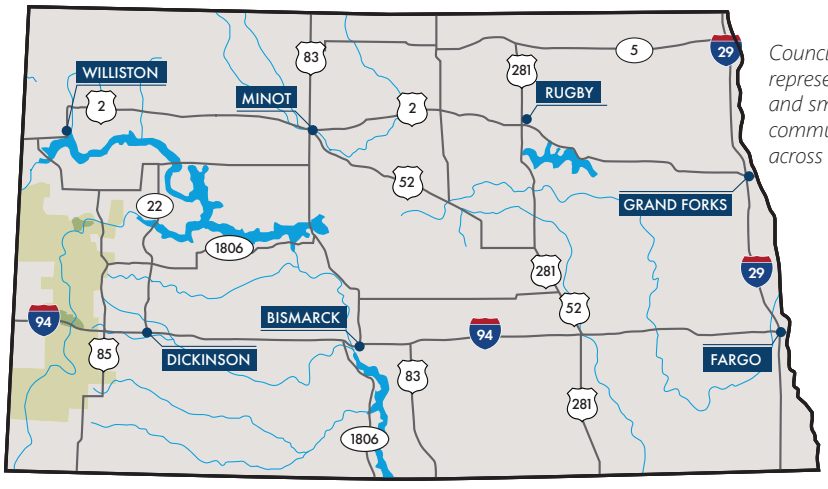
LETTER FROM THE CHAIR

Each biennium, the North Dakota Workforce Development Council produces a report of recommendations that are designed to help address the greatest workforce challenges faced by the state of North Dakota today and in the coming years.

These recommendations fall under five themes: earlier and more diverse career exploration, addressing the technical skills gap; removing barriers to employment; occupational licensing reform; and recruitment and retention of North Dakota workers.

Cindy Griffin

WDC MEMBER LOCATIONS



Council members represent large and small communities across the state

Updated 01.06.2025

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SENATE APPROPRIATIONS

January 15, 2025
Commissioner Chris Schilken

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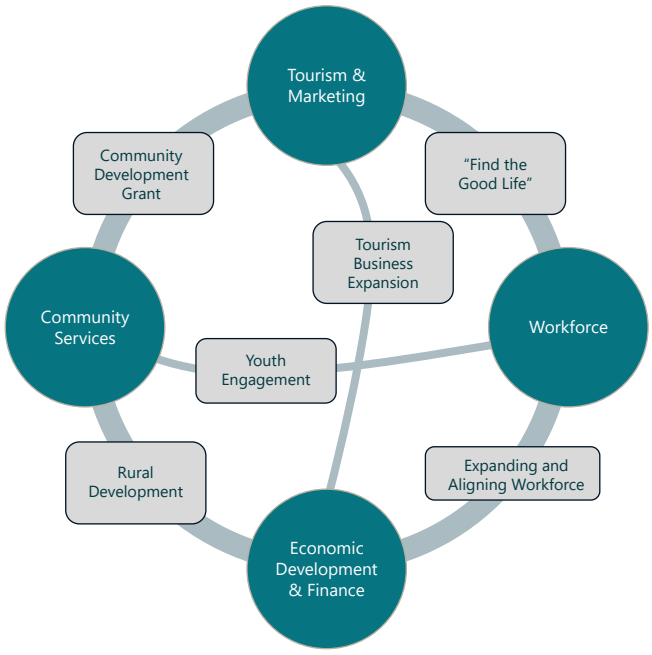
IMPROVING LIFE IN NORTH DAKOTA



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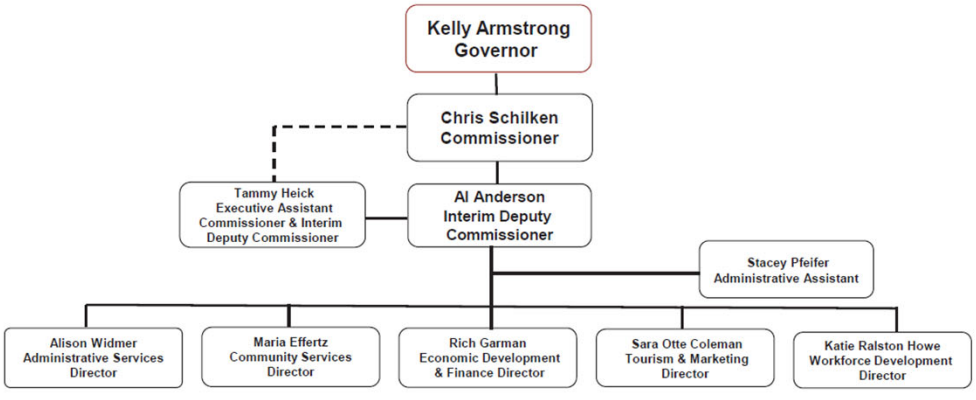
Department of Commerce Organizational Chart



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Status of Approved New Positions

- Workforce Talent Attraction Initiative [Hired 7/6/2023 $202,940 from pool]
- Workforce Investment Grant Program [Hired 4/1/2024 $140k from pool]
- Office of Legal Immigration- 2 positions [Hired 7/6/2023 & vacant]
- 3 FTEs – Weatherization & Energy Programs [one time funding]
  1. Hired 3/04/2024
  2. Hired 9/23/2024
  3. Vacant

Current Vacant Positions

- Program Administrator- Temporary – will be posted in January 2025 (temporary Federal funds FTE)
- Global Talent Coordinator- position closes January 15, 2025

2025-2027 FTE Requests

- 1 FTE – Procurement Officer
- 1 FTE – Development Fund

We cannot request additional funding from the FTE pool until March 1, 2025.

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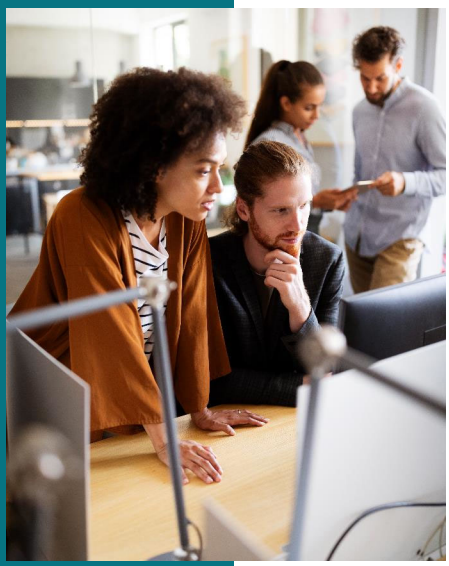

Employee Retention and Recruitment

IN ORDER TO COMPETE WITH PRIVATE SECTOR TO RECRUIT AND RETAIN TALENT

- Total Rewards package
- 3% performance increases in years one and two

Private sector has caught up on benefits. We are behind on salaries.

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ND APPROPRIATIONS

2025 – 2027 Base Budget Request

Description	Code	1 Object/Revenue	4 2025-27 Base Budget Request
Administration	601-200		5,788,020
Tourism	601-300		13,418,300
Workforce Development	601-400		7,871,974
Economic Development & Finance	601-500		19,537,405
Division of Community Services	601-600		40,376,958
TOTAL BY APPROPRIATIONS ORGS			86,992,657
Salaries and Wages	60110		17,280,669
Operating Expenses	60130		18,503,136
Grants	60160		47,502,465
COVID-19 Response	60161		-
Discretionary Funds	60162		1,850,000
Workforce Enhancement Fund	60163		-
Economic Develop Initiatives	60164		-
Workforce Innovation Network Grant Program	60167		-
Unmanned Aircraft System	60171		-
Partner Programs	60174		907,920
Entrepreneurship Grants	60175		948,467
Legal Immigration	60176		-
CARES Act Funding - 2020	60179		-
American Rescue Plan Act	60180		-
Weatherization and Energy Program	60181		-
TOTAL BY OBJECT SERIES			86,992,657
General	GEN		33,491,049
Federal	FED		43,931,168
Special	SPEC		9,570,440
TOTAL BY FUNDS			86,992,657
TOTAL AUTHORIZED EMPLOYEES			62.80

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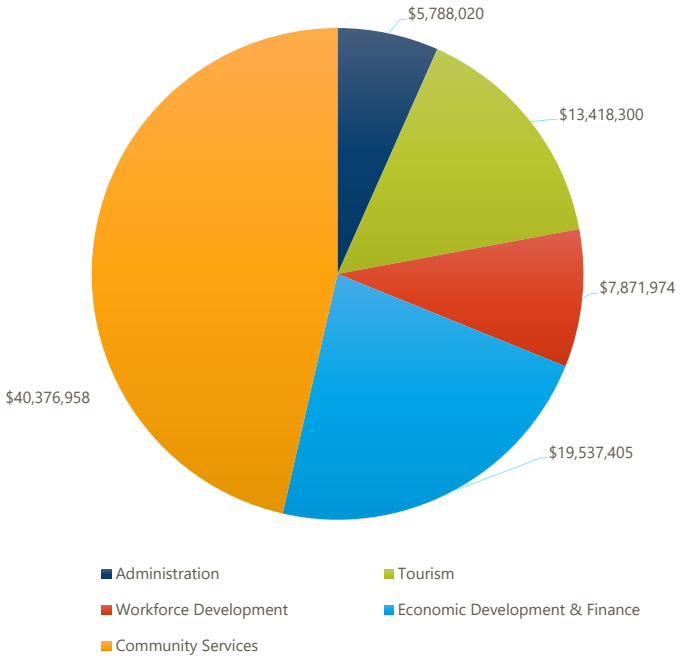
ND APPROPRIATIONS

2025-2027 Base Budget Request by Division



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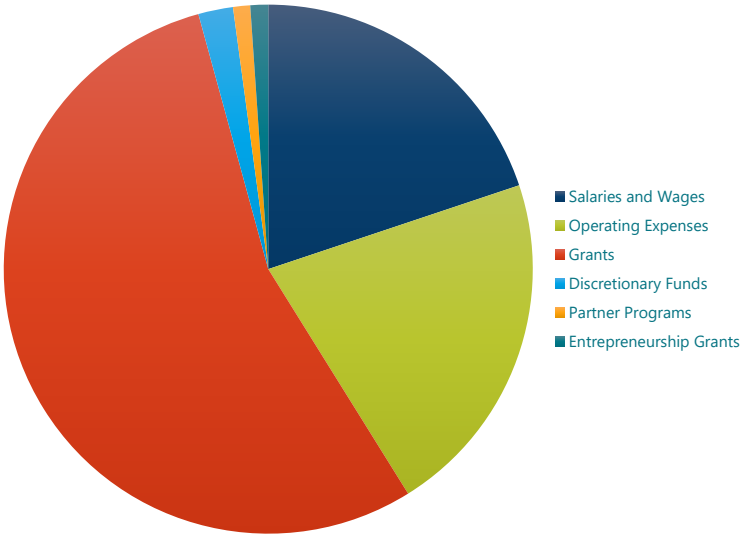
2025-2027 Base Budget Request by Line



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ND APPROPRIATIONS

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2025 – 2027 Funding Item Request

		2025-27 Executive Recommendation				
		General Fund	Federal Fund	Special Fund	Total	FTE
Request Name		**9,827,851**	**388,583**	**150,543,568**	**160,760,002**	**2.00**
FAA Data	One Time	-	-	11,000,000	11,000,000	-
Housing Package	One Time	-	-	50,000,000	50,000,000	-
Drone Replacement	One Time	-	-	15,000,000	15,000,000	-
Agency Operations	Ongoing	1,338,703	290,000	290,413	1,919,116	-
Workforce Division Office of Legal Immigration	Ongoing/One Time	2,000,000	-	-	2,000,000	-
Regional Workforce Grant Program	One Time	-	-	10,000,000	10,000,000	-
North Dakota Development Fund	Transfer & Ongoing	-		273,305	273,305	1.00
Property valuation increase through improvements	One Time	-	-	5,000,000	5,000,000	-
Tourism Marketing Awareness	One Time	-	-	5,000,000	5,000,000	-
Destination Development	One Time	-	-	15,000,000	15,000,000	-
Technical Skills Training Grant	One Time	2,000,000	-	-	2,000,000	-
Beyond Visual Line of Sight Uncrewed Aircraft System Program	One Time	-	-	20,000,000	20,000,000	-
Procurement Officer	Ongoing	230,104	-	-	230,104	1.00
Find the Good Life	One Time	-	-	5,000,000	5,000,000	-
Beyond Visual Line of Sight Uncrewed Aircraft System Program – Test Site	One Time	1,000,000	-	-	1,000,000	-
Operation Intern	One Time	2,000,000	-	-	2,000,000	-
Legacy Investment for Technology Funds	Transfer	-	-	-		-
Entrepreneurship and Innovation Grant	One Time	1,259,044	-	-	1,259,044	-
Building Codes	Ongoing	-	98,583	-	98,583	-
Enhanced Use Lease	One Time	-	-	5,000,000	5,000,000	-
Autonomous Agriculture Grant	One Time	-	-	10,000,000	10,000,000	-

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ND APPROPRIATIONS

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Tourism & Marketing Programs

- Paid Marketing
- Global Marketing
- Workforce Recruitment
- Media Relations - Outreach
- Group Travel
- Communications
- Social Media
- Outdoor Promotions
- Destination Development

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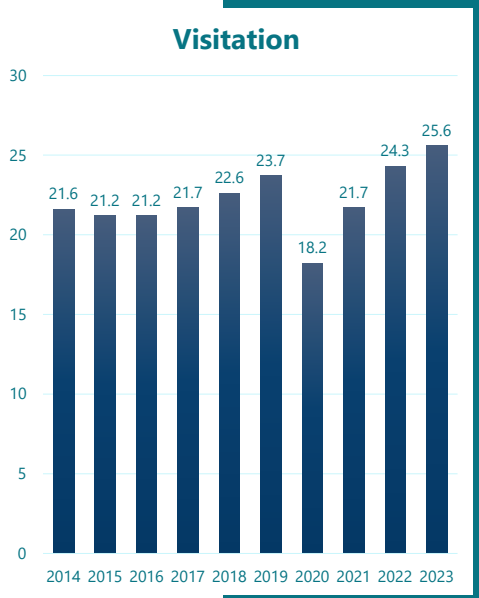
ND APPROPRIATIONS

Tourism Research Results

REPORT ON ECONOMIC IMPACT OF TOURISM IN 2023

- Visitation grew 5.3% reaching 25.6M visitors
- Visitor spending grew to $3.3B
- 17.8-million-day-visitors
- Visitors paid more than $307M in local and state taxes
  - Creating a $960 per household savings for North Dakotans



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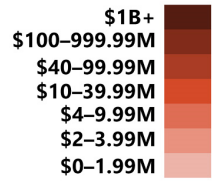
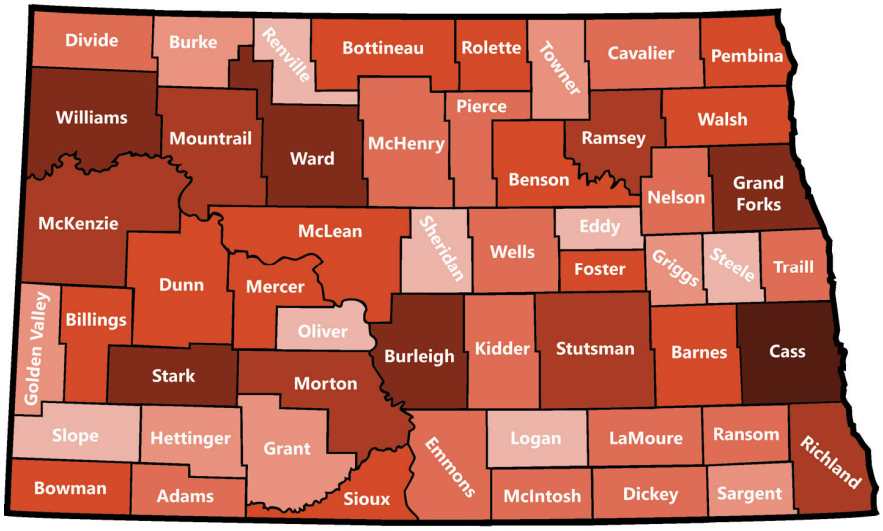
ND APPROPRIATIONS

Visitor Spending by County





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Visitation Stats

Airport Arrivals
1.13M
8.3%

National Park Visits
955,727
27.2%

Hotel Occupancy
$517M in revenue
0.9%

Border Crossings
453,052
10.9% (78% of pre-covid visitation)
Entry numbers are almost equivalent to 2017 when the exchange rate was similar.

Taxable Sales and Purchase
1.85% Accommodations and food services

8.05% Arts, entertainment and recreation

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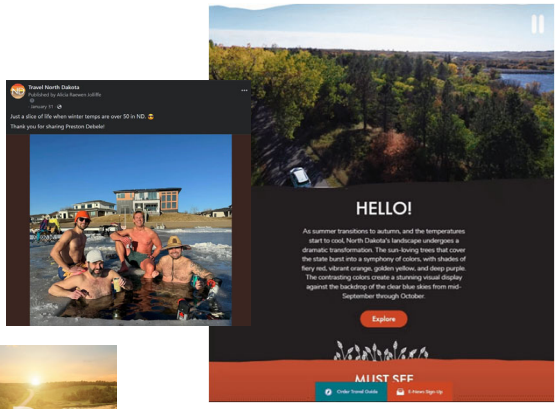
ND APPROPRIATIONS

Marketing North Dakota

Paid media: 438M impressions, 17M video views
Earned media: 5,690 media hits, with 9.8B reach
Influencers: 2.1M reach
Social media: 400k+ engagements
NDtourism.com: 3.6M sessions, up 30%



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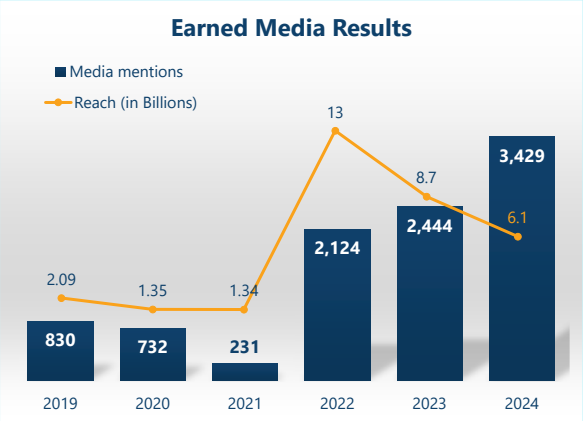
Public & Media Relations - Tourism

Public and media relations efforts elevate North Dakota's image through proactive outreach and storytelling, garnering positive media coverage and increasing awareness.

National Media Coverage	• 3,429 **earned media** mentions • 6.1B reach
International Media Coverage	• 113 **media articles** • 231M reach
Influencer Campaign	• 128M impressions • 400K+ social media engagements • 2.1M reach



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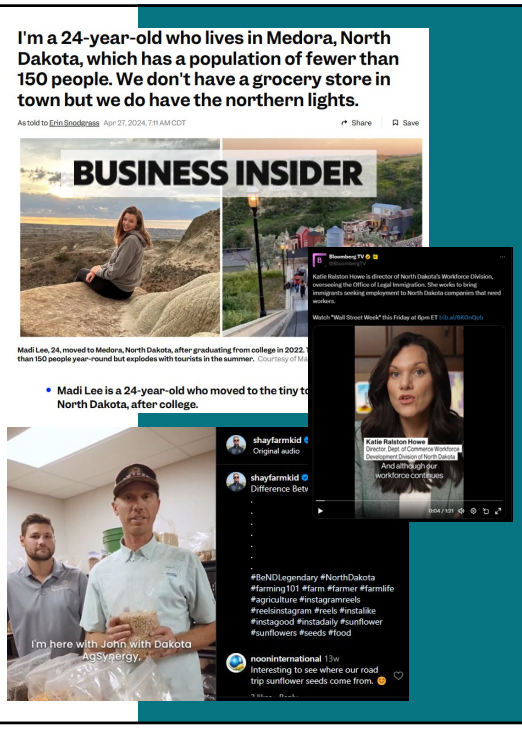
Public & Media Relations - Commerce

Commerce's public and media relations efforts are generating increased national awareness of North Dakota's innovative business climate, career opportunities, and quality of life.

Workforce:	• 1,359 earned media mentions • 1.8B reach
Business	• 902 earned media mentions • 1.8B reach
Influencer Campaign:	• 185.1K total reach • 3.7M impressions • 5.6K engagements



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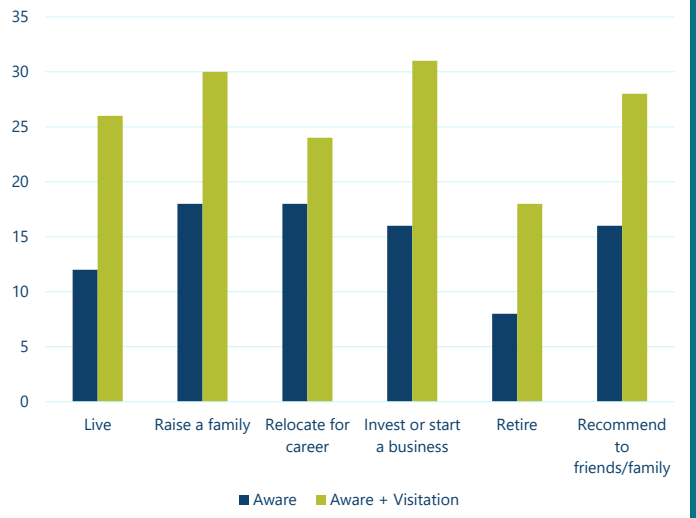
ND APPROPRIATIONS

Tourism Advertising Elevates North Dakota's Image

HALO EFFECT

Average 13% image lift from advertising awareness.



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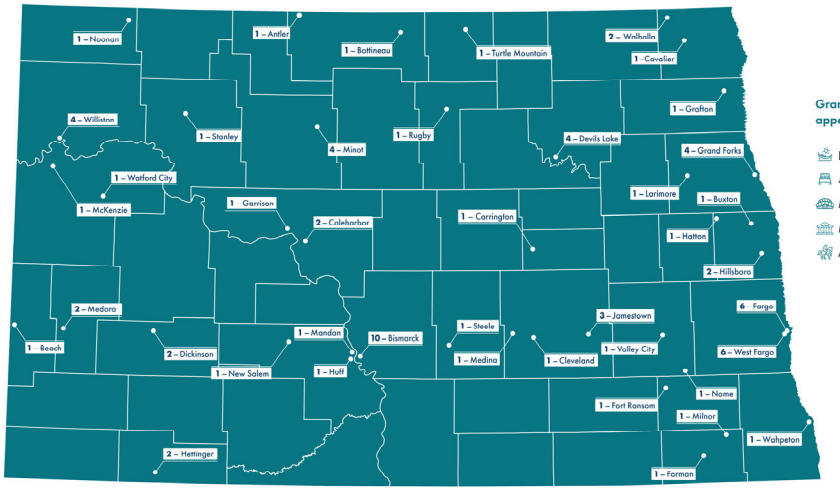
2023 Destination Development Grant Applications

The applications varied considerably in scope and appeal to unique visitor segments. New and expanded destination experiences will not only attract visitors but also improve our quality of life and workforce recruitment efforts.



Grant application projects vary considerably, appealing to various visitor sectors.

- Lake resorts
- Accommodations
- Multi- faceted venues
- Museums
- Activities
- Rentals
- Entertainment
- Outdoor recreation
- Amenities
- New and enhanced complete attraction experiences

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$151.5 million in requests | 81 applications | 41 cities

20

Tourism Destination Development Grants

- Bison World
- Bottineau Winter Park
- Brews, Chews and Views – Downton Minot
- Dakota Prairie Wings Lodge
- Dickinson Museum Center
- Frost Fire Park
- Good Bear Lodge at Indian Hills Resort
- Huff Hills Ski Area (pending)
- Riverfront Festival Grounds
- Theodore Rosevelt Presidential Library
- Thrill Hills
- Turtle Mountain Band of Chippewa – comprehensive
- Western Heritage Arena
- The Shores Event Center at Woodland Resort

21

FIND THE goodlife in North Dakota

Marketing Campaign Effectiveness

Advertising: $2.6M invested 06/2022-12/2024 netted over 167M impressions.

Responses: Paid digital generated more than 753K users and paid social generated nearly 220K users.

Engaged with Help Desk: 4,400 leads

Entered Candidate Marketplace: 2,522 leads

Connected with community champions: 1,359 leads

71/17

71 individuals moved to 17 North Dakota communities, attributable to the full talent pipeline.

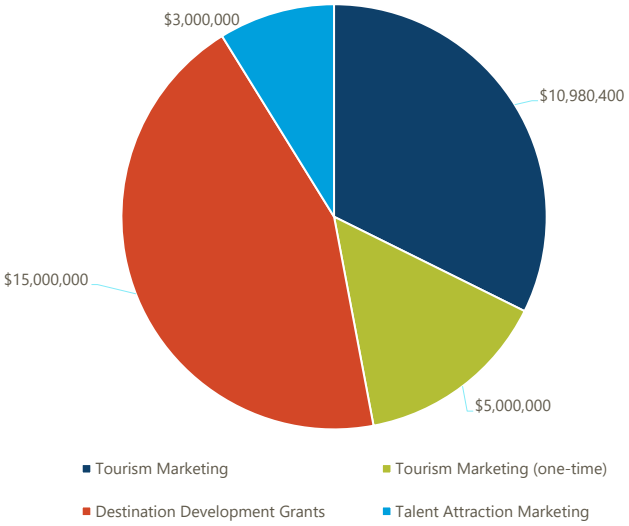
$3M economic impact, plus any impact from accompanying family.

As of 12/31/2024

22

ND APPROPRIATIONS

Tourism and Marketing Division BUDGET



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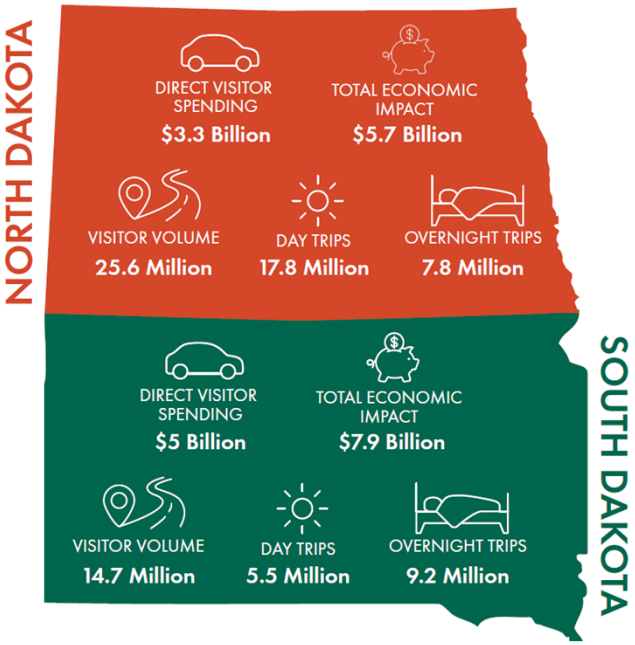

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COMMUNITY SERVICES

Provides technical assistance to local governments and state agencies in the areas of community and rural planning and development, policy research and development and grant program implementation.

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Community Services Program Areas

- Housing and Urban Development (HUD)
  - Community Development Block Grant (CDGB)
  - Manufactured Home oversight, licensing, and installation
- Office of HHS Administration for Children and Families
  - Community Services Block Grant (CSBG)
- North Dakota State Building Codes
- North Dakota Renaissance Zone (RZ)
- North Dakota Energy Conservation Grant (ECG)
- Office of Community Development and Rural Prosperity (CDRP)
- Department of Energy (DOE)
  - Weatherization and Low-Income Heating and Energy Assistance Program (LIHEAP)
  - State Energy Program (SEP) annual allocation
  - State Energy Program Inflation and Investment Jobs Act (SEP-IIJA)
  - Home Efficiency Rebate (HER)
  - Home Electrification and Appliance Rebate (HEAR)

26

Office of Community Development and Rural Prosperity

88 Communities

Visited in the past 4 years

Monthly

Educational and collaborative interactions

ND APPROPRIATIONS

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Grant Management — Rural Sustainable Food Program

11

Communities were provided funding for studies or implementation

258K

Total population touched by grant dollars

ND APPROPRIATIONS

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ND APPROPRIATIONS

Grant Management — Rural Workforce Housing/Slum and Blight Removal

(COMMUNITY REVITALIZATION)

16 Communities received funds.

- **19** infill lots for workforce housing (Oakes/Bowman County/Sheyenne/Hankinson), and nine readily available housing options (primarily consisting of mixed-use apartments).

Project Guidelines:

- Conduct a housing study.
- Purchase blighted properties or vacant lots.
- Remove hazards or structures from blighted properties.
- Up to $10,000 per business for improvements if the business is in a mixed-use property.

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ND APPROPRIATIONS

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Request

$30 Million for Community Development and Workforce Housing

$5 Million for Community Revitalization

30

ECONOMIC DEVELOPMENT & FINANCE

Economic Development & Finance is charged with coordinating the state's economic development resources to attract, retain and expand wealth.

31

ND APPROPRIATIONS

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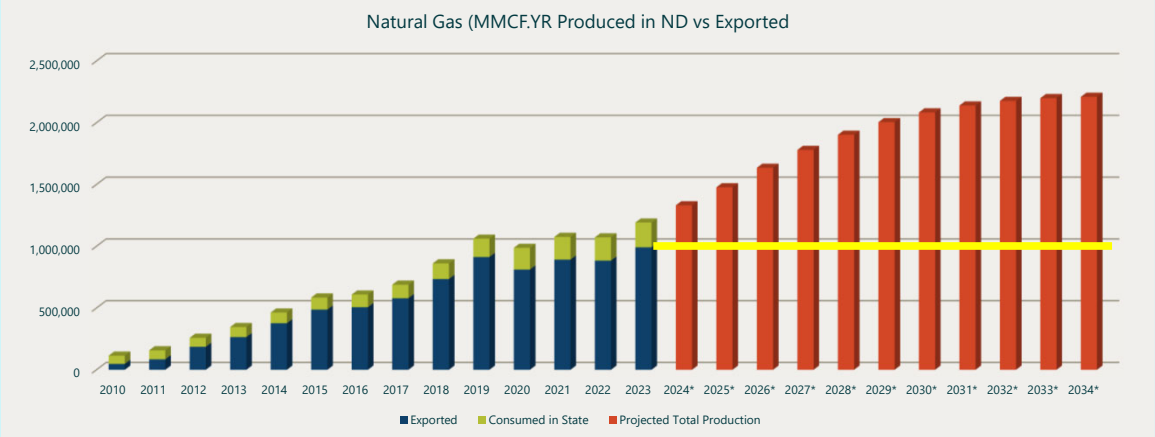
Natural Gas Projections



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ND APPROPRIATIONS

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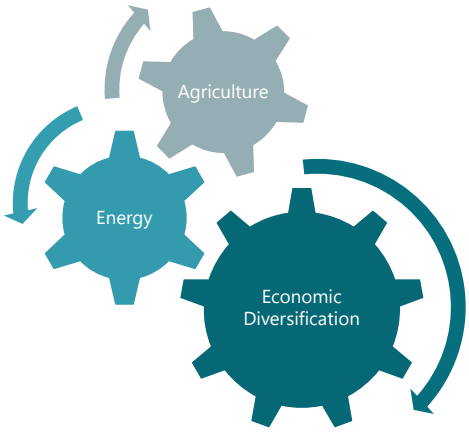
Synergy Between Energy and Agriculture

THESE SYNERGIES STRENGTHEN AND DIVERSIFY OUR ECONOMY, ENSURING LONG-TERM RESILIENCE AND GROWTH.



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ND APPROPRIATIONS

Uncrewed Aircraft Systems

North Dakota is UAS leader in UAS technology, anchored by the Northern Plains UAS Test Site and its key partner, Grand Sky.

- Project ULTRA
- Pioneering BVLOS operations
- Administering Vantis, ND's statewide UAS network for BVLOS operations
- 1st participant in the FAA's Radar Data Pathfinder program
- Dedicated UAS Infrastructure
- (HB1038) Drone buyback and radar data

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ND APPROPRIATIONS

Enhanced Use Lease

- Managed by Grand Sky
- Pioneering BVLOS
- Dedicated UAS Infrastructure
- DoD projects
- Sky Range Initiative

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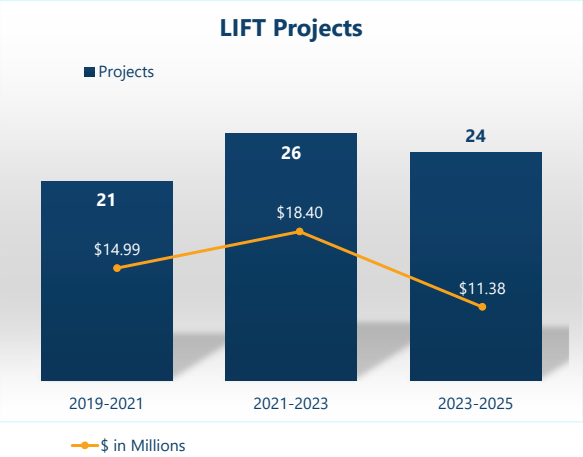
Legacy Investment for Technology Loan Fund (LIFT)

LIFT FOSTERS TECHNOLOGY INNOVATION.

LIFT has significantly impacted various industries including healthcare, advanced computing and data management, agriculture technology, and uncrewed aircraft systems.



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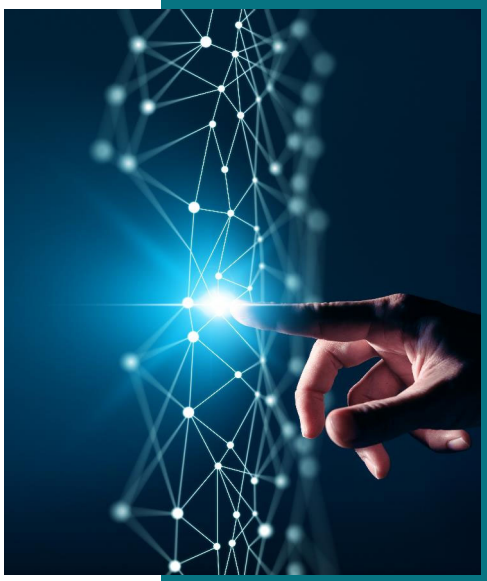
Innovate ND

INNOVATE ND REMAINS A CORNERSTONE OF NORTH DAKOTA'S COMMITMENT TO FOSTERING ENTREPRENEURSHIP AND DRIVING ECONOMIC DEVELOPMENT.

- Supported 72 startups leading to 23 successful graduates.
- Processed 103 applications, demonstrating strong demand.
  - 12 companies accepted.
    - 7 successfully graduated.
    - 2 remain active.
    - 3 exited the program.



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North Dakota Development Fund, Inc.

Childcare Loan Program	Specific Investments
• 19 loans issued • 1,098 childcare spots created	• Reduction to natural gas flaring • Ag tech digital tools • Ethanol plant • Childcare • Metal and machining shop

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SUMMARY OF REQUESTS

Description	Base Budget	General Fund	Special Fund	Transfers	TOTAL
FAA Radar Data			$11,000,000		$11,000,000
Drone Replacement			$15,000,000		$15,000,000
Enhanced Use Lease			$5,000,000		$5,000,000
BVLOS - Test Site	$3,000,000	$1,000,000			$4,000,000
BVLOS - Vantis	$9,020,150				$9,020,150
LIFT				$10,000,000	$10,000,000
INNOVATE ND	$948,467	$1,259,044			$2,207,511
Partner Programs	$907,920				$907,920
Autonomous Ag Grant			$10,000,000		$10,000,000
NDDF			$273,305	$50,000,000	$50,273,305

40

41

ND APPROPRIATIONS

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Regional Workforce Impact Program (RWIP)

Total Awarded Funds: $26,559,681.00

Total Match: $16,382,344.82

Projects Funded: 113

Workforce Impact to Date: 6,205 workers

Childcare Impact

- Awarded Funds
  - $14,812,315.91
- Childcare Facility Expansions
  - 58
- Childcare Slots created
  - 2,479
- New Childcare Workers
  - 208
- Total New Families Served
  - 302

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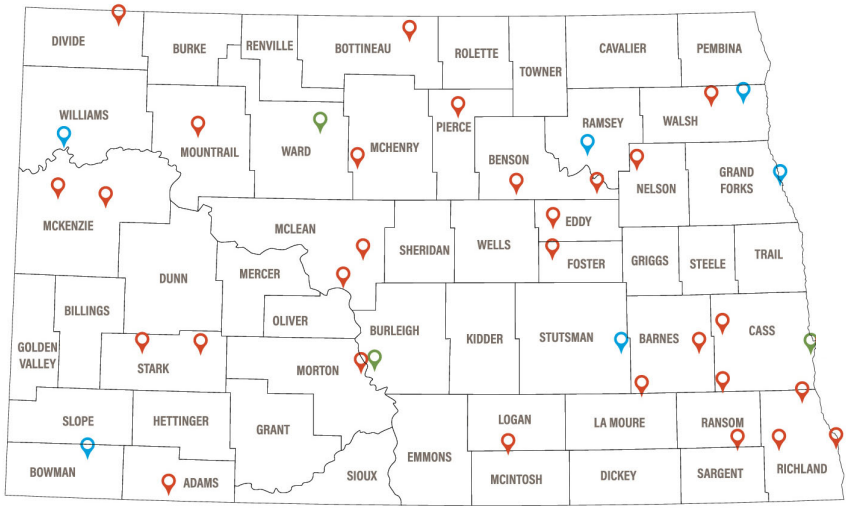
REGIONAL WORKFORCE IMPACT PROGRAM (RWIP) RECIPIENTS



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1 - 4 Recipients 5 - 8 Recipients 9 - 12 Recipients

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ND APPROPRIATIONS

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Pipeline Funnel

4,400 Leads	2,522 Leads in Candidate Marketplace	1,341 Resumes Collected
1,359 Leads Connected to Champions	63 Employers in Marketplace	71 Relocated Participants

44

FIND THE goodlife in North Dakota

Overall Pipeline

Top Industries

Healthcare

Business Management & Admin

Retail & Food Services

Manufacturing

Skilled Trades

Top Interests

Things to Do, Festivals & Events

Outdoor Recreation

Remote Work/Entrepreneurial

Food Scene

Arts & Entertainment

Top States Lived In

Florida

California

Texas

New York

Minnesota

45

FIND THE goodlife in North Dakota

Moving Data

Timeline to Move

Immediate – 30%

3 Months – 20%

6 Months – 14%

Within 1 Year – 12%

1-2 Years – 4%

Gathering Info/No Timeline – 19%

ND Cities Preference

Fargo/West Fargo

Bismarck

Minot

Williston

Grand Forks/Dickinson

Jamestown

Population Preference

No Preference – 68%

Rural – 13%

Small Town – 8%

Larger Community – 12%

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FIND THE goodlife in North Dakota

Mover Impact

$25,047 per year in economic impact per worker	ND #1 In net Migration	2023 Employment up 2.5%

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Office of Legal Immigration (OLI)

ACTIVITY & WINS

Establishing Recruitment Pathways	Hosting Global Talent Summit	Helping Businesses Recruit Foreign-Born Workers

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ND APPROPRIATIONS

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Office of Legal Immigration (OLI)

KEY ACHIEVEMENTS

200+ organizations engaged in learning opportunities

16 organizations recruiting immigrant workers

6 employers successfully completed process

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Operation Intern

124 Businesses

442 Interns

ND APPROPRIATIONS

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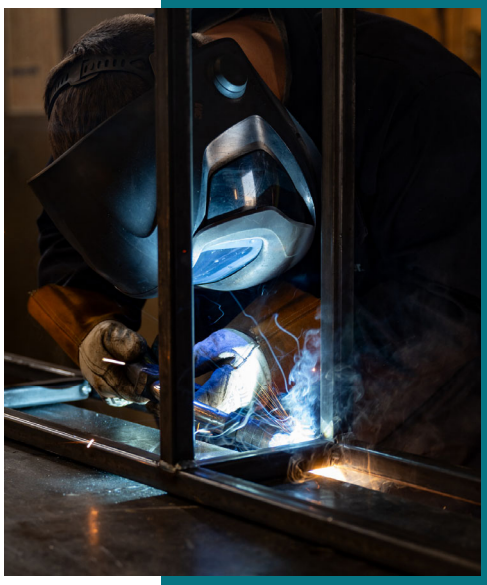
ND APPROPRIATIONS

Technical Skills Training Grant (TSTG)

- Programs Supported since 2022: 70
- Programs supported in 2023-2025: 31
- Total workers trained: 1,650+



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ND APPROPRIATIONS

AmeriCorps

- 6 Projects
- Average of 150 Members per Year
- 90,000+ Service Hours
- $483,670 in Education Assistance

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ND APPROPRIATIONS

SUMMARY OF REQUESTS

- RWIP: $10M
- FTGL: $5M
- Global Talent: $2M
- Operation Intern: $2M additional ($1M in base budget)
- TSTG: $2M
- AmeriCorps: $552,312 (in base budget)

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ND APPROPRIATIONS

New Budget Items

- Housing Opportunities Promoting Employees fund (HOPE Fund)
  - $50M
- The Rural Slum & Blight Removal Program
  - $5M

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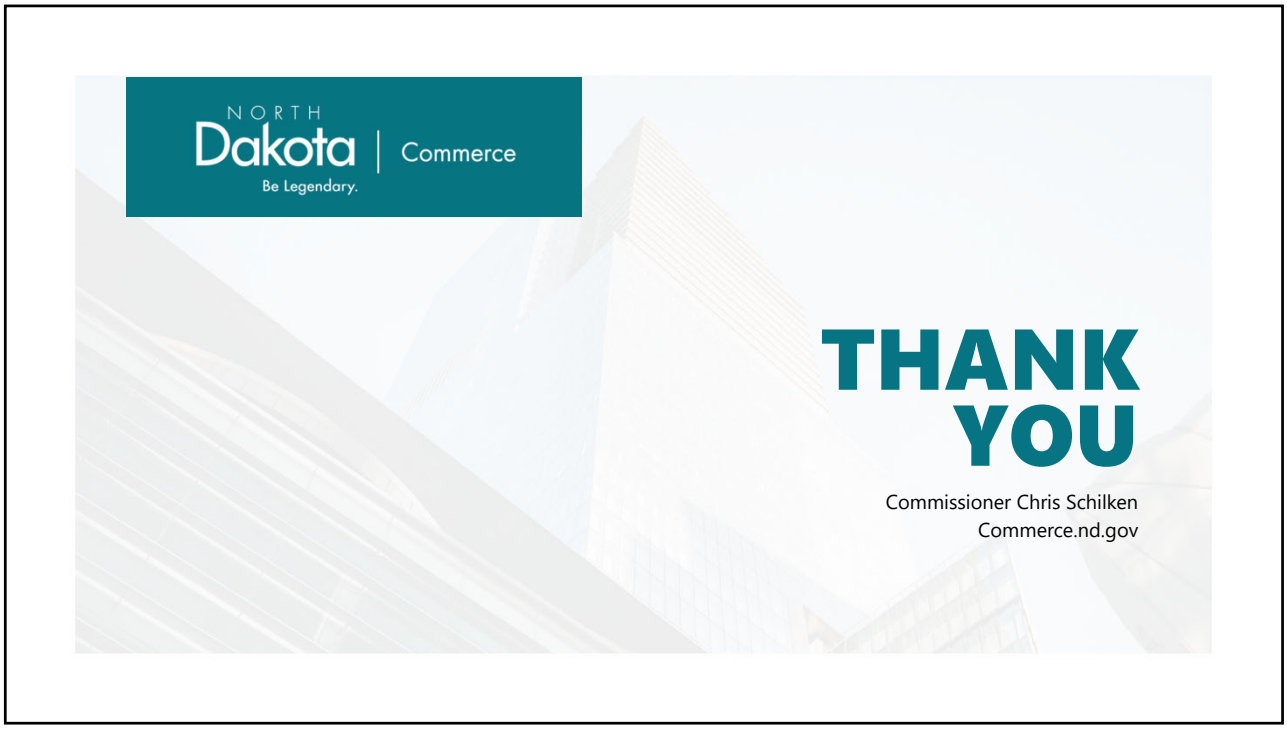
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Commissioner Chris Schilken
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Testimony in Support of
Senate Bill No. 2018
Senate Appropriations Committee
January 15, 2025

TESTIMONY OF
Chris Schilken, Commissioner, North Dakota Department of Commerce

Chairman Wanzek and members of the Senate Appropriations committee, my name is Chris Schilken, and I have the privilege to serve as the Commissioner for the North Dakota Department of Commerce.

From a procedural point of view, I will provide you with a high-level overview of the agency and our budget and then go into individual division reports for a deeper dive into each of the areas.

At a high level, Commerce exists to attract and retain wealth and talent for the state of North Dakota. We accomplish our mission primarily through the attraction of capital and talent through four operational divisions: Community Services, Tourism and Marketing, Economic Development and Finance, and Workforce Development.

Given our limited time, we will not cover all the details of the last biennium, but you will find them throughout the testimony.

Moving into the next action item, you will see a breakdown of our organizational chart. Commerce has a broad and critical mission to play in both the present and the future of the state that we all love. We execute that mission with an extremely lean team of people. We are authorized for 65.8 in the 23 –25 biennium (3 FTEs are considered a one – time funding item) FTEs fully funded with benefits and seven temporary staff members. In 2023-2025 biennium the legislature approved the following positions.

2 FTEs – Office of Legal Immigration - SB 2142. 1 position Hired 7/6/2023 - 1 position posted closes January 15, 2025
1 FTE – Workforce Talent Attraction Specialist - Hired 7/6/2023 $202,940 transferred from the FTE funding pool.
1 FTE – Workforce Grant Administrator - Hired 4/1/2024 $140,000 transferred from the FTE funding pool.
3 FTEs – Weatherization & Energy Programs [one time funding #1 hired 3/04/2024, #2 hired 9/23/2024 #3 vacant]

Our Current Vacant Positions are the following.

Program Administrator- Temporary FTE – will be posted in January 2025.
Global Talent Coordinator- position posted - closes January 15, 2025.

We cannot request additional funding from the FTE pool until March 1, 2025.

In Gov. Armstrong's 25-27 Executive Budget Recommendation the following positions were recommended.
1 FTE – Procurement Officer
1 FTE – North Dakota Development Fund

Our agency requires a dedicated procurement officer. Currently, five dedicated procurement liaisons work with the Office of Management and Budget's state procurement office. However, internal procurement responsibilities consume 20-25% of our staff's time. We need these team members to focus on their core job duties, not procurement.

Despite some staff changes, Commerce ended both 2023 and 2024 with four open positions. In 2023, five employees left and one retired. In 2024, three left, two retired, and three were discharged.

In addition to these requests, we wholeheartedly support the Total Rewards package outlined in Gov. Armstrong's executive budget proposal of 3 percent performance increases in years one and two. We are concerned with the ability to attract and retain talent in the current and anticipated future without an increase in salaries. We compete directly with the private sector, and they have caught up regarding the benefit package and we are behind in salaries.

Moving on to audits, our agency audit was conducted by the State Auditor's Office for the 21 – 23 biennia. The findings that are related to the audit are the following.

1. Motion Picture Grant Procedures – Commerce did not follow their normal process for a grant application timeframe.

   Commerce disagreed with this finding due to the audit finding and recommendation does not account for the inherent differences between grant programs. Grant programs vary significantly in their time constraints. A one-time, highly sensitive grant with strict seasonal requirements cannot be compared to ongoing programs with application windows spread throughout the biennium.

2. Improper Purchase Card Transactions – Commerce used state issued purchase cards on items that were not appropriate for government funds.

   Commerce will comply with the finding as presented and has been reimbursed by the North Dakota Development Fund, Inc. (NDDF) for all purchase card transactions, including the ones deemed inappropriate in this finding. Corrective actions have been

taken as all NDDF purchase cards were cancelled as of May 1, 2024. Commerce will be implementing additional training requirements related to this program this spring.

Next you will see on the screen as well in your written materials a high-level overview of our 2025 – 2027 Base Budget Request.

As you can see in our base budget our total budget is almost $87 million, with $33,491,049 in general funds, $43,931,168 in federal funds, and $9,570,440 in special funds.

The next two slides break out our budget by division and then by funding line.

1 Object/Revenue		4 2025-27 Base Budget Request
Description	**Code**	
Administration	601-200	5,788,020
Tourism	601-300	13,418,300
Workforce Development	601-400	7,871,974
Economic Development & Finance	601-500	19,537,405
Division of Community Services	601-600	40,376,958
TOTAL BY APPROPRIATIONS ORGS		**86,992,657**
Salaries and Wages	60110	17,280,669
Operating Expenses	60130	18,503,136
Grants	60160	47,502,465
COVID-19 Response	60161	-
Discretionary Funds	60162	1,850,000
Workforce Enhancement Fund	60163	-
Economic Develop Initiatives	60164	-
Workforce Innovation Network Grant Program	60167	-
Unmanned Aircraft System	60171	-
Partner Programs	60174	907,920
Entrepreneurship Grants	60175	948,467
Legal Immigration	60176	-
CARES Act Funding – 2020	60179	-
American Rescue Plan Act	60180	-
Weatherization and Energy Program	60181	-
TOTAL BY OBJECT SERIES		**86,992,657**
General	GEN	33,491,049
Federal	FED	43,931,168
Special	SPEC	9,570,440
TOTAL BY FUNDS		**86,992,657**

TOTAL AUTHORIZED EMPLOYEES	62.80

In Gov. Armstrong's 2025- 2027 executive budget recommendation, the one-time funded items are as follow:

		2025-27 Executive Recommendation				
		General Fund	Federal Fund	Special Fund	Total	FTE
Request Name		**9,827,851**	**388,583**	**150,543,568**	**160,760,002**	**2.00**
FAA Data	One Time	-	-	11,000,000	11,000,000	-
Housing Package	One Time	-	-	50,000,000	50,000,000	-
Drone Replacement	One Time	-	-	15,000,000	15,000,000	-
Agency Operations	Ongoing	1,338,703	290,000	290,413	1,919,116	-
Workforce Division Office of Legal Immigration	Ongoing/One Time	2,000,000	-	-	2,000,000	-
Regional Workforce Grant Program	One Time	-	-	10,000,000	10,000,000	-
North Dakota Development Fund	Transfer & Ongoing	-		273,305	273,305	1.00
Property valuation increase through improvements	One Time	-	-	5,000,000	5,000,000	-
Tourism Marketing Awareness	One Time	-	-	5,000,000	5,000,000	-
Destination Development	One Time	-	-	15,000,000	15,000,000	-
Technical Skills Training Grant	One Time	2,000,000	-	-	2,000,000	-
Beyond Visual Line of Sight Uncrewed Aircraft System	One Time	-	-	20,000,000	20,000,000	-
Procurement Officer	Ongoing	230,104	-	-	230,104	1.00
Find the Good Life	One Time	-	-	5,000,000	5,000,000	-
Beyond Visual Line of Sight Uncrewed Aircraft System	One Time	1,000,000	-	-	1,000,000	-
Operation Intern	One Time	2,000,000	-	-	2,000,000	-
Legacy Investment for Technology Funds	Transfer	-	-	-		-
Entrepreneurship and Innovation Grant	One Time	1,259,044	-	-	1,259,044	-
Building Codes	Ongoing	-	98,583	-	98,583	-
Enhanced Use Lease	One Time	-	-	5,000,000	5,000,000	-
Autonomous Agriculture Grant	One Time	-	-	10,000,000	10,000,000	-
Fund 394 Uncrewed Aircraft Systems	Ongoing	-	-	(1,020,150)	(1,020,150)	-

Included in the request are the following transfers:

North Dakota Development Fund, Inc. - $50 million
Legacy Investment for Technology Funds (LIFT) - $10 million

Next, you will see an overview of our one-time funding items from the 2023-2025 biennium. These items are as follows:

Workforce Talent Attraction Initiative - $12,000,000 (General Funds) – "Find the Good Life in North Dakota" Campaign. Half of the appropriation to the Tourism/Marketing Division and the other half to the Workforce Division.

Workforce Investment Grant Program - $12,500,000 (General Funds) – Grant Program provides support to organizations addressing workforce challenges and barriers to employment through the North Dakota Regional Workforce Impact Program (RWIP).

Technical Skills Training Grants - $2,000,000 (General Funds) provides grant funding which aims to offset the cost for program providers and employers in their effort to support the development of highly trained skilled workers to meet the demands of our labor market.

New Americans Workforce Training Program - $2,000,000 (General Funds) grant is designed to support eligible employers and community-based organizations in their efforts to recruit, retain, and integrate New Americans in North Dakota.

Motion Picture Production and Recruitment Grant - $600,000 (General Funds) provides grant funding to a North Dakota based organization which can do all filming and production in North Dakota and has a history of distributing impactful motion pictures about North Dakota's land, history, and citizens.

Creamery Assistance Grant - $250,000 (General Funds) provides grant funding to financially boost an existing or emerging creamery business with a plan to advance economic and agricultural objectives within North Dakota.

Base Retention Grants - $1,000,000 (General Funds) provides grant funding to communities with an air force base or air national guard facilities.

Rural Grocery Store Grant - $1,000,000 (General Funds) provides grant funding to support the expansion of sustainable grocery service, access to food, and/or development and expansion of food co-ops in rural areas.

Tribally Controlled College Grant - $500,000 (General Funds) provides grant funding to a tribally controlled community college in the Turtle Mountain region.

Office of Legal Immigration Operating - $2,000,000 (General Funds) in funds to support the operating costs of the Office of Legal Immigration.

Weatherization and Energy Assistance Program - $120,000,000 (Federal Funds) Infrastructure Investment and Jobs Act and the Inflation Reduction Act for weatherization and energy assistance programs. Three full time positions were included for the administration of weatherization and energy assistance programs for the 2023-25 biennium. The full-time equivalent positions are considered one-time positions.

Parks and Recreation Grants - $1,550,000 (Federal Funds) EDA Travel, Tourism, and Outdoor recreation grant is used to support travel, tourism, and outdoor recreation sectors. The funding is used for operating expenditures for marketing and technical support.

Tourism Destination Development Initiative -$25,000,000 (Special Funds – SIIF) matching grants to create new attractions in North Dakota communities, enable significant expansions of existing attractions and support key amenities aiding the tourism economy across the state.

Beyond Visual Line of Sight (BVLOS) uncrewed aircraft system -$26,000,000 - (Special Funds SIIF) - a grant utilized to defray the costs of the operational activities with deploying a statewide beyond visual line of sight uncrewed aircraft system.

Enhanced Use Lease Grant - $10,000,000 - (Special Funds SIIF) a grant utilized for operating an Enhanced Use Lease program with the United States Air Force to allow for the creation and operation of a private sector development project.

Tourism Marketing Initiative - $5,000,000 - (Special Funds SIIF) Operating dollars to support the Tourism and Marketing division to build the positive public image of North Dakota as a dynamic place to live and work.

Small Business Credit initiative (SSBCI)- $572,143 (Federal Funds) The SSBCI Technical assistance federal funds facilitate the growth of SEDI-owned businesses and VSBs by providing essential legal, accounting, and financial advisory services as part of a broader more comprehensive entrepreneurial training through a cohort-based model.

Workforce Community Service AmeriCorps Program - $785,000 (Federal Funds) - grant program which engages adults in intensive community service work with the goal of "helping others and meeting critical needs in our communities."

Rural Workforce Housing Grant Program - $2,000,000 (Special Funds) - $500,000 in administrative funds ($300,000 in salary and $200,000 in operating) $1,500,000 grant program which is used for the following:

1. Conduct a housing study in the city to identify workforce housing needs, blighted property, and vacant lots within the city.

2. Purchase blighted properties or vacant lots.

3. Remove hazards or structures from blighted properties or vacant lots.

4. Provide up to $10,000 per business for repairs or improvements if the business is in a mixed-use property that will be used for rural workforce housing.

Energy Conservation Grant Program - $14,081,719 (Federal Funds) - Low Income Heating Energy Assistance Program - The program helps eligible North Dakota families with home heating and weatherization costs. Funds are disbursed to the community action agencies who provide the funds to North Dakota citizens who qualify.

Heating and Cooling Grant Program - $3,258,084 (Federal Funds) - Low Income Heating Energy Assistance Program – The program helps eligible North Dakota families with home heating and weatherization costs. Funds are disbursed to the community action agencies who provide the funds to North Dakota citizens who qualify.

Transfer of $10,000,000 to the Legacy Investment for Technology Fund (HB 1018)

Transfer of $65,000,000 (HB 1018) and $30,000,000 (SB 2393) to the North Dakota Development Fund, Inc.

Below is a summary of the fees charged by Commerce. We do not anticipate any changes to these fees during the current or upcoming biennium.

Name or Description of Fee	Amount of Fee	NDCC or NDAC Reference	Fund Where Fee Revenue is Deposited
MHIP Insignia Fee	$50 per insignia	NDCC 54-21.3-08	Community Service Fund 342
MHIP Installer & Inspector Registration Fee	$150 per year	NDCC 54-21.3-08	Community Service Fund 342
MHIP Oversight Inspection Fee	$250 per inspection	NDCC 54-21.3-08	Community Service Fund 342
Innovate ND	$250	NDCC 54-34	Economic Development Fund 330
Tourism Rest Area Brochure Program	$250 per brochure	NDCC 54-34.4	Tourism Fund 443
Tourism Marketing Opportunities	Varies per event	NDCC 54-34.4	Tourism Fund 443

Finally, to recap the amount of federal state fiscal relief funds, all funds are obligated. Commerce did transfer $481,389.44 as of December 2024, to the Department of Corrections per Senate Bill 2393 for unobligated funds. Commerce has until December 2026, to expend the remaining balance of obligated funds for these programs per ARPA guidelines.

Program	SB 2345	Original Appropriation Amount	Remaining Balance to Expend as of November 2024

Workforce Development Incentive Grant	Section 38	$15,000,000.00	$702,822
Technical Skills Training & Workforce Innovation Grant Program	Section 39	$5,000,000.00	$1,860,589

Mr. Chairman and members of the committee, this concludes my testimony, and I urge you to support SB 2018, I will be happy to stand for any questions that you may have before I turn the podium over to Sara.

TESTIMONY OF

Sara Otte Coleman, Director of Tourism & Marketing

Chairmen Wanzek and members of the Senate Appropriations Committee, I am Sara Otte Coleman and have directed the Tourism Division at the North Dakota Department of Commerce since 2003, and now also manage the broader Commerce and state marketing strategy along with the "*Find the Good Life in North Dakota"* consumer-focused talent attraction marketing campaign.

Our mission is specific to improving the awareness of North Dakota and improving our image which supports the economy by inspiring visitors to explore our communities and the 3,100 businesses that depend on tourism revenue for their sustainability. Our marketing also elevates the success of all Commerce divisions and programs.

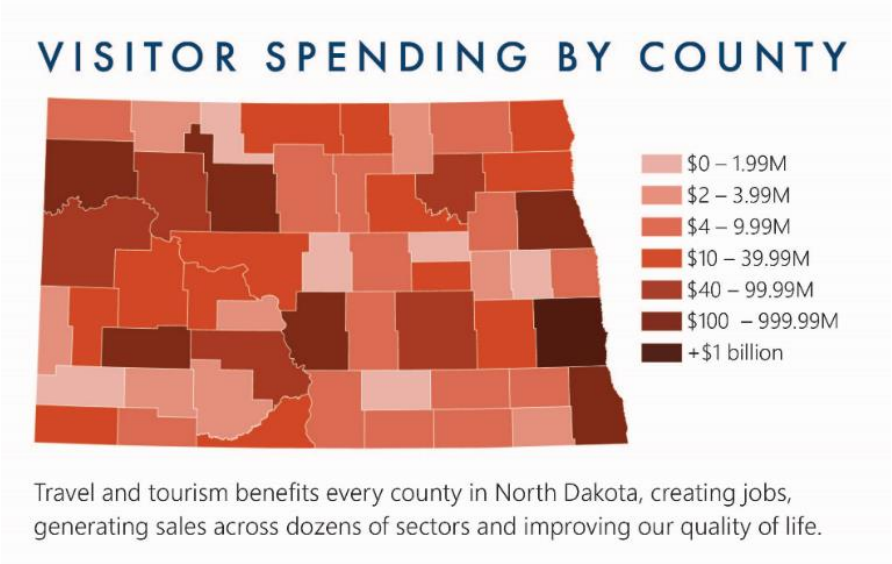
Our work is primarily focused in the following areas:

- Paid advertising (tourism and workforce)
- Proactive media and influencer recruitment (tourism, quality of life, workforce, and business/industries)
- Global tourism marketing
- Outdoor niche promotions
- Visitor support and services
- Tourism business and partner support
- Tourism business development

Transparency and Results

We are focused on achieving measurable results and using data to inform decisions, maximizing the ROI for the state's marketing dollars. Our annual Tourism Satellite Account (TSA) research provides economic data on the travel and tourism industry's impact, including county-level breakdowns by sector to support local management.

In 2023, North Dakota saw a 5.3% increase in visitation, reaching 25.6 million visitors. These travelers spent $3.3 billion statewide. While these numbers are strong, we see opportunities for growth, as 17.8 million of those visitors were day-visitors who did not spend a single night in our state.



We also provide quarterly dashboards on key travel metrics including hotel occupancy, Canadian border crossings, airline deplanements and Theodore Roosevelt National Park visitation, and we report on our marketing efforts and results. These reports can be found at https://www.commerce.nd.gov/tourism-marketing/research-and-reports.

Visitation Metrics for 2024

- Airport Arrivals (through November) – 1,127,315; (up 8.3%)
- National Park Visits (through November) – 955,727; (up 27.2%)
- Hotel Occupancy (through November) – 59.3%; (up 0.9%)
    - Total Hotel Revenue - $517,200,560; (up 6.5%)
- Border Crossings (through November) – 453,052; (up 10.9%)
- Taxable Sales and Purchases (through Q3 2024)
    - Accommodations and Food Services - $1,673,096,438; (up 1.85%)
    - Arts, Entertainment, and Recreation - $145,481,885; (up 8.05%)

Marketing

Our 2023-2025 budget enabled a $6 million dollar media advertising budget that targeted the regional states of Minnesota, Wisconsin, Illinois, South Dakota, Montana and provinces of Manitoba and Saskatchewan. We have expanded advertising into the Denver DMA, Arizona, and Nevada based on targeted messaging and longer stays identified through our geolocation data.

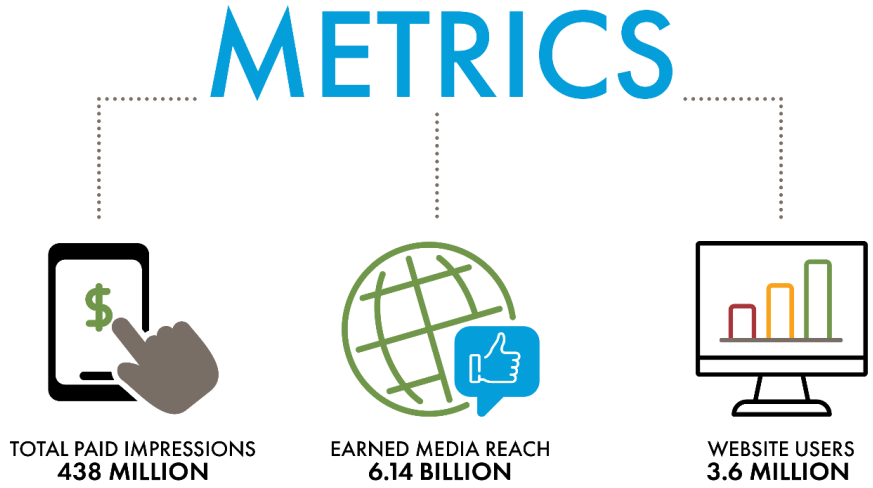
Marketing Results

The 2024 tourism marketing campaign reached more than 438 million total impressions, with digital advertising garnering 132 million impressions, 521,562 ad clicks, and 17 million video completions.

NDtourism.com is North Dakota's front door and welcomed more than 3.6 million users in 2024. This represents a 30% increase in traffic compared to 2023 and a new high for website traffic.

Our strong creative designs and placements have resulted in bonus advertising opportunities. For example, trains wrapped in Chicago displayed our advertising from May through July in both 2023 and 2024. Both North Dakota-branded trains continue to operate, generating an estimated 50 million bonus impressions.

Geolocation data verified more than 7.4 million domestic road trips last year with a slight increase in overnight stays. Additionally, geolocation tracking monitored advertising exposure on mobile devices and showed a 23.5% lift (increase) in ad-exposed devices compared to those devices that did not receive ad impressions.



Earned Media

Our proactive outreach to national and global media resulted in a significant increase in earned media coverage. We secured 5,690 national earned media mentions, up 41% over 2023. Dedicated national PR firms and targeted efforts created additional media opportunities, resulting in a total reach of 9.8 billion for North Dakota stories. Additionally, global media stories on North Dakota reached 231 million. This media coverage improves the awareness of our state and elevates our image across all Commerce focus areas.

- Tourism: 3,429 earned media mentions reaching 6.14 billion
- Workforce: 1,359 earned media mentions reaching 1.86 billion
- Business: 902 earned media mentions reaching 1.8 billion
- Global: 113 media articles reaching 231 million

One notable success of these efforts was hosting a freelance journalist whose visit resulted in eight positive feature stories published on MSN.com. These stories highlighted travel experiences across Western North Dakota, reaching a massive audience of 1.06 billion and generating an estimated ad equivalency value of $9.8 million.

Niche Promotions

The number of global tour operators selling North Dakota experiences has increased by 18% from 2023, to 167. Eighty new itineraries were added the past two years, and total rooms sold through these operators rose to 16,096 - a 4% increase.

Group sales and outdoor promotions also have resulted in new bookings for North Dakota companies.

Tribal tourism collaboration and a commitment to sustainable and transformative tourism have resulted in new unique travel experiences. This work garnered significant national attention with an article in Forbes, reaching 94.9 million readers.

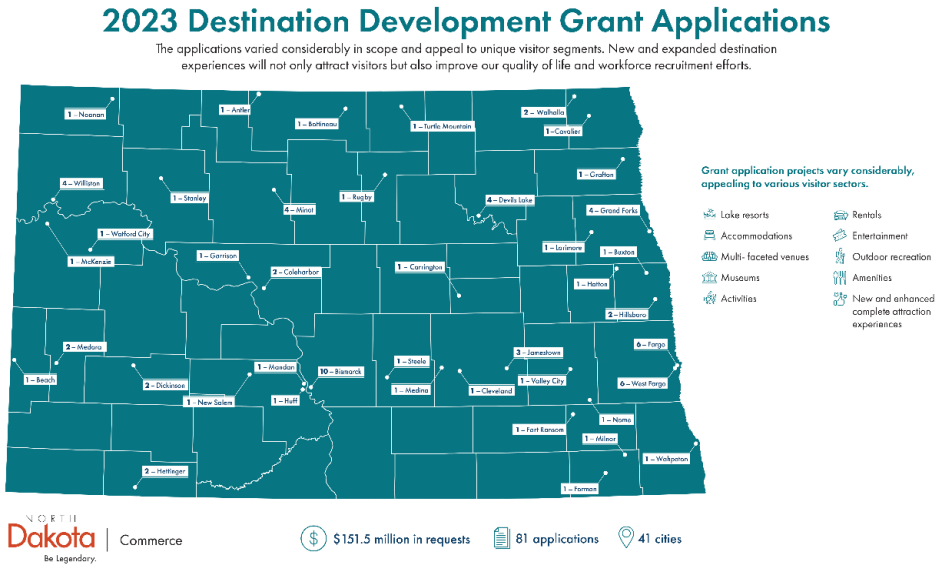
Current Budget

Our 2023-2025 biennial marketing budget was $10.98 million, of which $5 million came from special funds. Gov. Armstrong's budget also included the $5 million as onetime funding.

Currently, our marketing budget is 17% of South Dakota Tourism's marketing budget and 22% of what Wyoming and Montana invest. Marketing our state needs to be a priority.

Our division strategically operates based on research, data, and results. Studies on the public perception, or image, of North Dakota have shown that the "halo effect" of seeing tourism advertising improves the state's image an average of 12.5%. This research confirms that tourism advertising goes beyond motivating trips; it plays a lead role in elevating our state's image across various economic development benchmarks. For example, people who have seen our advertising rated North Dakota 14% higher as "a good place to start a career" compared to those who haven't. This lift is further boosted by 27% if they also visited North Dakota.

Tourism Development



During the last legislative session, we were appropriated $25 million for destination development grants. We received 81 applications from 41 communities, totaling $151.5 million in requests. Of those, 14 projects received funds and are in various stages of completion:

- Bison World
- Bottineau Winter Park
- Brews, Chews and Views – Downtown Minot
- Dakota Prairie Wings Lodge
- Dickinson Museum Center
- Frost Fire Park
- Good Bear Lodge at Indian Hills Resort
- Huff Hills Ski Area (pending)
- Riverfront Festival Grounds
- Theodore Rosevelt Presidential Library
- Thrill Hills
- Turtle Mountain Band of Chippewa – comprehensive
- Western Heritage Arena
- The Shores Event Center at Woodland Resort

A budget request of $15 million is included for the next biennium to support additional tourism development work. We learned a great deal in our first round of these grants and are excited to refine the program by clarifying application criteria, project categories, match options, and multiple project administration guidance. These new destinations not only attract new visitors and revenue to our communities but also improve our resident's quality of life and help talent attraction efforts.

Talent Attraction

The "Find the Good Life in North Dakota" marketing campaign received $6 million in funding for the 2023-2025 biennium, enabling us to enhance the workforce attraction efforts as part of a comprehensive workforce initiative. The marketing campaign features new creative content, including newly produced photo and video assets. The targeted media plan focused on young families, "boomerangs" (former North Dakotans), recent graduates, and military personnel.

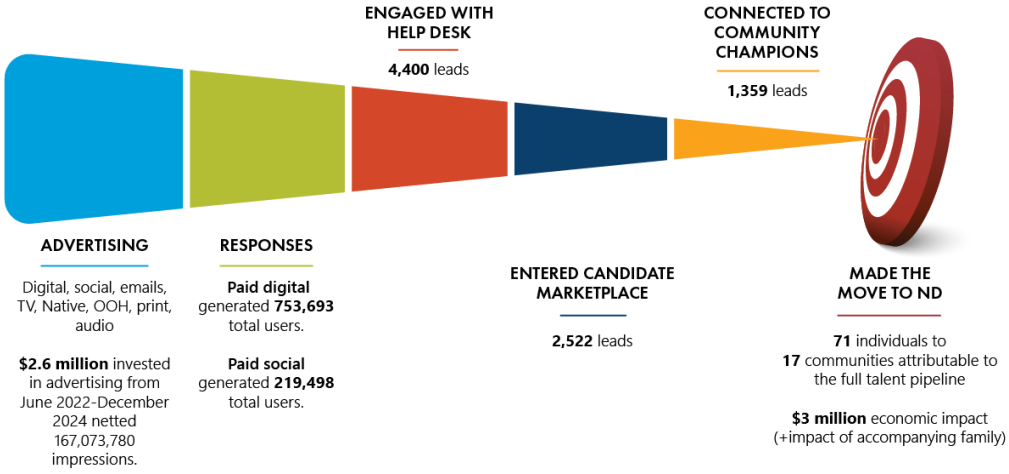
Each campaign drives interested relocators into a pipeline that connects job seekers with community champions. This effort has formed strong synergies between tourism experiences, economic development, and showcasing communities that inspire and motivate new talent to move to North Dakota.

- The $2.6 million invested in paid marketing, which began in June of 2022, has generated over 167 million impressions and driven more than 753,000 visitors to the website, resulting in 4,400 engagements with the help desk and 1,359 leads connected to

community champions.

- Synergistic promotions with the current "Hello" tourism campaign resulted in web traffic increases or more than 20% from both the Denver and Phoenix markets. This collaborative marketing is highly effective, as we know that 76% of new residents visited the state prior to moving.

- One example showcasing the strength of synergistic marketing is taken from our June 2024 event activation in Denver. Over Father's Day weekend, our team hosted a custom, four-hole mini-golf course outside Coors Field. There, they had nearly 8,000 direct engagements with participants reporting the event made them 63% more interested in visiting North Dakota and 29% more interested in exploring careers in the state.

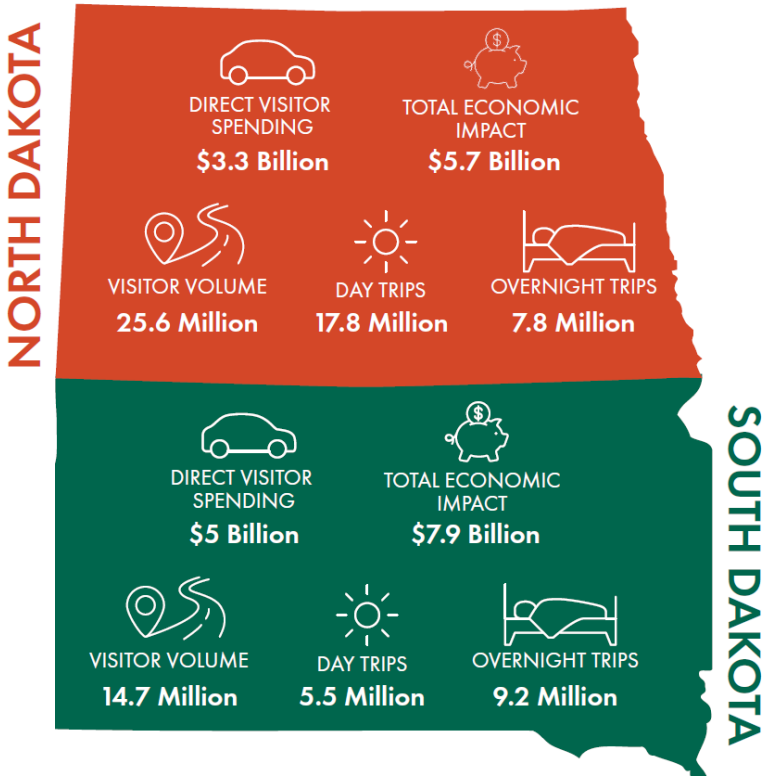


I ask for your support of the Gov. Armstrong's budget, which includes $5 million for the "Find the Good Life" talent initiative. This program is increasing awareness of our state's lifestyle and attracting needed workforce talent but requires continued investment to reach its full impact.

Conclusion

Tourism development and marketing our state can grow North Dakota's economy and improve the quality of life for its citizens. To achieve this, we must proactively work to both build supply by supporting destination development and create demand by effectively marketing our offerings.

While North Dakota attracts more visitors than South Dakota, we need to encourage longer stays and increased spending. Investing in these tourism efforts is key to achieving that goal.



Mr. Chairman and members of the committee, thank you for your time and attention and I am happy to answer any questions. Next is Maria Effertz.

TESTIMONY OF

Maria Effertz, Division of Community Services Director

Good afternoon, Mr. Chairman and members of the committee.

My name is Maria Effertz, and I am the Division of Community Services director at Commerce.

Community Services supports North Dakota residents and communities by administering state-allocated grants, as well as formula and applied funds from federal grants delivered by the U.S. Department of Housing and Urban Development (HUD), the Office of Community Services, and the Department of Energy (DOE).

Additionally, we house the Office of Community Development and Rural Prosperity (CDRP), whose team uses a "whole-of-government" approach to support community development and non-primary economic activities.

Every member of our team understands and is proud to support our mission: to provide assistance to local governments and state agencies in community and rural planning and development, policy research and development, and grant program implementation.

The DCS budget is based on continued funding for federally authorized programs we administer annually, along with new funds from the Inflation Reduction Act (IRA) and Infrastructure Investment and Jobs Act (IIJA). DCS staff manages the following programs (I would be happy to provide more detail upon request):

- Housing and Urban Development (HUD)
    - Community Development Block Grant (CDBG)
    - Manufactured Home oversight, licensing, and installation
- Office of Health and Human Services Administration for Children and Families
    - Community Services Block Grant (CSBG)
- North Dakota State Building Codes
- North Dakota Renaissance Zone (RZ)
- North Dakota Energy Conservation Grant (ECG)
- Office of Community Development and Rural Prosperity (CDRP)
- Department of Energy (DOE)
    - Weatherization and Low-Income Heating and Energy Assistance Program (LIHEAP)
    - State Energy Program (SEP) annual allocation.
    - State Energy Program Inflation and Investment Jobs Act (SEP-IIJA)
    - Home Efficiency Rebate (HER)
    - Home Electrification and Appliance Rebate (HEAR)

The Office of Community Development and Rural Prosperity was created in January to support communities across the state through smart efficient infrastructure; supporting a 21st-century workforce; resourcing vibrant healthy community programs; and connecting programs to people to diversify industry and support Main Street businesses.

Using a "whole of government" approach, the CDRP team provided resources and guidance to 110 communities, including educational webinars, summits, and programming. We look forward to seeing you on February 11 and 12 for the Rural Symposium in Bismarck. This team also successfully managed two legislative-funded pilot programs: Sustainable Food and Community and Rural Workforce Housing/Rural Grocery Store Grant.

The 2023/25 Legislature authorized two separate grants to support rural communities. The Rural Sustainable Food pilot program was divided into two components to allow communities to tailor solutions to their specific needs. This $1 million grant provided funding to

communities serving 258,437 citizens. The Commerce budget does not include additional funding for this program.

The second pilot program administered by this team was the Rural Workforce Housing Program pilot. This program, funded at $1.5 million for projects, combined two requests and focused on four legislative intent areas: conducting housing studies; purchasing blighted properties or vacant lots; removing hazards or structures from blighted properties; and providing up to $10,000 per business for improvements if the business is in a mixed-use property.

This successful program quickly demonstrated the significant impact of a small amount of funding on rural housing.

Here are a few examples:

- Oakes received funding for six lots with dilapidated homes and/or buildings. The initial valuation of the four completed lots was $127,800, with an average tax collection of $439.00. With new homes valued at or near $250,000, the average taxable collection will be $3,188.41 – a more than seven-fold increase – placing six new homes and at least six new families in the community and supporting the appraisal gap.

- Sheyenne received $41,500 dollars to clean up two infill lots. Before completion, a four-bedroom house was donated to the city, and two families expressed interest in building on the second lot. The two properties were assessed at $27,300 before cleaning up, with a total tax collection of $439.00. With new homes and families, the anticipated tax collection is over $7,000, and two new families will live, work, and contribute to this rural community.

- Casselton received $10,000 for improvements to mixed-use housing, prompting a private developer to improve nine apartments in multi-use buildings (above retail spaces). This increase in living spaces also inspired the city council to review and adjust their parking requirements.

Workforce housing remains a statewide need, but rural areas face multiple development challenges, including significant appraisal gaps due to a lack of new construction, a shortage of local contractors and building professionals, a lack of infill lots, and the high cost of construction and infrastructure. The Red River Regional Council, in partnership with the local community housing development organization, built two new homes in Lakota, ND. This opened up two existing homes for first-time homebuyers, immediately adding workforce and families, improving baseline property tax rates, and modeling rural housing success. This budget includes funds to support regions, communities, and local political subdivisions for housing development, with additional funding to support community revitalization through

slum and blight cleanup. These grant dollars will improve lots, increasing workforce and families, and ultimately sustain affordable local property taxes.

Additionally, $5 million is requested for Community Revitalization to support communities across the state in creating spaces that foster workforce housing, economic development, and vibrant areas to attract and retain citizens.

Mr. Chairman and committee members, this concludes my testimony and I ask for your support for Senate Bill 2018. I would be happy to answer any questions. I'll pass it over to Rich.

TESTIMONY OF

Rich Garman, Economic Development & Finance Director

Chairman Wanzek and members of the Senate Appropriations Committee, my name is Rich Garman, and I am honored to serve as the Director of the Economic Development & Finance (ED&F) Division. In that role I have worked with the ED&F team to promote and expand economic opportunities for North Dakota. Before joining Commerce, I spent over 30 years in the energy industry working on specific economic development projects. That experience has been valuable in addressing the complex challenges and opportunities currently before us, many of which have significant energy components.

Natural Resources and Economic Development

North Dakota's rich natural resources, world-class agriculture, and business-friendly policies have driven record oil and gas production, generating substantial tax revenue. However, increasing gas production is pushing our natural gas export pipelines toward capacity, creating

a “natural gas wall” that could constrain oil production and impact state revenue. The best solution is to attract industries that can utilize natural gas in-state, adding value and driving economic growth. Expanding gas distribution infrastructure is critical to support this.

Energy and Electrical Challenges
Beyond the “natural gas wall,” we face a regional “electrical supply cliff.” North Dakota produces approximately 3,200 MW of net electricity, much of which is exported. Modern industries, like data centers and AI facilities, require immense electrical capacity—some projects exceeding 1,000 MW. This demand presents an opportunity: converting our abundant natural gas into electricity via combined cycle combustion turbines. This addresses the gas wall and provides a reliable power source for large-scale projects.

Value-Added Agriculture Successes
North Dakota has made remarkable progress in value-added agriculture. From 2022 to 2024, soybean processing capacity increased from 0% to over 50% of annual production. Facilities in Spiritwood and Casselton process over 275,000 bushels daily, producing refined soybean oil for a renewable diesel facility near Dickinson (184 million gallons annually). The ethanol industry also processes over 210 million bushels of corn annually, producing 550 million gallons of ethanol and over a million tons of DDGs, supporting livestock and creating opportunities for ventures like sustainable aviation fuel (SAF). A Richardton facility is being converted to produce SAF.

Autonomous Agriculture
Grand Farm, a North Dakota initiative, has made significant strides in advancing agricultural technology (AgTech):

- **Phase 1 of the Innovation Campus** completion allows for collaboration, research, and demonstrations aimed at driving advancements in agriculture.
- **Federal Funding for AgTech Innovation** was secured, supporting programs that expand economic opportunities by leveraging North Dakota's existing strengths in AgTech.
- **State Support and Matching Grants** have positioned North Dakota as a leader in AgTech innovation.
- **Collaborative Research and Development** with universities and the USDA has secured funding for continued AgTech research.

To continue this vital research and progress in this field, we are requesting a $10 million appropriation for the Autonomous Agriculture grant for the 2025-2027 biennium.

Synergy Between Energy and Agriculture
North Dakota’s leadership in agriculture and energy creates unique synergies. By aligning these sectors, we can maximize the value of our resources. Examples include:

- Soybean and ethanol byproducts fueling renewable energy production.

- Feedstocks supporting the growing animal agriculture sector, including cattle and dairy operations.
- Collaboration between energy producers and agricultural processors to drive innovation and sustainability.

These synergies strengthen and diversify our economy, ensuring long-term resilience and growth.

Uncrewed Aircraft Systems

North Dakota is a leader in Uncrewed Aircraft Systems (UAS), with the Northern Plains UAS Test Site and Grand Sky attracting major companies like Northrop Grumman and General Atomics. North Dakota is continuing to develop Vantis as a state-of-the-art operations system for UAS.

Northern Plains UAS Test Site:

- Project ULTRA (collaboration with Grand Sky DoD).
- Pioneering Beyond Visual Line of Sight (BVLOS) operations.
- Administers Vantis, North Dakota's statewide UAS network for BVLOS operations.
- First participant in the FAA's Radar Data Pathfinder program, enhancing complex UAS operations. To secure this opportunity, there is a separate bill HB1038 that would appropriate $11M to the Northern Plains Test Site.
- An additional project that would also be secured by bill HB1038 provides funding for a drone buyback program for UAS platforms manufactured in adversarial countries.

Northern Plains UAS Test Site is requesting a budget appropriation of $1 million in addition to a base budget of $3M.

Enhanced Use Lease Agreement:

- Managed by "Grand Sky"
- Pioneering BVLOS operations.
- Attracting industry leaders (Northrop Grumman, General Atomics).
    - Dedicated UAS infrastructure: runways, hangars, satellite communication, FAA airspace integration.
    - Grand Sky UAS Operations Center: real-time monitoring, training, and air traffic management development.
    - Department of Defense Projects
        - Project ULTRA - Initiative focuses on enhancing the Department of Defense's capabilities through advanced UAS technology.
    - Trade and Industry Development

        - Expansion of Facilities

          Grand Sky has been expanding its infrastructure to support future growth. In the fall of 2021, the park celebrated the opening of an 18,000-square-foot Multi-Tenant Building 1, designed to accommodate multiple tenants and support the increasing demand for UAS operations and research facilities.

    - General Atomics Expansion
        - General Atomics, a key tenant at Grand Sky, announced plans to more than triple its presence at the park. The company's leased space is set to expand from 5.5 acres to 20 acres, indicating a significant commitment to advancing UAS technologies and operations within the park's ecosystem.
    - Sky Range Initiative
        - Grand Sky is also contributing to the Sky Range initiative, which aims to replace traditional testing methods for hypersonic weapons with modified Global Hawk UAS. This approach allows for quicker, more frequent, and cost-effective deployment of testing platforms, enhancing the development of advanced defense technologies.
    - These projects underscore Grand Sky's role as a leading hub for UAS innovation, supporting both commercial and defense sectors in advancing unmanned aerial technology.
    - Build out of additional infrastructure to support these initiatives with an appropriation in Governor Armstrong’s executive budget of $5 million.

LIFT Program

Legacy Investment for Technology Loan Fund (LIFT) fosters technology innovation. Since inception, LIFT has awarded over $44.77 million across 71 projects (average award: ~$630,000) in sectors like healthcare, ag tech, and advanced computing.

- 2019-21: $14.99 million to 21 projects.
- 2021-23: $18.4 million to 26 projects.
- 2023-25: $11.38 million to 24 projects (including a one-time funding round).

LIFT has significantly impacted various industries:

- Healthcare: $13.15 million (29%) for medical technology and services.
- Advanced Computing & Data Management: $9.82 million (22%) for digital transformation.
- Agriculture Technology: $8.52 million (19%) for agricultural solutions.

- Uncrewed Aircraft Systems (UAS): $5.15 million (12%) for drone technology.

LIFT emphasizes startups (58% of funds), helping them enter markets, leverage private capital, and create jobs.

Examples:

- **Paving technology business in Fargo:** Web-based asphalt paving software.
    - July 2023: $250,000 loan.
    - March 2024: $500,000 loan.
    - Grown from 2 to 8 employees, raised $1.3 million in private capital, 100+ customers in all 50 states.
- **A chemical injection automation solutions company in Williston:**
    - January 2023: $750,000 loan for R&D.
    - Developed new technology, increased employees from 9 to 15, 42% annual sales growth.
- **Fargo-based immersive media company:** Workforce development via VR.
    - March 2022: $500,000 loan.
    - Championed HB 1232, expanded to other states, increased employees from 5 to 14, 4X sales growth.
- **Medical device/ventilator manufacturer in Fargo:**
    - 2022: $1,000,000 loan for RESPOND ventilator.
    - 2022: $3,000,000 loan (NDDF).
    - $296,500 for telemedicine solution.
    - 24 FTEs, 9 interns, FDA clearance for RESPOND ventilator.

We will be requesting a budget appropriation in the amount $10 million for the 2025-2027 biennium to continue the vital work of LIFT.

Innovate ND

Innovate ND remains a cornerstone of North Dakota's commitment to fostering entrepreneurship and driving economic development. This voucher reimbursement program provides North Dakota entrepreneurs with resources and expert guidance to transform innovative ideas into scalable businesses.

During the 2021-23 biennium, Innovate ND supported 72 startups with over $860,000, leading to 23 successful graduates. Last biennium, Innovate ND processed 103 applications, demonstrating strong demand. Twelve companies were accepted, with seven successfully

graduating, two remaining active, and three exiting the program. These results underscore the program's focus on supporting later-stage, high-potential businesses.

Program spending includes:

- **Phase 1 Reimbursements:** $60,000
- **Phase 2 Reimbursements:** $104,701
- **Total Entrepreneur Support:** $164,701.
- **Administration (Entrepreneur Centers):** $350,000

This allocation ensures efficient use of resources, providing both financial support and expert coaching through the program's two phases: Phase 1 ($7,500 reimbursement) and Phase 2 ($15,000 reimbursement). Participants have three months per phase to focus on customer validation, product development, and business roadmap creation.

This biennium, the program has prioritized later-stage companies with validated ideas and scalable growth potential, maximizing ROI for state resources.

Innovate ND is administered through partnerships with four Entrepreneur Centers:

- A center dedicated to supporting women entrepreneurs in North Dakota.
- An entrepreneurial hub in the Jamestown region.
- A research and technology facility in Fargo.
- An innovation center in Grand Forks.

These centers provide guidance on the lean business model canvas, customer identification, and market validation, helping entrepreneurs build scalable businesses with potential for Primary Sector Certification.

Innovate ND received base-budget level funding this biennium and we support the additional requested funding in Gov. Armstrong's budget in the amount of $1,259,044 bringing the program total to $2 million. This will allow us to maximize impact, supporting startups with the greatest promise. Partnering with organizations focused on providing training and development programs further strengthen North Dakota's entrepreneurial ecosystem, providing cohort-based entrepreneurship education through federal funding.

As demand grows, Innovate ND remains committed to adapting to the needs of North Dakota's entrepreneurs and contributing to economic diversification.

North Dakota Development Fund, Inc.

Childcare Loan Program

The North Dakota Development Fund's Childcare Loan Program addresses a critical barrier to workforce participation: access to quality, affordable childcare. Sufficient childcare capacity is crucial for economic success. Without it, parents cannot fully participate in the

workforce, limiting individual opportunity and business growth. The NDDF administers a low-interest loan program supporting the establishment and expansion of childcare facilities statewide.

This biennium:

- **19 childcare loans** issued, totaling **$5,830,923**.
- **1,098 childcare spots created** or expanded, directly benefiting families and communities.

This program is a targeted solution to a pressing economic challenge, addressing:

1. **Workforce Development**: Increased capacity enables more parents to join/remain in the workforce, alleviating labor shortages and driving productivity.
2. **Community Growth**: Reliable childcare makes communities more attractive to young families and new residents, supporting population growth and economic stability.
   Business Benefits: Companies benefit from a more stable and available workforce.

> These 1,098 additional childcare spots represent opportunities for parents, thriving children, and stronger communities.

Specific NDDF Investments (Biennium and Previous)

A company specializing in innovative energy solutions: Provides mobile flare gas capture and CNG fueling in the Bakken. This solution converts and recycles flared natural gas into a valuable fuel source (CNG), offering a complete solution for eliminating flaring at well sites and ensuring downstream markets for the CNG and NGLs produced.

- NDDF Investment: $3,000,000 (2024)
- FTEs: 60 (drivers, logistics coordinators, facility operators, finance, administration)
- Synopsis: The NDDF investment supports the completion of four micro-units currently in production. Once completed, this company will have the capacity to capture 20 million cubic feet of gas per day, addressing more than 10% of total North Dakota flaring.

A Fargo-based ag-tech company providing digital tools for agronomists: This ag-tech company's platform gives agricultural advisors a comprehensive view of above- and below-ground conditions, enabling better crop and soil recommendations and more complete services for growers.

- NDDF Investments: $750,000 (2016); $750,000 (2021)
- Angel Match Program Investment: $250,000 (2023)
- FTEs: 12-14

- Traction: Acreage under management has grown tenfold, from 2.7 million acres in 2021 to over 27 million acres in 2024. This growth reflects increasing customer adoption and expanding annual recurring revenue.
- Private Capital: They launched a new capital raise in 2024 and is making significant progress in securing investment.
- Synopsis: Early NDDF investments played a key role in helping this company refine its business plan, build its leadership team, and develop its product. Today, with significant traction in the market, they are well-positioned to complete a private capital round, scale its operations, grow its market share, and capture new opportunities.

A long-established ethanol production facility near Richardton: The facility uses corn to produce renewable fuel and valuable co-products, including dried distiller's grains, wet cake, and corn oil.

- NDDF Investments: $750,000 (2006); $500,000 (2006) (*NDDF purchased BND's NVCP assets in 2019).
- FTEs: 47 / $4 million annual payroll
- Synopsis: In December 2024, facility members approved the sale of their assets to a renewable chemicals and biofuels company for $210 million. The biofuels company will continue and potentially expand operations in Richardton. Facility members will receive distributions from the sale proceeds starting in 2025. The initial NDDF investment has been repaid, and the NDDF will realize a return on its NVCP investment.

An organization that operates childcare facilities in several North Dakota communities: NDDF financing supported the expansion of its Jamestown facility.

- NDDF Investments: $100,000 (2023); $296,250 (2024)
- Synopsis: The NDDF provides financial assistance to new and expanding childcare providers across North Dakota. NDDF Childcare Loan Program proceeds can be used for acquiring, leasing, or remodeling facilities, purchasing equipment, or for working capital.

A Valley City metal and machining shop: with a 55,000 sq ft facility, specializing in laser cutting, bending, welding, and painting for major bus, agriculture, and construction manufacturers.

- Automate ND Grant: $500,000 (2024); total project cost exceeding $1.2 million.
- Project Description: The grant supports the purchase and installation of a robotic cell, including a fully integrated brake press.
- Anticipated Benefits: This automation will help the company offset workforce shortages, increase productivity and efficiency, improve employee safety, and provide opportunities for employee upskilling.

- Synopsis: The metal and machining shop is using a $500,000 Automate ND grant to implement a $1.2 million robotic cell. This new equipment is crucial for fulfilling existing contracts and has already helped secure new business. Through the Automate ND program, the NDDF has awarded over $4.9 million in matching grants to North Dakota primary sector businesses to automate manual processes, mitigating workforce shortages and strengthening these businesses.

We support Governor Armstrong's budget in the amount of $50M This will allow us to maximize impact, supporting investments with the greatest promise. Partnering with organizations focused on providing projects that will further strengthen North Dakota's entrepreneurial ecosystem and encouraging diverse growth in business sectors.

Conclusion
North Dakota is well-positioned to address challenges and seize opportunities in energy, and advanced industries through strategic investments and value-added development. This will create jobs, drive innovation, and secure a prosperous future.

Chairman Wanzek and committee members, this concludes my testimony, and I ask for your support for Senate Bill 2018. I would be happy to answer any questions.

Next up is Katie.

TESTIMONY OF

Katie Ralston Howe, Workforce Division Director

Chairman Wanzek and members of the committee, I'm Katie Ralston Howe, Workforce Development Director. In my role, I also have the pleasure of serving as the executive director of the industry-led Workforce Development Council, which drives the development of the state's workforce strategy. The Council's mission is to advise the Governor and the public concerning the nature and extent of the state's workforce needs and to identify ways to address these needs while maximizing available resources and avoiding unnecessary duplication of effort. Nearly all the programs for which we are requesting funding have been recommended or endorsed by the Workforce Development Council.

Over the past last five years, our division has completely transformed the way we serve the state and we've been gaining national, and even international recognition for our innovative work. New initiatives within the last three years include supporting locally-led workforce solutions, leading a statewide talent attraction initiative, and helping employers navigate the complex federal immigration system to recruit, hire, and integrate foreign-born workers.

Regional Workforce Impact Program

Launched in April 2022 with $15 million in ARPA funds and sustained with $12.5 million in the 2023-2025 biennium, the RWIP empowers locally led solutions to regional workforce challenges. Recognizing that a one-size-fits-all approach is ineffective, the RWIP ensures equitable access by reserving funding for each of the eight planning regions based on population. Applicants provide a 25% match.

This program has seen tremendous success. To date, we have awarded $26.5 million to 113 projects statewide, leveraging over $16 million in local match invested. Projects range from skilled workforce training and career exploration to expanding career and technical education, talent attraction, childcare and more. While data on full impact is still being collected, childcare projects alone are supporting 58 facilities, adding 2,479 new childcare slots and 208 new childcare workers. The number of workers grows to more than 6,000 when we look across all project categories, keeping in mind that many projects are still in development and have not yet launched.

While the RWIP model has been effective, our goal with the $10M we're requesting is to make changes in the next biennium to enhance regional planning and strengthen industry partnerships around key workforce needs.

Find the Good Life in North Dakota (FTGL)

"Find the Good Life in North Dakota" (FTGL) is a comprehensive talent attraction initiative using a software system to collect information from job seekers and connect them with suitable

communities and employers. This system tracks their progress as they explore opportunities in North Dakota, from initial inquiry to accepting a job and relocating. While many states have marketing campaigns, North Dakota is taking a hands-on approach to supporting jobseekers in and helping them make their move.

Currently, we have over 4,400 job seekers in our pipeline, with more than 2,500 actively engaged in the candidate marketplace, connecting directly with employers. These job seekers represent all 50 states and 25 countries. The confirmed movers that we're aware of haven't just moved to large communities like Fargo, Bismarck, Grand Forks and Minot, they've also moved to smaller communities, including Bottineau, Towner, Cooperstown, Killdeer, and Beulah and they've filled jobs in hospitality, healthcare, IT, education, retail, manufacturing, and skilled trades.

The pipeline we're utilizing gives us a competitive advantage in successfully recruiting people to ND as it helps learn about what's most important to them and their families. For those willing to give us a little information, we're able to learn about their educational or professional background and the quality of life that's important to them, which helps us connect them with community champions who can introduce them to local employers in their field. We learn about where they're coming from and their desired timeline for making a move. We also learn whether they've visited or previously lived in ND. More than 80% of the job seekers in our pipeline have never been to ND. Knowing this gives us the opportunity to cater our messaging in a way that helps them learn more about what we have to offer.
It's important to note that these figures represent a small fraction of the total number of job seekers impacted by this campaign as not all enter the formal pipeline, and even among those who do, not all engage enough to be tracked.

As a workforce system, we have a lot to celebrate as the state's workforce strategy is producing results. U.S. Census data shows North Dakota ranks #1 in net migration, a trend that's reflected in our growing workforce. Job Service's labor market information indicates significant growth in our average total employment each of the last three years. Total average employment in 2023 was 421,639 workers, which is up 2.5% (approximately 10,000 workers) over 2022. We also now know that the average worker generates an economic impact of approximately $25,047 per year. This figure does not account for industry-specific impacts, which increases the economic impact in many cases.

Investing in talent attraction is critical for our workforce strategy as recruiting new workers and families is just as important as retaining the ones we have. It's important to keep in mind that we need communities that are prepared to support the kind of workforce growth we need to fill our jobs and grow our economy. Some of the challenges we need to overcome are:

- Lack of awareness
- High relocation costs.

- Limited availability of affordable housing and childcare.
- Employer perceptions and willingness to consider out-of-state candidates.

We are asking for $5 million to sustain our talent attraction efforts, which are shared across both the Workforce Division and Tourism and Marketing Division. Our goals in the next biennium include expanding reach and engagement with employers to utilize the candidate marketplace to source candidates, implementing a strategy specifically for rural communities, interacting more directly with prospective residents, and working closely with the OLI to track and assist international candidates.

Office of Legal Immigration

With the passage of SB 2142 last session, the Department of Commerce was tasked with developing and implementing a statewide strategy to support businesses in recruiting and retaining foreign labor, including immigrants already in the United States and integration of immigrants into the state to promote economic opportunities, in addition to advising and making recommendations to the governor, legislative assembly, and state agencies regarding immigrant integration and foreign labor issues. Throughout the last 18 months, the Office of Legal Immigration (OLI) has fostered collaboration between agencies, global partners, and government bodies, facilitating the movement and integration of international talent and enriching our workforce and economic landscape. The OLI has quickly become a national leader, demonstrating how states can support businesses that are considering or actively pursuing foreign-born workers to meet their workforce needs. In addition to completing the report required in SB 2142, which helped us clarify the scope and goals of our office, we have been providing learning opportunities for employers and connecting them with organizations that facilitate the recruitment of foreign-born workers.

In August, we hosted our first Global Talent Summit, bringing together international non-profits, immigration attorneys, USAID, and Department of Homeland Security to share information on visa programs, hiring international students, and integrating immigrant workers. Since then, we have provided virtual and in-person learning opportunities to over 200 employers and industry associations on hiring foreign-born workers. We also launched a pilot grant program for employer and community integration activities and to build non-profit capacity.

Key achievements include establishing effective international and domestic recruitment pipelines for various occupations, from entry-level to advanced degrees. Through our work and connections with international recruitment organizations, employers in healthcare and manufacturing (in both large and small communities) have hired foreign-born workers, with more currently in the recruitment process. Currently, six organizations have successfully recruited workers to ND, with 16 more actively engaged in the process. It's worth noting that 10 of these organizations are long-term care facilities that are recruiting nurses from Australia utilizing the E3 visa.

We are requesting $2 million for the coming biennium, which will support operations of the office and a grant for employers pursuing or employing immigrants and to support communities in developing immigrant integration plans and activities. Our goals for the next biennium include expanding our reach, increasing the number of recruited workers, and hosting another Global Talent Summit to connect North Dakota businesses and communities with global talent resources.

Operation Intern

For years, our division has been known for Operation Intern, established in 2007 and continuing to grow in demand. Operation Intern provides wage matching for companies creating internships and apprenticeships. Demand is so high that the 2024 application window closed in just one day due to funding limitations. We now maintain a waitlist for unfunded applicants. Funding all businesses on the 2024 waitlist would more than double the program's reach for that year. We are requesting $2 million in addition to the existing $1 million base in the budget due to the high demand of the Operation Intern program.

- **Biennial Funding:** $3 million ($1million/base; additional $2 million)
- **Participating Businesses:** 2023: 62; 2024: 62; Biennial Total: 124
- **Interns Served:** 2023: 218; 2024: 224; Biennial Total: 442

Technical Skills Training Grant

The Technical Skills Training Grant supports new and expanding accelerated skilled workforce training programs for displaced workers. This program offsets costs for providers and employers supporting the development of skilled workers to meet labor market demands. The legislature has provided additional funding to maintain the program, including $2 million this biennium. We are requesting to restore the funding at $2 million to further the number of businesses and interns served by this program.

This program has three tracks, each focused on developing or expanding a highly skilled workforce:

- **Track A:** Designed for new and expanding accelerated, non-degree training programs that prepare trainees for new jobs. Applicants are eligible for up to $200,000.

- **Track B:** Designed for companies providing internal upskilling opportunities for existing staff to promote advancement, create comprehensive onboarding and new worker training, or provide safety training. Applicants are eligible for up to $100,000.

- **Track C:** Supports workforce automation enhancements, including training and upskilling related to automated equipment and technology, or developing new or enhanced automation strategies (excluding the purchase of equipment). Applicants are eligible for up to $200,000 for training and upskilling or up to $100,000 for an automation feasibility study.

All tracks require a 1:1 match.

Since its inception, the grant has supported programs in healthcare, energy, transportation and logistics, AI, welding, UAS, automation, and more. This biennium, we've obligated $1,402,200 for 31 training programs, upskilling and reskilling workers statewide. Overall, the grant has supported 70 training programs with a total capacity of over 1,650 trainees. Most of these sustainable programs will continue to prepare workers for years to come.

AmeriCorps

Finally, our AmeriCorps program awards grants to non-profits, faith-based and community organizations, public agencies, tribes, and institutions of higher education for service-based programs throughout the state. As a federal program, AmeriCorps requires a state match.

- **Grant Year 2022-2023:**
  - 6 Projects
  - 171 AmeriCorps members
  - Over 90,000 service hours
  - $554,707 in education assistance awarded (Segal Education Award)
- **Grant Year 2023-2024:**
  - 6 Projects
  - 157 AmeriCorps members
  - Over 90,000 service hours
  - $483,670 in education assistance awarded (Segal Education Award)
  - The following AmeriCorps projects impact 68 service locations statewide:
- **Southeast Education Cooperative:**
  - Reading and Math Corps: 65 members serving communities statewide (focused on literacy and math).
  - Early Education: 20 members serving statewide (focused on early education).
- **Souris Basin Planning Council:** 24 members serving statewide (focused on capacity building).
- **Cooperstown Community Activities:** 10 members serving in Cooperstown (focused on afterschool programs and healthy futures).
- **Jamestown Parks and Recreation:** 8 members serving in Jamestown (focused on education and healthy futures).
- **Strengthen ND:** 110 members serving rural North Dakota (focused on capacity building).
- **Sanford Foundation:** 8 members serving the Fargo area (focused on youth mentorship).

We are asking for $552,312 to meet the required state match for this program. (Note: $444K is literacy grant; total is in our base budget).

In closing, here is a list of our requests:

- RWIP: $10M
- FTGL: $5M
- Global Talent: $2M
- Operation Intern: $2M
- TSTG: $2M
- AmeriCorps: $552,312 (in base budget)

Thank you for your investment in workforce development this biennium. It takes time to see results in workforce and we're proud of the progress we're seeing across all our programs. We need to continue investing in the strategies that are working while also helping our communities prepare for the necessary growth that's needed to support an increase in our workforce.

Mr. Chairman and members of the committee, I would like to now turn the podium over to Commissioner Schilken.

Thank you, Katie.

Chairman Wanzek and members of the committee, I would like to share some new items introduced in Gov. Armstrong's budget.

Housing Opportunities Promoting Employees fund (HOPE Fund)

The single biggest challenge to workforce recruitment and retention in North Dakota is the availability of market rate housing that is affordable for employees. As part of a comprehensive public-private partnership the HOPE fund is intended to provide a solution, not a program to address community housing needs. Governor Armstrong requested $50 million in his budget for this program. The philosophy of the program is centered on the following concepts:

1. A one-size fits all program does not work. Each community is unique in the housing required to address their economic need.
2. Communities should not build houses but instead provide infrastructure to facilitate the appropriate housing needed in their community.
3. The Hope fund key embraces a key concept in North Dakota which is the strength of public- private partnerships. The fund requires equal buy in from the local community and developers which then provides access to grant funds from the state.
4. The Hope fund provides flexibility to local communities in meeting their matching fund requirements.
5. Most of all, the program is simple to implement and use and should provide speed to market for market rate housing that is affordable.

The Rural Workforce Housing Grant Program

The Rural Workforce Housing program supports local governments and/or non-profit organizations in addressing dilapidated and blighted properties and/or facilities in rural areas. This fund was first established in the 2023 Legislative Session and received overwhelming response. We are requesting $5 million to continue this work, in conjunction with the HOPE fund with a goal of increasing the availability of development ready properties in rural North Dakota.

MINOT AREA CHAMBER EDC

Support for SB 2018
Senate Appropriations
Government Operations Division
Chairman Wanzek
January 15, 2025

Chairman Wanzek and Members of the Senate Appropriations Government Operations Division,

I am Brekka Kramer, President | CEO of the Minot Area Chamber EDC (MACEDC) and Executive Committee Member of the North Dakota Military Commission. On behalf of the MACEDC, Task Force 21, and our member investors, I offer testimony in favor of Senate Bill 2018 and urge the committee to continue the funding for the Base Retention Grant Program.

Minot truly isn't Minot without Minot Air Force Base. Minot Air Force Base is the only dual-wing nuclear capable base in the nation hosting two legs of the nuclear triad. The three legs of the U.S. nuclear triad serve as the backbone of America's national security. The triad, along with assigned forces provide 24/7 deterrence to prevent catastrophic actions from our adversaries. The triad stands ready, if necessary, to deliver a decisive response, anywhere, anytime. The triad includes land, sea and air. Minot Air Force Base has both the land and air deterrence. The 5th Bomb Wing operates 26 B-52 aircraft, and the 91st Missile Wing operates 150 Minuteman III intercontinental ballistic missile (ICBM) sites. Major modernization projects are underway for the bombers, missiles and the weapons system.

The mega Department of Defense project Minot is working to prepare North Dakota for is the U.S. Air Force's Sentinel ICBM weapon system, a critical modernization of the ground-based leg of the U.S. nuclear triad, the bedrock of national security. The Sentinel system replaces the aging ICBM system, which has been in service for over 50 years.

While military has an economic impact of around $1.2 billion on North Dakota, Minot Air Force Base contributed $621 million in 2023. Minot Air Force Base plays a vital role in our national defense and our state economy, and it is our responsibility to ensure that our community has the resources it needs to continue to support advancement of the modernization projects that are underway.

I am joined by leadership from Grand Forks and Fargo, united together to support military throughout North Dakota, working to make North Dakota our most military-friendly state in our nation.

Thank you,

Brekka Kramer
Minot Area Chamber EDC President | CEO
North Dakota Military Commission Executive Committee Member

THE CHAMBER
FARGO MOORHEAD WEST FARGO

Letter of Support – Base Retention Grant Amendment

Wednesday, January 15, 2025

Chairman Wanzek and Members of the Senate Appropriations Committee – Government Operations Division,

For the record, my name is Cale Dunwoody, and I have the distinct pleasure of serving as the Vice President of Public Policy for the Fargo Moorhead West Fargo Chamber of Commerce (FMWF Chamber). On behalf of our over 1,700 members, I respectfully offer testimony in support of Senate Bill 2018 and urge the committee to include funding for the Base Retention Grant Program.

The North Dakota National Guard is a tremendous asset for our region, state, and nation. Our local units are nationally renowned for their excellence and the North Dakota National Guard is always ready to respond to the call of duty, no matter the challenge. Their steadfast commitment and leadership are represented by their current global missions, along with their ability to respond to local and national needs, such as fighting floods in the Red River Valley, flying F-16s over our nation's capital, supporting the fight against COVID-19, and providing support at our southern border.

The mission of the Fargo-based North Dakota Air National Guard's 119th Wing is to provide trained and ready Airmen executing world-class MQ-9 precision attack and reconnaissance, kinetic, and non-kinetic target intelligence production, and expeditionary support capabilities for the nation and state. The 119th Operation Group is a leader in training and combat hours flown in the MQ-9 platform, which is a remotely piloted aircraft used for combat and intelligence collection missions. The 119th Intelligence, Surveillance, and Reconnaissance Group (ISRG), conducts kinetic and non-kinetic targeting support for Air Operation Centers located in Combatant Commands. Additionally, the 119th Wing is one of four regional training sites in the entire Air National Guard – these sites provide training on civil engineering, heavy equipment operation, and Rapid Airfield Damage Recovery (RADR).

These regional military unites continue to effectively execute missions, that are critical to national security, and provide tremendous impact to our communities, and North Dakota must continue to work collectively across our communities to ensure the vitality of these military bases. Funding for the Base Retention Grant Program, along with significant private investments, further support our local Guard units by providing assistance with advocacy and awareness, advancement of personnel recruitment, and community-based programming and support. For example, one use of these funds is to enhance recruitment of military personnel. Currently, the end-strengthen of the 119th Wings is 94% with a goal to achieve 105% end-strength. Achieving this goal of 105% end-strength is crucial to the 119th Wing's ability to effectively perform their mission. This recruitment assistance, along with other strategic initiatives, further insulates our military units from potential Base Realignment and Closures, ensures adequate and modernized equipment, augments personnel recruitment, and provides community support opportunities.

In 2023, the economic impact on the North Dakota National Guard was over $342 million across the state, with over $123 million coming from the Fargo and West Fargo region. While these regional military units provide tremendous economic impact throughout the state, their total impact is far greater than economics. These men and women are critical to the vibrancy of our communities. They are first responders, educators, doctors, tradesman,

businessowners and these individuals and their families are interwoven into the fabric of our community and are fundamental to the growth and prosperity of our region.

Collectively the communities of Minot, Grand Forks, and Fargo respectfully request funds for the Base Retention Grant Program to augment the critical military activities that take place throughout our state and demonstrates the community's commitment to supporting and strengthening our local military units. As the committee considers Senate Bill 2018, we encourage the inclusion of this critical funding for these three communities so that we may continue enhancing North Dakota's military excellence and increasing the competitive advantage of our military units throughout the next biennium.

Sincerely,

Cale Dunwoody
Vice President of Public Policy
Fargo Moorhead West Fargo Chamber of Commerce

AgCountry Farm Credit Services

1900 44th St. S. • P.O. Box 6020 • Fargo, ND 58108-6020
(855) 402-7849 • www.agcountry.com

Testimony of Marc Knisley
Executive Vice President, AgCountry Business Development
Senate Appropriations Committee - Government Operations Division
SB-2018
January 15, 2025

Chairman Wanzek and members of Senate Appropriations, Government Operations Division. My name is Marc Knisley and on behalf of AgCountry Farm Credit Services, I'd like to express our support for bill number SB-2018, as it relates to funding the expansion of Grand Farm's innovation campus.

AgCountry Farm Credit Services [AgCountry], a farmer-owned cooperative, is a leading provider of financial services to agriculture and rural communities. We are deeply committed to supporting initiatives that foster agricultural progress and innovation. Our partnership with Grand Farm exemplifies this commitment and highlights our shared vision for the future of agriculture.

Grand Farm is at the forefront of advancing innovation in agriculture. They have built a vast ecosystem of partners focused on enabling and advancing AgTech innovation. Their efforts in research and technology are crucial for the future of agriculture, addressing some of the industry's most significant challenges. By fostering collaboration among producers, industry leaders, higher education institutions, and government agencies, Grand Farm creates a dynamic environment for innovation.

The expansion of Grand Farm's Innovation Campus will drive significant economic activity and job creation in North Dakota. It will attract global AgTech leaders, foster workforce development, and position North Dakota as a global hub for agricultural innovation. This investment will also provide economic development opportunities for underserved communities and rural areas.

Our partnership with Grand Farm included a significant financial commitment to their initial capital campaign, which has been crucial in developing their new site and facility near Castleton, ND. We have utilized the Grand Farm facility to host innovation events for AgCountry customers and employees, creating a collaborative environment that benefits all stakeholders. Furthermore, we have actively collaborated with other members of the Grand Farm ecosystem, enhancing our collective efforts to drive agricultural innovation.

Based on our customer research, 55% of farmers within the AgCountry footprint consider themselves early innovators. Currently, 9% of these farmers use AI technologies or AI-enabled software, and 7% use robots for field or livestock work to reduce labor. However, there is significant interest in adopting these technologies, with 46% of farmers planning to adopt AI technologies and 49% interested in using robots for field and livestock work. These statistics highlight the growing interest and potential for AI and robotic technologies in agriculture, underscoring the importance of Grand Farm's role in facilitating this technological adoption.

Farmers look to AgCountry as a trusted source of innovation information, relying on us to provide best practices that enhance productivity and profitability in their businesses. Our collaboration with Grand Farm enables us to support our farmers more effectively by providing access to cutting-edge research and technological advancements.

The missions of AgCountry and Grand Farm are closely aligned, with both organizations dedicated to advancing agriculture and supporting rural communities. Our broader role involves advocating for advancements that

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benefit agriculture and rural America, ensuring that our farmers and ranchers have access to the latest technologies and best practices.

In conclusion, AgCountry strongly supports Grand Farm's request for funding to expand their Innovation Campus. This investment will have a profound impact on the agricultural industry, the farmers we serve, and the broader North Dakota community. We urge the legislature's approval of this funding request and help drive the future of agricultural innovation.

Thank you for your time and consideration.

Sincerely,

Marc Knisley
Executive Vice President
AgCountry Business Development
President and CEO

Testimony on My Experience with the North Dakota Development Grant

I would like to share my experience with the North Dakota development grant in the hopes of improving communication and transparency for future applicants. When the grant was initially announced, its focus was clearly stated: to bring in tourism from outside the state of North Dakota and encourage overnight stays within the state. With this understanding, I dedicated significant time and resources to developing my application to align with those stated goals.

However, when the grant was ultimately awarded, I was informed that the committee had shifted its focus to prioritizing winter experiences that attract out-of-state visitors and promote overnight stays. This change in focus, which was not effectively communicated during the application process, was both unexpected and discouraging.

The lack of clarity in the committee's priorities and the misalignment between the initial grant objectives and the final selection criteria left me feeling frustrated and disheartened. As an applicant, I relied on the original guidelines to guide my proposal, and the sudden shift undermined the effort and resources I had invested.

I believe this experience highlights the need for improved communication and consistency in grant processes. Clear and timely updates about shifts in focus or criteria are essential to ensuring applicants can confidently prepare proposals that align with the committee's expectations. Doing so will not only support a fairer process but also encourage broader participation from businesses and individuals who are eager to contribute to North Dakota's tourism development.

How would ND Country Fest use the funds? They would be used for a year round multi use destination.

ND Country Fest aims to use the development grant funds to create a state-of-the-art, multi-use destination that serves as a hub for year-round tourism, community engagement, and economic growth. The project would focus on building permanent infrastructure designed to attract visitors from both within and outside of North Dakota. The centerpiece of this development would include:

1. Permanent Outdoor Amphitheater and Stage

- A world-class amphitheater with a capacity of 20,000 people. (Placed in the Great Lawn on the map rendering attached)
- Ten permanent luxury suites for premium event experiences.
- A facility designed to host large-scale events, concerts, and festivals.

2. Multi-Use Facility

- A versatile building with a full commercial kitchen and a seating capacity for 500 people.
- A year-round venue for conventions, weddings, reunions, sporting events, and community gatherings.

3. Expanded Camping and Lodging Options

- 200 full-service campsites to accommodate RVs and campers.

• 300 primitive campsites for more rustic experiences.

• 20 all-season cabins with an outdoor communal center, ideal for snowmobilers, hunters, and families in the winter months.

4. Equine Accommodations

• Ten overnight campsites for equine visitors, complete with equine stalls for horse owners.

5. Outdoor Recreation Amenities

• An urban fishery to support local fishing and outdoor activities.

• A dog park for year-round use by families and their pets.

• Multiple picnic shelters for day-use visitors.

This comprehensive infrastructure would transform the ND Country Fest Venue into a year-round destination, providing a venue for diverse activities such as music festivals, sporting events, conventions, weddings, and outdoor recreation. The project not only addresses the need for tourism growth but also serves the local community by creating a multifunctional space that enhances North Dakota's appeal as a travel destination.

With this grant, we would create a long-lasting impact, driving economic development, fostering community engagement, and showcasing the best of what North Dakota has to offer.

Please see the attachments for an early visual of the layout and a sample of the permanent outdoor stage structure.

Sincerely,

Luke Shafer

Founder / Owner

ND Country Fest

C: 602-309-4956

NDCountryFest.com

GREAT LAWN
BOAT / RV STORAGE
PAVILION
EV CHARGING
PARK OFFICE
GUARD HOUSE
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CABINS
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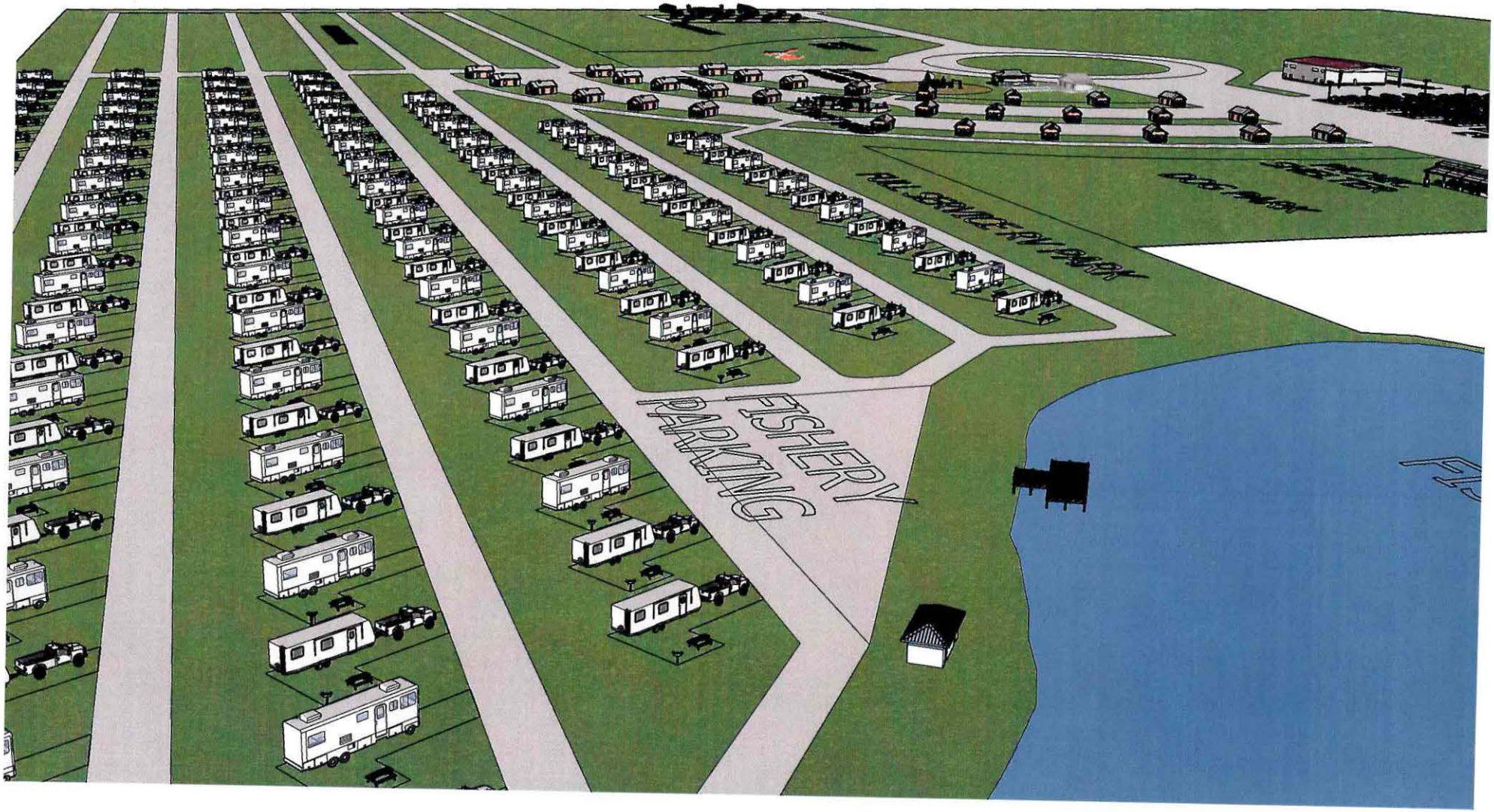
PRIMITIVE CAMPING
FISHERY PARKING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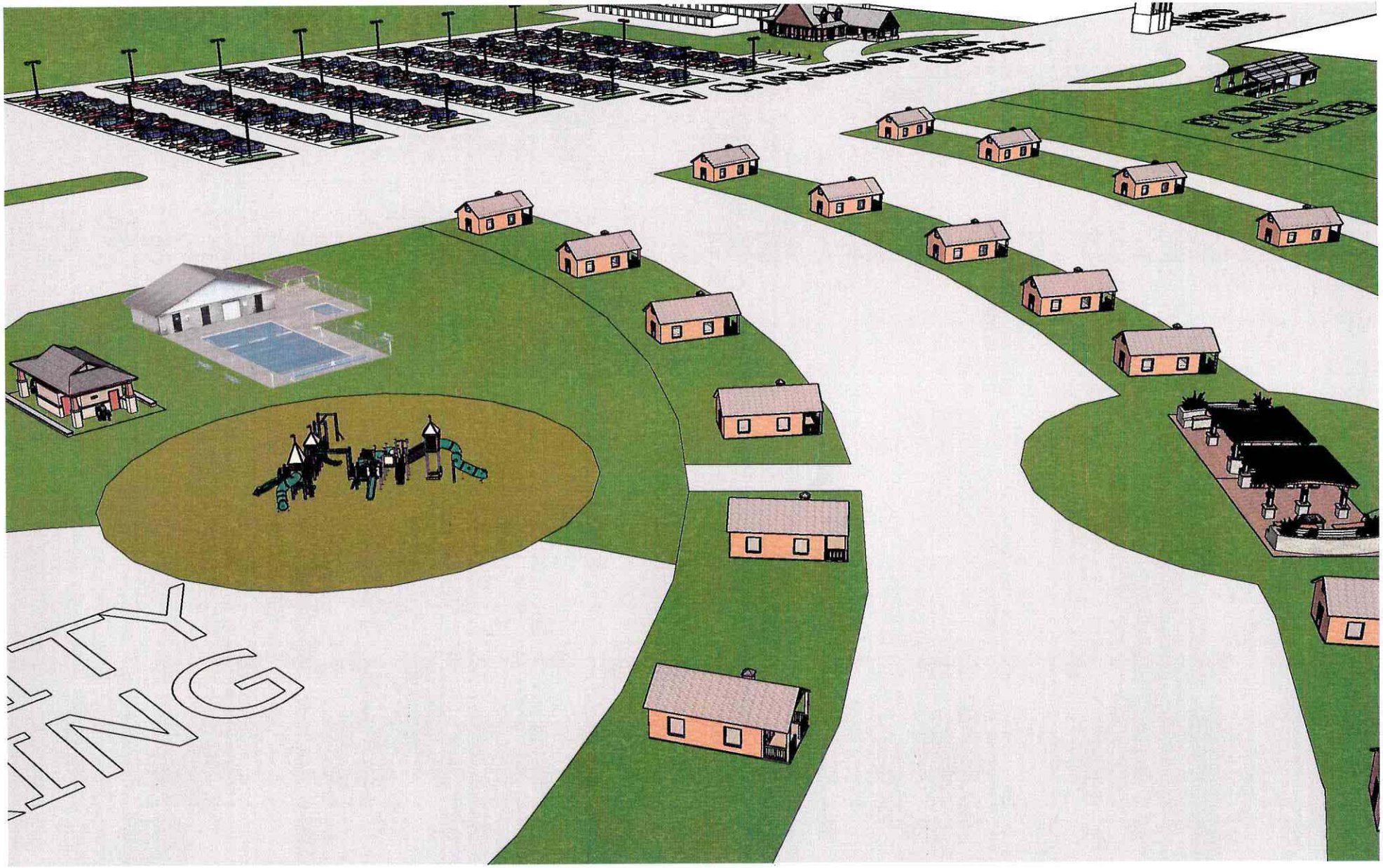

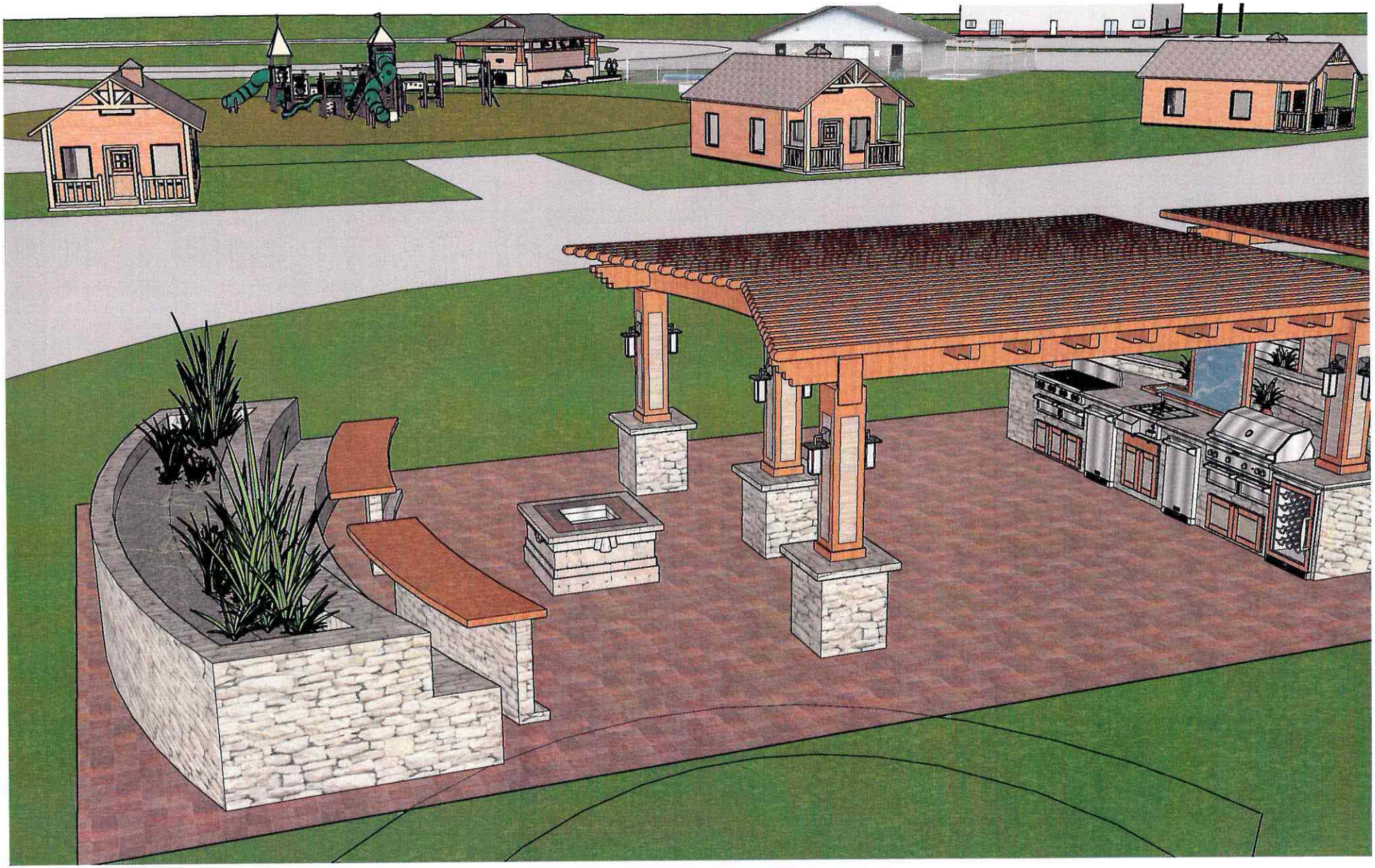

RAM STAGE

Zachary Broadwell

Rugby Job Development Authority Executive Director

SB 2018/ HOPE Fund- Commerce

The Need for Housing in Rugby:

Rugby, like many rural communities across North Dakota, is facing a significant housing crisis. I want to share three examples that illustrate the real impacts of this crisis on our community.

The first example is a personal one of my own. My wife and I graduated from Trinity Bible College and have two young children, Jeremiah and Zane. In March of 2024, I was offered a job in Rugby which I gladly accepted. At the time, we were renting a house in Ellendale and wanted to rent one in Rugby as well. Since we had two young kids, we did not want to rent an apartment. Unfortunately, there were no homes available to rent in Rugby, and I was forced to commute 3.5 hours each way to work. Thankfully, my employer was flexible and allowed me to work two days a week in Rugby and three days remotely. I would drive 3.5 hours to Rugby, stay in a friend's spare bedroom for the night, and then drive 3.5 hours back home. This continued for three months until a rental home finally became available. In this situation, Rugby almost missed out on a young, college-educated family moving to town, simply because of the lack of available housing.

The second example involves our local hospital. In 2024, we were fortunate enough to open a brand-new hospital, which has a thriving reputation, exceptional administration, fantastic HR, and state of the art facilities. The single biggest issue the hospital faces is being fully staffed. Despite the great work environment and brand-new facilities, the hospital struggles to recruit enough employees due to the question, "Where will I live?" There is some success in recruiting, but there are still employees that decide to not work here for the soul reason of not having a place to live. Due to the struggles of filling its workforce, the hospital has turned towards bringing in foreign nurses to help fill positions. Yet again, the question remains, "where will these nurses stay when they get here?" Sadly, that question is still being asked. Having adequate housing would significantly help alleviate the staffing challenges at the hospital.

Finally, I want to highlight our manufacturing plant, which produces a high-quality product in high demand. The plant's biggest challenge is its inability to fulfill all the orders it receives due to a lack of workforce. In fact, the company loses millions of dollars in potential sales because it cannot keep up with demand. This lost revenue would make monumental impacts in a town the size of Rugby, North Dakota. When asked why they're unable to meet demand, the answer is simple: the company cannot find enough workers because there is nowhere for them to live.

The housing crisis in Rugby is hindering the town's population growth, economic strength, and the success of local businesses.

The Issues Behind Housing Developments in Rugby:

After I was able to move to Rugby and begin working full-time in person, my number one priority became clear: I needed to help solve our housing issue. The first project I attempted was to build and sell twin homes. It didn't take long to realize that, with a budget of half a million dollars, the JDA could not fund the project on its own. We quickly understood that we would need to involve a non-profit organization to help fund and manage the project.

We then explored the possibility of utilizing state programs to subsidize the project. However, it didn't take long to realize that even with subsidies, the cost to build—minus the available subsidy—plus developer fees, still didn't result in a market-rate sale price. Simply put, the cost to build was significantly higher than what the market could support, even after applying subsidies.

So, we learned two key lessons: we must rely on outside funds, and building homes to sell won't work in Rugby due to the low market rate of housing prices.

My next attempt was to take the information we had—what it cost to develop row homes and what type of subsidy was available—and calculate both the potential market rents and how housing prices could appreciate over time. I created a spreadsheet to organize this information and, from there, found a potential solution.

If we built new housing to rent and applied subsidies, the market rent could cover 60% of the remaining construction cost at a low interest rate. In simple terms, if someone applied subsidy to a new build and contributed 40% in cash to the project, financing the other 60%, renters would essentially pay off the loan. Based on these calculations, the projected return on investment was approximately 9% annually, factoring in both the repayment of the development loan and the expected appreciation over the next 20 years after the property was sold.

I presented this solution to private investors, but the response was consistent: the return wasn't sufficient to justify the sweat equity of managing tenants without generating monthly cash flow before the property was sold.

From this, we learned a third key lesson: we need investors who don't require monthly cash flow to make the project viable.

With this information in hand, we decided to contact every non-profit developer we could find and ask if they would be interested in developing rental housing units in Rugby. After a lot of hard work, we successfully connected with a non-profit developer who has committed to helping us build in Rugby! We are now moving forward with the development of 8 row home units that will be rented to workforce-level employees who can support businesses such as our hospital and manufacturing plant.

Through significant discussions with our developer, it has become very clear that when the cost to build—minus available subsidies—is divided into a 30-year loan, the mortgage payments will be extremely close to the market rental rate. The only way this project will not proceed is if the cost to build cannot be sufficiently subsidized to meet the market rental rate. Although the non-profit does not need to make a profit from the cash flow of rents, there is still a very real risk that this project may be too expensive to build.

What Can Help:

It is abundantly clear that, to make a housing development work in a rural town like Rugby, subsidy is absolutely essential. More importantly, the subsidy must be large enough and flexible enough to make the project viable. The best way to apply sufficient and flexible subsidy would be through infrastructure. This approach ensures that the funding goes directly to the project, rather than being absorbed by developer fees.

However, the challenge with traditional infrastructure funding is that it is often too narrowly defined. Traditional infrastructure funding goes towards roads, curbs, gutters, and main water lines. In Rugby, and many other rural towns, this type of funding would not help. We have developed ready to build land readily available. Traditional infrastructure funding would not benefit a project like I have described.

If we can more flexibly define infrastructure to include dirt work, concrete work, and water and electrical hookups from the main lines to the individual units, it would have a dramatic impact. Every new development requires these infrastructure elements, and this type of funding is flexible enough to support all necessary projects.

Moreover, by funding infrastructure, the impact extends beyond the project itself. Infrastructure work is typically contracted to local businesses, which means the funding stays within the community, directly supporting our local economy. This approach will ultimately help achieve the goal of lowering construction costs, making projects viable.

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January 28, 2025

ND Commerce Chairman and Committee Members,

RE: SB 2018 Testimony by James Pladson, CEO and Founder of Reach Right, LLC

Dear ND Commerce Chairman and Committee Members,,

My name is James Pladson, I am the CEO, founder, and inventor of the Reach Right handle, an ergonomic attachment designed to easily fit any long-handled tool. Reach Right's innovative design extends the user's reach and allows them to maintain an upright, natural posture while performing tasks that would otherwise require repetitive bending over to maneuver long handled tools. This award-winning ergonomic solution reduces back strain and increases productivity when using tools such as shovels, rakes, or weed trimmers. Thank you for the opportunity to submit my testimony regarding SB 2018—a program that supports entrepreneurship in North Dakota through funding and mentorship.

As a North Dakota entrepreneur, I had the privilege of being accepted into Phase 1 of the Innovate ND program in October 2024. The mentorship provided through my bi-monthly meetings has been invaluable to the growth and scaling of my business. These sessions connected me to local programs and successful business leaders, allowing me to learn from their experiences.

The Phase 1 funding allowed me to invest in marketing efforts, which has significantly contributed to the growth of my business. With these funds, I was able to generate approximately $60,000 in revenue in December 2024 and nearly $85,000 so far in January 2025. These results highlight how critical this program has been in enabling my business to succeed and grow.

I am now preparing to apply for Phase 2 of the Innovate ND program. If accepted, I am eager to continue learning from my mentors and utilize the additional funding to rebuild my website. A more professional and functional website will allow me to better convert visitors into customers, further strengthening my business's success.

I strongly encourage this committee to support SB 2018 and continue funding Innovate ND. This program provides North Dakota entrepreneurs with a robust support system to help grow and develop their businesses. As I've learned firsthand, entrepreneurship often brings unexpected challenges and expenses. The guidance, resources, and funding offered through Innovate ND have been invaluable, and I would not want to start a business in any other state.

Thank you for your time and consideration of my testimony.

Warm regards,

James Pladson

CEO/FOUNDER, REACH RIGHT USA

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division
Red River Room, State Capitol

SB 2018
1/23/2025 AM

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; and to provide a transfer.

8:31 a.m. Chairman Wanzek opened the meeting.

Members Present: Chairman Wanzek, Vice-Chair Dwyer, Senator Burckhard, Senator Erbele, and Senator Sickler.

Discussion Topics:

- Governor Burgum / Governor Armstrong budget comparison
- One-time funds
- Intern Program
- Legal immigration
- Tourism marketing
- Tourism destination development grants
- Marketing synergies of tourism and workforce development
- Development (revolving loan) Fund
- Legacy Investment For Technology (LIFT) Fund
- Child Care loans
- Autonomous Agriculture / Grand Farm
- Uncrewed Aircraft Systems (UAS) grants
- FAA Radar System
- Beyond Visual Line of Sight (BVLOS)) test site
- Return on Investment (ROI)
- Entrepreneurship and innovation grants
- Weatherization funds
- Planned maintenance and upgrades for nuclear weapons systems

8:32 a.m. Levi Kinnischtzke, Senior Fiscal Analyst, LC, supplied budget information and submitted testimony #31768.

8:41 a.m.Renae Bloms, Analyst, OMB supplied budget information and referenced testimony #31768.

8:55 a.m. Chris Schilken, Director of ND Department of Commerce, testified in favor.

8:57 a.m. Alison Widmer, Director of Administrative Services for Commerce, testified in favor.

9:04 a.m. Katie Ralston Howe, Workforce Director for ND Department of Commerce, testified in favor.

9:15 Alison Widmer answered questions and referenced purple sheet.

9:16 a.m. Katie Ralston Howe, Workforce Director for ND Department of Commerce, testified in favor.

9:22 a.m. Sara Otte Coleman, Director of Tourism and Marketing for ND Department of Commerce, testified in favor.

9:40 a.m. Recessed

10:06 a.m. Reconvened

10:08 a.m. Rich Garman, Director of Economic Development and Finance for ND Department of Commerce, testified in favor.

11:10 a.m. Maria Effertz, Director of Community Services for ND Department of Commerce, testified in favor.

11:19 a.m. Senator Burckhard testified in favor.

11:27 a.m. Chairman Wanzek closed the hearing.

Carol Thompson, Committee Clerk

January 22, 2025

Legislative Council

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

	Burgum Budget				Armstrong Budget				Armstrong Budget Compared to Burgum Budget Increase (Decrease)			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	62.80	$33,546,083	$53,344,371	$86,890,454	62.80	$33,546,083	$53,344,371	$86,890,454	0.00	$0	$0	$0
2025-27 Ongoing Funding Changes												
Base payroll changes		$67,653	$82,578	$150,231		$67,653	$82,578	$150,231				$0
Adds funding for the cost to continue salary increases		238,480	45,544	284,024		238,480	45,544	284,024				0
Salary increase		659,161	168,637	827,798		538,835	137,845	676,680		($120,326)	($30,792)	(151,118)
Health insurance increase		300,624	83,714	384,338		300,624	83,714	384,338				0
Adds funding to replace the 2023-25 new FTE pool		405,880		405,880		405,880		405,880				0
Adds funding to replace the 2023-25 vacant FTE pool		560,856	102,571	663,427		560,856	102,571	663,427				0
Adds funding for a FTE North Dakota Development Fund position	1.00		257,408	257,408	1.00		257,408	257,408				0
Adds funding for a FTE procurement officer position	1.00	216,954		216,954	1.00	216,954		216,954				0
Adds funding for temporary salaries for temporary staff and an office intern		100,000	3,590	103,590		100,000	3,590	103,590				0
Adds funding for North Dakota Development Fund temporary salaries		100,000	200,000	300,000			200,000	200,000		(100,000)		(100,000)
Adds federal funding for temporary salaries and operating expenses to maintain building codes			98,583	98,583			98,583	98,583				0
Adds funding for the cost to continue IT increases		14,036	54,666	68,702		14,036	54,666	68,702				0
Adjusts base level funding for operating expenses		(21,481)	10,654	(10,827)		(21,481)	10,654	(10,827)				0
Adds funding for operating expenses of the Office of Legal Immigration		450,000		450,000		250,000		250,000		(200,000)		(200,000)
Adds federal funding for AmeriCorps program operating expenses			290,000	290,000			290,000	290,000				0
Removes funding for the continuum of care program and state apprenticeship program		(81,713)	(1,097,157)	(1,178,870)		(81,713)	(1,097,157)	(1,178,870)				0
Adds federal funding for AmeriCorps and weatherization grant programs			3,132,157	3,132,157			3,132,157	3,132,157				0
Reduces federal funding for community development and community services block grants			(2,086,940)	(2,086,940)			(2,086,940)	(2,086,940)				0
Removes funding from the uncrewed aircraft systems (UAS) fund for UAS program grants			(1,020,150)	(1,020,150)			(1,020,150)	(1,020,150)				0
Total ongoing funding changes	**2.00**	**$3,010,450**	**$325,855**	**$3,336,305**	**2.00**	**$2,590,124**	**$295,063**	**$2,885,187**	**0.00**	**($420,326)**	**($30,792)**	**($451,118)**
One-Time Funding Items												
Adds funding for tourism marketing awareness		$5,000,000		$5,000,000			$5,000,000	$5,000,000		($5,000,000)	$5,000,000	$0
Adds funding for tourism operating expenses for the 250th Great American State Fair event			$5,000,000	5,000,000				0			(5,000,000)	(5,000,000)
Adds funding for operating expenses of the operation intern program		2,000,000		2,000,000		$2,000,000		2,000,000				0
Adds funding for a state radar data pathfinder			11,000,000	11,000,000			11,000,000	11,000,000				0
Adds funding for an uncrewed aerial vehicle replacement grant program			15,000,000	15,000,000			15,000,000	15,000,000				0

Adds one-time funding for the Office of Legal Immigration		3,000,000		3,000,000		1,750,000		1,750,000		(1,250,000)		(1,250,000)
Adds funding for housing programs - building, plumbing, and energy code task force			150,000	150,000				0			(150,000)	(150,000)
Adds funding for housing grants - Innovative construction method grants			1,000,000	1,000,000				0			(1,000,000)	(1,000,000)
Adds funding for housing grants - Augmenting construction workforce grants			5,000,000	5,000,000				0			(5,000,000)	(5,000,000)
Adds funding for housing grants - Missing middle projects community grants			7,000,000	7,000,000				0			(7,000,000)	(7,000,000)
Adds funding for housing grants - Missing middle projects developer grants			7,000,000	7,000,000				0			(7,000,000)	(7,000,000)
Adds funding for housing grants - Flexible grants to local governments			2,500,000	2,500,000				0			(2,500,000)	(2,500,000)
Adds funding for housing grants - Community builder grants			4,500,000	4,500,000				0			(4,500,000)	(4,500,000)
Adds funding for housing grants - Construction management assistance grants			1,000,000	1,000,000				0			(1,000,000)	(1,000,000)
Adds funding for housing grants - Deal packaging assistance grants			1,000,000	1,000,000				0			(1,000,000)	(1,000,000)
Adds funding for housing grants - Drafting and design assistance grants			1,000,000	1,000,000				0			(1,000,000)	(1,000,000)
Adds funding for a housing for opportunity, mobility, and empowerment program							50,000,000	50,000,000			50,000,000	50,000,000
Adds funding for the community property improvements grant program		2,600,000		2,600,000			5,000,000	5,000,000		(2,600,000)	5,000,000	2,400,000
Adds funding for tourism destination development grants			30,000,000	30,000,000			15,000,000	15,000,000			(15,000,000)	(15,000,000)
Adds funding for UAS program grants		1,000,000		1,000,000		1,000,000		1,000,000				0
Adds funding for the beyond visual line of sight UAS program grants			20,000,000	20,000,000			20,000,000	20,000,000				0
Adds funding for the enhanced use lease grant program			5,000,000	5,000,000			5,000,000	5,000,000				0
Adds funding for autonomous agriculture grants			10,000,000	10,000,000			10,000,000	10,000,000				0
Adds funding for the entrepreneurship grants and vouchers program		1,259,044		1,259,044		1,259,044		1,259,044				0
Adds funding for regional workforce impact program grants		12,500,000		12,500,000			10,000,000	10,000,000		(12,500,000)	10,000,000	(2,500,000)
Adds funding for operating expenses of the find the good life initiative		10,000,000		10,000,000			5,000,000	5,000,000		(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				0
Total one-time funding changes	**0.00**	**$39,359,044**	**$126,150,000**	**$165,509,044**	**0.00**	**$8,009,044**	**$151,000,000**	**$159,009,044**	**0.00**	**($31,350,000)**	**$24,850,000**	**($6,500,000)**
Total Changes to Base Level Funding	**2.00**	**$42,369,494**	**$126,475,855**	**$168,845,349**	**2.00**	**$10,599,168**	**$151,295,063**	**$161,894,231**	**0.00**	**($31,770,326)**	**$24,819,208**	**($6,951,118)**
2025-27 Total Funding	**64.80**	**$75,915,577**	**$179,820,226**	**$255,735,803**	**64.80**	**$44,145,251**	**$204,639,434**	**$248,784,685**	**0.00**	**($31,770,326)**	**$24,819,208**	**($6,951,118)**
Federal funds included in other funds			*$44,470,498*				*$44,452,491*				*($18,007)*	
Total ongoing changes - Percentage of base level	*3.2%*	*9.0%*	*0.6%*	*3.8%*	*3.2%*	*7.7%*	*0.6%*	*3.3%*	*N/A*	*N/A*	*N/A*	*N/A*
Total changes - Percentage of base level	*3.2%*	*126.3%*	*237.1%*	*194.3%*	*3.2%*	*31.6%*	*283.6%*	*186.3%*	*N/A*	*N/A*	*N/A*	*N/A*

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division
Red River Room, State Capitol

SB 2018
1/23/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; and to provide a transfer.

2:34 p.m. Chairman Wanzek opened the hearing.

Members present: Chairman Wanzek, Vice-Chair Dwyer, Senator Burckhard, Senator Erbele, and Senator Sickler.

Discussion Topics:

- Automate ND impacts
- Full-time employee requests
- One-Time and ongoing funding changes
- Find the Good Life marketing brand
- Program to connect employers with job seekers
- Rank in population migration
- Governor Burgum's budget recommendations
- Navigation of nd.gov website financial detail

2:34 p.m. Rich Garman, Director of Economic Development and Finance for ND Department of Commerce testified and submitted testimony #31096, # 31091, 31092, and #31095.

2:36 p.m. Senior Fiscal Analyst Levi Kinnischtzke supplied budget information and referenced testimony #31768.

2:42 p.m. Rich Garman, Director of Economic Development and Finance for ND Department of Commerce answered questions.

3:07 p.m. Alison Widmer, Director of Administrative Services for ND Department of Commerce, testified in favor.

3:09 p.m. Sara Otte Coleman, Director of Tourism and Marketing for ND Department of Commerce, testified in favor.

3:11 p.m. Katie Ralston Howe, Workforce Division Director for ND Department of Commerce, testified in favor.

3:31 p.m. Renae Bloms, Analyst, OMB, supplied budget information and referenced testimony #31768.

4:05 p.m. Chairman Wanzek adjourned the meeting.

Carol Thompson, Committee Clerk

Automate ND

The North Dakota Development Fund received $5,000,000 during the 67th Legislative Assembly Special Session in American Rescue Plan Act (ARPA) funding for a grant program. Automate ND was developed in response to the workforce shortage in North Dakota which was exacerbated by the COVID-19 pandemic. At that time, North Dakota had over 30,000 open jobs and the lowest unemployment rate in the country. Companies in ND are facing growing customer demand but lack the workforce to enable expansion and increased productivity. Automation can help increase the productivity per employee and allow companies to expand without hiring additional talent. Impacts of automation include increased company profit, higher wages for employees, improved employee satisfaction, and an increase in state GDP.

The Automate ND Grant Program was a pilot program that awarded grants of up to $500,000 (1:1 match) to North Dakota Primary Sector Certified businesses (I.e., manufacturing, ag processing, etc.) for machinery, equipment, or software being purchased.

Initial data from the program's first round of funding reveals substantial cost savings, productivity gains, and workforce development benefits for participating manufacturers, positioning Automate ND as a vital component of the state's economic development strategy.

Applicants

- **Applicants:** 42
- **Applicant Cities:** 21
- **Applicant Total Project Cost:** 25M +
- **Total Request Amount:** $11.9M

Awardees

- **Awardees:** 18
- **Awardee Cities:** 13
- **Awardee Total Project Cost:** 12.1M
- **Total Award Amount:** $4.9M

Impacts

- **Projected Economic Impact:** $31.5M
- **Hours Saved:** 109,000/yr
- **FTEs Reallocated:** 52
- **Projected Wage Increase:** $2-3/hr
- **Productivity:** 151% avg. increase

Key ROI Findings from Initial Funding Round

- **Significant State Investment Leverage:** The state's investment of $4.9M in Automate ND grants was met with $7.2M in private sector matching funds, covering $12.1M in total automation project costs. According to the National Association of Manufacturers (NAM), every dollar invested in manufacturing generates a $2.60 return in direct and indirect economic impacts. This results in an overall impact of $31.5M dollars to North Dakota.
- **Substantial Labor Savings:** The 18 funded projects are projected to save 109,000 labor hours annually, translating to an estimated 52 full-time equivalent (FTE) positions. This efficiency gain allows manufacturers to reallocate resources to higher-value tasks, driving innovation and growth. Companies reported upskilling would result in a $2-3/hr. increase.
- **Rapid Return on Investment:** Awardees report an average projected break-even time of just 24 months.
- **Productivity and Capacity Increases:** Companies projected an average productivity increase of 151% (Median 61%) with revenue increases ranging from $360,000 to $14.9M annually.
- **Positive Workforce Impacts:** Companies report that automation is facilitating upskilling and internal mobility, addressing labor shortages, improving recruitment and retention, reducing the need for demanding, repetitive labor, and supporting sustained business growth. Increased employee safety was a recurring theme, as well.

The $5M ARPA funds awarded covered $12.1M in automation projects. Total demand from all 42 applicants included over $25M of equipment and would have required $11.9M in state match. This was over a three-month application window. Due to this demand, we are proposing a $25M line item in the Commerce budget to fund an automation program for the 24-month 2025-2026 biennium.

Selected Testimonials:

- “In 2023, we had 6 accidents, 5 incidents, and 14 near-misses—8 involved material handling or forklift use. These incidents could have been avoided had an automated process been in place.” – Integrity Steel Supply, LLC

- “We’ve already started winning jobs because of this equipment.” –Malach Metal and Machining

- “Healthy companies create jobs,” and “Programs like Automate ND enable companies to upskill their existing employees, not replace them.” - Keith Lund, GFREDC

- During the PS Industries site visit, we learned that integrating the automation equipment “literally took 1.6 million pounds of steel out of our employees’ hands.” – PS Industries

- If not for the opportunity through Automate ND, “Five years from now, I’d probably still be talking about automating,” and “I lose sales every day because of lead time. It’s going to be a game-changer. We will be able to introduce new products and grow market share.” – Marv Haugen Enterprises, Inc.

- “Upgrading to automated tool loading in the Brake Press cell will significantly enhance the precision, repeatability, measurement, conformity validation speed, and overall quality of parts produced…This upgrade would remove manual measurement and conformity checks from the operator's responsibilities, ensuring standardized accuracy of quality checks across all shifts. Additionally, the Brake Press features numerous visual tools…which assists operators in ensuring that parts are bent correctly.” – Champ Metal Fabrication

The North Dakota Development Fund (NDDF) received $5 million in American Rescue Plan Act (ARPA) funding during the 67th Legislative Assembly Special Session to create Automate ND, a grant program addressing workforce shortages by enabling companies to invest in automation equipment. This initiative helps companies increase productivity, improve working conditions, and drive revenue growth, all while contributing to North Dakota's economic expansion.

The Automate ND program received overwhelming interest, with 42 projects across 21 communities requesting over $11.8 million. We were able to fund 17 projects. To keep up with growing demand, it's vital that we recruit and retain a qualified workforce while also supporting automation investments. North Dakota has a history of innovation, and this program is another step in helping businesses stay at the forefront of innovation.

The awarded projects span various industries, including manufacturing, agriculture, and advanced technology, focusing on automating essential processes. Recipients include:

- **Precision Equipment Manufacturing, LLC** (Fargo) – $97,386.79 for robotic welding and tooling equipment. This trailer manufacturer has been fabricating components in North Dakota for 20 years (total project cost: $207,616.87).
- **Agri-Cover, Inc.** (Jamestown) – $282,924.00 for robot arms and autonomous carts. Agri-Cover manufactures roll-up/hard covers for pickups, truck toppers, and pickup racks (total project cost: $709,783.00).
- **Amber Waves, Inc.** (Richardton) – $142,382.16 to automate a wash bay. Amber Waves specializes in hopper bottom grain bins (total project cost: $348,814.32).
- **Marv Haugen Enterprises, Inc.** (Casselton) – $267,862.50 for a robotic welding cell. This company manufactures over 100 types of telehandler, Skid-Steer, and wheel loader attachments (total project cost: $553,095.00).
- **Northland Truss Systems, Inc.** (Abercrombie) – $483,431.73 for an autonomous linear saw, jigging, and laser system. Northland Truss manufactures wood truss systems (total project cost: $1,016,606.46).
- **ComDel Innovation, LLC** (Wahpeton) – $500,000.00 for an autonomous mobile robot, automated cleaning equipment, and vision-guided robotics. ComDel is a contract manufacturer specializing in injection molding, metal stamping, and production machining (total project cost: $1,064,894.95).
- **The Dairy Dozen** (Milner) – $500,000.00 for a milking robot, automated manure collector, and automated feed pusher. This dairy operation is

undergoing facility and process improvements (total project cost: $1,119,166.24).

- **YMI Industries, Inc.** (Grand Forks) – $71,519.00 for an automatic bender and bar feeder. YMI provides precision machining services to OEM manufacturers and innovators (total project cost: $155,538.00).
- **DR Millwork Company** (dakBUILT) (Kindred) – $130,655.00 for a high-speed edge bander. This company provides custom woodwork and cabinetry (total project cost: $272,510.00).
- **FlexTM, Inc.** (Wahpeton) – $129,665.24 for a robotic welder. FlexTM supplies OEMs with complex weld assemblies and CNC machining (total project cost: $314,393.12).
- **Integrity Steel Supply, LLC** (Mapleton) – $500,000.00 for a robotic welder. Integrity Steel produces structural steel, joist, and deck systems (total project cost: $1,622,450.00).
- **Malach USA, LLP** (Valley City) – $500,000.00 for a robotic brake press. Malach is a metal and machining shop (total project cost: $1,205,500.00).
- **Mid-Mac Marketing, Inc.** (MidMach) (Jamestown) – $500,000.00 for three robotic welding cells. MidMach focuses on metal fabrication for the energy and agriculture sectors (total project cost: $1,227,600.00).
- **Champ Industries USA, Inc.** (Fargo) – $240,514.00 for an automated tool-loading brake press. Champ partners with OEMs and Tier One Suppliers in metal fabrication and assembly (total project cost: $489,288.00).
- **Blue Flint Ethanol LLC** (Underwood) – $28,500.00 to automate milling, liquefaction, and fermentation stages of ethanol production (total project cost: $175,609.00).
- **PS Industries Incorporated (PSI)** (Grand Forks) – $325,604.42 for an automated robotic press and CNC tube bender. PSI manufactures safety and fall-protection products for multiple industries, including the military and energy sectors (total project cost: $757,381.00).
- **Wood Products, Inc. (dba American Woods)** (Grand Forks) – $299,609.58 for automated material handling carts. American Woods manufactures residential furniture (total project cost: $601,136.00).

North Dakota Development Fund Projects July 1, 2021 to Current

Company	City	Biennium	Date Invested	NDDF Investment	Program	Funding Type	Sector	Description
Lucit, LLC	Bismarck	21-23	8/1/2021	$600,000	NDDF	Convertible Note	Technology	Software development
701x, Inc	Fargo	21-23	9/15/2021	$500,000	NDDF	Convertible Note	Ag/Technology	Product development and launch
Wee Folk Childcare	Bismarck	21-23	11/15/2021	$100,000	Childcare	Loan	Childcare	Building purchase and improvements
SafetySpect, Inc	Grand Forks	21-23	11/19/2021	$480,000	NDDF	Convertible Note	Medical Device	Working capital to scale operations in North Dakota
Cerilon GLT ND Inc	Trenton	21-23	11/29/2021	$3,000,000	Rural Fund	Convertible Note	Energy	Working capital for FEL2 phase
Academy of Kids	Grand Forks	21-23	1/26/2022	89,000.00	Childcare	Term	Childcare	Building improvements
Hoefer Group	Dunseith	21-23	2/24/2022	2,250,000.00	Rural Fund	LOC	Manufacturing	Inventory, working capital, letter of credit
Airtonomy, Inc	Grand Forks	21-23	3/17/2022	1,000,000.00	NDDF	SAFE	UAS	Working capital to sustain growth in advance of Series A funding
Project Phoenix	Fargo	21-23	4/1/2022	150,000.00	NDDF	Convertible Note	Technology	Commercialization of cloud-based software hosting platform
Checkable Medical, Inc	West Fargo	21-23	4/29/2022	1,000,000.00	NDDF	SAFE	Medical Device	Working capital for product refinement and clinical trials
Crew Properties LLC	Williston	21-23	5/27/2022	100,000.00	Childcare	Term	Childcare	Building purchase
Christ United Child Care, LLC	West Fargo	21-23	6/29/2022	95,000.00	Childcare	Term	Childcare	Working capital
Legacy Childcare, LLC	West Fargo	21-23	7/13/2022	100,000.00	Childcare	Term	Childcare	Building improvements and purchase equipment
Corvent Medical, Inc	Fargo	21-23	8/1/2022	3,000,000.00	NDDF	Revenue Based	Medical Device	Working capital, product certification and commercialization
Chess 7205 2nd, LLC	Williston	21-23	8/5/2022	100,000.00	Childcare	Term	Childcare	Building purchase and improvements
Legacy Childcare, LLC DBA Legacy Childcare 2.0	West Fargo	21-23	8/12/2022	100,000.00	Childcare	Term	Childcare	Building, equipment purchase and working capital
Be More Colorful, LLC	Fargo	21-23	10/31/2022	725,000.00	NDDF	Term	Technology	Working capital for product expansion and commercialization
KMC Enterprises, LLC	Fargo	21-23	1/5/2023	145,000.00	NDDF	Term	Manufacturing	Purchase equipment and inventory, and working capital
Aaron McwWilliams dba McStash Mills, LLC	Hillsboro	21-23	2/13/2023	60,000.00	Rural Fund	Term	Manufacturing	Refinance existing NDDF note and equipment purchase
Landtrust, Inc	Fargo	21-23	2/21/2023	600,000.00	NDDF	Term	Technology	Working capital to scale operations in North Dakota
Sheyenne Learning Academy, Inc.	West Fargo	21-23	5/16/2023	50,000.00	Childcare	Term	Childcare	Purchase equipment and working capital
Chapul Farms ND One LLC	Jamestown	21-23	5/22/2023	592,500.00	NDDF	Convertible Note	Agriculture	Working capital for FEL3 phase
Explorer's Academy Horace, LLC	Horace	21-23	6/5/2023	100,000.00	Childcare	Term	Childcare	Working capital
The Gingerbread House Learning Center LLC	West Fargo	21-23	6/30/2023	61,500.00	Childcare	Term	Childcare	Purchase existing daycare business and building
The Gingerbread House Learning Center LLC	West Fargo	21-23	6/30/2023	61,500.00	Childcare	Term	Childcare	Purchase existing daycare business and building
Kids Connection L.L.C.	Fargo	23-25	7/6/2023	100,000.00	Childcare	Term	Childcare	Purchase equipment and working capital
River of Life Church	Fargo	23-25	7/20/2023	10,000.00	Childcare	Term	Childcare	Working capital
CAFF Property	Grand Forks	23-25	8/2/2023	100,000.00	Childcare	Term	Childcare	Building improvements
Colossal Bioscience	Fargo	23-25	9/13/2023	$2,999,999.76	NDDF	Equity	Technology	Working capital
Kleven Properties LLC	Bottineau	23-25	9/11/2023	$300,000	Childcare	Term	Childcare	Building purchase and improvements
Vineyard 2nd Generation, Inc.	Fargo	23-25	9/6/2023	$100,000	Childcare	Term	Childcare	Working capital and purchase equipment
Explorer's Academy Jamestown	Jamestown	23-25	10/17/2023	$100,000	Childcare	Term	Childcare	Building expansion
Explorer's Academy Hillsboro	Hillsboro	23-25	10/17/2023	$100,000	Childcare	Term	Childcare	Building improvements and working capital
Airtonomy, Inc., DBA Thread.One	Grand Forks	23-25	12/11/2023	$500,000	NDDF	LOC	UAS	Working capital to stand up Fargo office and fund accounts receivable
Heilman Properties LLC	Minot	23-25	1/30/2024	$450,000	Childcare	Term	Childcare	Building construction
Sweetlife Land Company	Fargo	23-25	3/20/2024	$655,700	Childcare	Term	Childcare	Building expansion
YMCA of Cass and Clay Counties	Fargo	23-25	3/28/2024	$1,000,000	Childcare	Term	Childcare	Building construction
Landtrust, Inc.	Fargo	23-25	4/26/2024	$1,250,000	NDDF	Equity	Technology	Buyout WonderFund ND investment
Cerilon GLT ND	Trenton	23-25	5/1/2024	$32,000,000	NDDF	Equity	Energy	Working capital for FEL3 phase
Valence Natural Gas Solutions	Williston	23-25	5/10/2024	$3,000,000	NDDF	Term	Energy	Working capital for product commercialization
Blue Bowtie Properties	Bismarck	23-25	5/15/2024	$472,500	Childcare	Term	Childcare	Purchase existing daycare business and building
Early Foundation	Horace	23-25	5/21/2024	$100,000	Childcare	Term	Childcare	Working capital
Vorbeck Materials Corp	Grand Forks	23-25	6/1/2024	$2,000,000	NDDF	Revenue Based	Manufacturing	Working capital to scale operations in North Dakota
Rise Above Childcare Center	Fargo	23-25	6/26/2024	$260,000	Childcare	Term	Childcare	Purchase existing daycare business
St. Monica's Montessori	Fargo	23-25	6/27/2024	$750,000	Childcare	Term	Childcare	Building purchase and expand existing operations
701x Inc.	Fargo	23-25	9/16/2024	$1,062,500	NDDF	Term	Ag/Technology	Working capital to acquire and integrate a complimenting business
Theratec, Inc.	Horace	23-25	9/17/2024	$150,000	NDDF	Term	Technology	Working capital for operations and due diligence fees related to Series A funding
Explorers Academy Jamestown, LLC	Jamestown	23-25	10/2/2024	$296,250	Childcare	Term	Childcare	Building improvements and working capital
Small World Daycare LLC	Dickinson	23-25	10/29/2024	$307,500	Childcare	Term	Childcare	Building construction
Kids 1st Daycare LLC	Surrey	23-25	10/31/2024	$229,250	Childcare	Term	Childcare	Purchase building
Airtonomy, Inc., DBA Thread.One	Grand Forks	23-25	11/5/2024	$1,999,993	NDDF	Equity	UAS	Working capital to sustain growth in advance of Series B funding
Little Miracles Learning Center LLC	Walcott	23-25	11/6/2024	$339,723	Childcare	Term	Childcare	Building expansion
Checkable Medical, Inc	West Fargo	23-25	12/18/2024	$1,000,000	NDDF	SAFE	Medical Device	Working capital for product certification
Shining Lights Children's Program, LLC	Hillsboro	23-25	12/30/2024	$160,000	Childcare	Term	Childcare	Building purchase and expand existing operations
Total				**$66,852,916**				

LIFT Applicants and Dollars Awarded Since Program Inception

	Total	2023-25*	2021-23	2019-21
No. Applicants	168	50	67	51
Total Amt. Requested	$156,313,728	$33,063,330	$63,480,938	$59,769,460
No. Awards	71	24	26	21
Total Amt. Awarded	$44,770,390	$11,376,600	$18,398,790	$14,995,000
% Dollars Awarded/Requested	29%	34%	29%	25%
% Applicants Awarded/Requested	42%	48%	39%	41%

*One-Time Funding Round on December 9, 2024: Received 19 applications. Four applicants presented. The table includes the four applicants that presented and were awarded. Excludes the 15 applicants that didn't move forward to present.

Startup/Existing Company	Number	Award	% Dollars Awarded
Startup	46	$25,834,100	58%
Existing	25	$18,936,290	42%
Total	71	$44,770,390	100%

Industry	Number	Award	% Dollars Awarded
Advanced computing & Data Mgmt	22	$9,821,000	22%
Ag Technology	10	$8,525,000	19%
UAS	9	$5,150,000	12%
Energy	5	$3,250,000	7%
Healthcare	16	$13,146,500	29%
Value-added Ag	2	$1,000,000	2%
Value-added Energy	1	$748,790	2%
Other	6	$3,129,100	7%
Total	71	$44,770,390	100%

Biennium	Number	Award	% Dollars Awarded
2019-21 Biennium	21	$14,995,000	33%
2021-23 Biennium	26	$18,398,790	41%
2023-25 Biennium	24	$11,376,600	25%
Total	71	$44,770,390	100%

The average award amount per applicant is $630,000.

Legacy Investment for Technology (LIFT) Loan Fund

Companies Awarded Since Inception

Biennium	Company	Industry	Location	Awarded*	g	Comments	Project
2019-21	Access Point Technologies EP, Inc.	Healthcare	Fargo	$1,000,000	Existing		Medical devices such as catheters and systems for treating cardiac arrhythmias.
2019-21	Airtonomy, Inc.	UAS	Grand Forks	$1,000,000	Startup		A SaaS company that provides push-button-easy drone inspections and autonomous, AI-powered data analysis.
2019-21	Appareo Systems LLC	Ag Technology	Fargo	$2,500,000	Existing	Company Exit	Funding of Precision Chemical Application Project for precision agriculture.
2019-21	Bushel, Inc.	Ag Technology	Fargo	$1,000,000	Existing		Connect the grain industry through digital infrastructure (Bushel Connect).
2019-21	Checkable Medical	Healthcare	Fargo	$600,000	Startup		End-to-end platform that allows consumers to test their symptoms at home and get a treatment plan without having to go to the doctor.
2019-21	FarmQA	Ag Technology	Fargo	$1,000,000	Existing		Real-time monitoring of acreage
2019-21	First-I (KSI Video)	UAS	Grand Forks	$850,000	Startup		A drone in a box system.
2019-21	Genesis Feed Technologies LLC	Ag Technology	Fargo	$300,000	Startup	Funds Returned	Platform for soybean industry to assist ingredient buyers with real-time ingredient value and quality.
2019-21	Golden Path Solutions	Advanced Computing & Data Mgr	Fargo	$180,000	Startup		Technology platform that connects employers and students using school partnerships and tuition reimbursement to get the right student with the right education for future employers.
2019-21	Harvest Profit	Ag Technology	West Fargo	$425,000	Startup	Funds Returned Company Exit	Farm management software focused on cost and profit tracking.
2019-21	HubEdge	Advanced Computing & Data Mgr	Grand Forks	$500,000	Startup		Software to help airlines and airports optimize and efficiently manage ground operations including gate assignments and aircraft parking.
2019-21	Infinite Leap	Healthcare	Fargo	$1,000,000	Existing	Company Exit	Internet of Things (IoT) technology for healthcare providers.
2019-21	Krampade	Healthcare	Grand Forks	$500,000	Startup		Manufacture high potassium performance drink mixes to prevent cramping and aid in enhancing performance during and recovery after exercise.
2019-21	Leveridge	Ag Technology	Fargo	$800,000	Startup		Commercialization of the agronomy, grain, patronage and scale software for ag industry.
2019-21	Mobile Recon Systems	UAS	Grand Forks	$500,000	Startup		UAS focusing on functional flexibility with higher payloads than most small UAS devices can handle.
2019-21	Omnibyte Technologies	Advanced Computing & Data Mgr	Fargo	$340,000	Existing		Provide technology mobile applications for technical services for field service orgianizations.
2019-21	Prototype Garage LLC	Ag Technology	Fargo	$500,000	Existing		Harvester and waste processing equipment for ag industry.
2019-21	Signum LLC	Advanced Computing & Data Mgr	Richardton	$250,000	Startup		Internet of Things (IoT) solution for remote monitoring of assets and processes with custom devices, connectivity, and analysis tools.

Legacy Investment for Technology (LIFT) Loan Fund

Companies Awarded Since Inception

Biennium	Company	Industry	Location	Awarded*	g	Comments	Project
2019-21	Tailorie, Inc.	Advanced Computing & Data Mgr	Grand Forks	$750,000	Startup		with brands relevent to what's important to the consumer.
2019-21	Three Farm Daughters	Value Added Ag	Grand Forks	$500,000	Startup		Food company making high fiber pasta
2019-21	TracFrac	Advanced Computing & Data Mgr	Bismarck	$500,000	Startup		A monitoring platform for oil and natural gas well activity.
2021-23	701x	Ag Technology	Fargo	$750,000	Startup		GPS enabled eartag for herds
2021-23	Access Point Technologies EP, Inc.	Healthcare	Fargo	$750,000	Existing		Medical devices such as catheters and systems for treating cardiac arrhythmias.
2021-23	Advest Marketing	Advanced Computing & Data Mgr	Fargo	$500,000	Startup		A tool that creates and grades video ads based on conversion rates using AI
2021-23	Airial Robotics	UAS	Grand Forks	$500,000	Startup		UAS platform developed to fly longer, further, faster and carry more payload.
2021-23	Airtonomy	UAS	Grand Forks	$1,000,000	Existing		A SaaS company that provides push-button-easy drone inspections and autonomous, AI-powered data analysis.
2021-23	Be More Colorful	Advanced Computing & Data Mgr	Fargo	$500,000	Existing		Virtual reality workforce development solution - a pilot program with Career and Tech Education engaging k12 districts.
2021-23	Checkable Medical	Healthcare	Fargo	$500,000	Startup		End-to-end platform that allows consumers to test their symptoms at home and get a treatment plan without having to go to the doctor.
2021-23	Corvent Medical	Healthcare	Fargo	$1,000,000	Startup		A mechanical ventilator capable of being used in a various environments from hospital or transport.
2021-23	Dakota Energy Systems	Energy	Grand Forks	$500,000	Startup		Hydro electric power system using pressurized flow in pipes
2021-23	Elinor Coatings	Other	Fargo	$750,000	Existing		Solutions for corrosion and surface protection - chromate free primers for aluminum, steel, and multi-metal applications
2021-23	Fenworks	Advanced Computing & Data Mgr	Grand Forks	$500,000	Startup		A software platform to host esports for k-12 schools
2021-23	First-I LLC	UAS	Grand Forks	$150,000	Startup		A drone in a box system.
2021-23	FlowCore Systems	Energy	Williston	$750,000	Existing		Chemical injection automation company with precise fluid measurement technology in the oil and gas industry
2021-23	Imricor Medical Systems	Healthcare	Fargo	$1,500,000	Existing		MRI compatible cardiac ablation catheter manufacturing facility in ND
2021-23	Lincoln Therapeutics	Healthcare	Grand Forks	$2,000,000	Startup		Developing intranasal spray pharmaceutical products to be used for emergency and military
2021-23	Maison Safiyaa	Advanced Computing & Data Mgr	Fargo	$1,000,000	Startup		Vertically integrated, made to order, global luxury womens wear brand
2021-23	Mobile Recon Systems	UAS	Grand Forks	$400,000	Startup		UAS focusing on functional flexibility with higher payloads than most small UAS devices can handle.

Legacy Investment for Technology (LIFT) Loan Fund

Companies Awarded Since Inception

Biennium	Company	Industry	Location	Awarded*	g	Comments	Project
2021-23	Prototype Garage LLC	Other	Fargo	$600,000	Existing		expansion of cutting-edge processing and recycling waste process equipment
2021-23	SafetySpect	Healthcare	Grand Forks	$1,250,000	Startup		Technology decontaminates invisible organic residues and biological or viral threats to safeguard soldiers in foreign contamination threats.
2021-23	Tailorie, Inc.	Advanced Computing & Data Mgn	Grand Forks	$250,000	Startup		Social discovery platform connecting consumers with brands relevent to what's important to the
2021-23	TERRACOH Development	Value Added Energy	Bismarck	$748,790	Existing		CO2 sequestration below ground
2021-23	Thaea	Advanced Computing & Data Mgn	Fargo	$250,000	Startup		Specializes in network management software that allows users to grow and manage their networks.
2021-23	TheraTec	Healthcare	Fargo	$1,000,000	Startup		Medical SaaS for musculoskeletal rehabilitation.
2021-23	TruWeather Solutions	UAS	Grand Forks	$250,000	Existing		Develop and commercialize UAS weather products.
2021-23	Vigilant Aerospace	UAS	Grand Forks	$500,000	Existing	Funds Returned	UAS focused on detect and avoid software
2021-23	WeClean Local	Advanced Computing & Data Mgn	Bismarck	$500,000	Startup		A tech-based cleaning service
2023-25	Protosthetics	Healthcare	Fargo	$250,000	Startup		The Galileo program is a suite of hardware (3D printing devices), software and services for the orthotic and protosthetic clinics to make medical devices on-site
2023-25	Bushel, Inc.	Ag Technology	Fargo	$1,000,000	Existing		AgTech Company developing software (Bushel Passport) to integrate the Bushel mobile app data with the Bushel Farm Account
2023-25	Three Farm Daughters	Value Added AG	Grand Forks	$500,000	Existing		Food company making high fiber pasta
2023-25	PaveWise	Advanced Computing & Data Mgn	Bismarck	$250,000	Startup		Asphalt paving app to help contractors proactively improve quality control
2023-25	MAC Company	Other	West Fargo	$1,000,000	Startup		SwingSteer loader with better visibility and low ground disturbance.
2023-25	Vetnexus	Advanced Computing & Data Mgn	Fargo	$200,000	Startup		Software SaaS company for veterinary care clinics
2023-25	Trimyxs	Other	Fargo	$282,600	Startup		Attachment to a push lawnmower to trim while
2023-25	ThermaSolutions	Healthcare	Fargo	$250,000	Startup		Technology to create an environmentally friendly green Ethylene Oxide sterilizaiton plant in ND
2023-25	Fenworks	Advanced Computing & Data Mgn	Grand Forks	$750,000	Startup		Fenworks furnishes k-12 schools with access to STEM activities such as Drone Racing and Esports in ND, SD, MN, and soon to be WY
2023-25	Uncle Charlie's Gourmet Snacks	Other	Fargo	$200,000	Startup		Uncle Charlie's Gourmet Snacks created uniquely flavored, high-quality snack foods
2023-25	Aigen	Ag Technology	Fargo	$250,000	Startup		Aigen Inc is a agtech startup tackling solve herbicide-resistance weed problem using solar-powered autonomous ground robots that mechanically weed and collect data for growers.
2023-25	RxE2	Healthcare	Fargo	$500,000	Startup		Transform clinical trials industry through IP

Legacy Investment for Technology (LIFT) Loan Fund

Companies Awarded Since Inception

Biennium	Company	Industry	Location	Awarded*	g	Comments	Project
2023-25	ChippAI	Advanced Computing & Data Mgr	Fargo	$400,000	Startup		Building a payment solution for generative AI developers. Allows developers to charge users based on how much they use rather than a monthly subscription.
2023-25	FamGenix	Advanced Computing & Data Mgr	Fargo	$500,000	Existing		A software company that captures family health history information and allows clinicians to access their history for hereditary diseases.
2023-25	BrAIn, Inc	Healthcare	Fargo	$750,000	Startup		Developing a diagnostic platform which combines a high content neuronal imaging platform with an AI algorithm to diagnose neurological diseases.
2023-25	PaveWise	Advanced Computing & Data Mgr	Bismarck	$500,000	Existing		Asphalt paving app to help contractors proactively improve quality control
2023-25	Valence NGS	Energy	Williston	$1,000,000	Existing		Micro flare gas capture facilities for the oil and gas industry.
2023-25	Blue Comply	Energy	Fargo	$250,000	Startup		Wireless IoT Methane Sensing Apparatus used to monitor methane emissions for oil and gas storage tank hatches.
2023-25	Verdethos	Advanced Computing & Data Mgr	Fargo	$750,000	Startup		Ag tech company with a supply chain management platform for sustainability, automation, and traceability of raw materials.
2023-25	BWR Innovations	Energy	Fargo	$750,000	Startup		Fuel cell technology for a renewable energy grid.
2023-25	Corvent Medical	Healthcare	Fargo	$296,500	Startup	One-Time Funding Round	Medical ventilator and digital gateway for real time transfer of data
2023-25	Dynon Avionics	Other	Fargo	$296,500	Existing	One-Time Funding Round	Avionic systems for light aircraft
2023-25	Project Phoenix	Advanced Computing & Data Mgr	Fargo	$100,000	Existing	One-Time Funding Round	Automates the creation of secure and efficient APIs
2023-25	Valor Victoria	Advanced Computing & Data Mgr	West Fargo	$351,000	Existing	One-Time Funding Round	Rail logistics sftware boosting customer efficiency and transparancy

Financial Statements
June 30, 2024 and 2023

North Dakota Development Fund, Inc., A Component Unit of the State of North Dakota

North Dakota Development Fund, Inc.

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June 30, 2024 and 2023

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CPAs & BUSINESS ADVISORS

Independent Auditor's Report

Governor of North Dakota
The Legislative Assembly

Board of Directors
North Dakota Development Fund, Inc.
Bismarck, North Dakota

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the aggregate remaining fund information of North Dakota Development Fund, Inc., a component unit of the State of North Dakota, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the North Dakota Development Fund, Inc.'s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the North Dakota Development Fund, Inc., as of June 30, 2024 and 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the North Dakota Development Fund, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Correction of Error

As discussed in Note 10 to the financial statements, the financial statements of the business-type activities have been restated to correct an error in the reporting of charge-offs in the statement of cash flows for the year ended June 30, 2023. Our opinions are not modified with respect to this matter.

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Emphasis of Matter

As discussed in Note 1, the financial statements of the North Dakota Development Fund, Inc. are intended to present the financial position, changes in financial position, and cash flows of only that portion of the business-type activities and the aggregate remaining fund information of the State of North Dakota that is attributable to the transactions of the North Dakota Development Fund, Inc.. They do not purport to, and do not, present fairly the financial position of the State of North Dakota as of June 30, 2024 and 2023, the changes in its financial position, or its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about North Dakota Development Fund, Inc.'s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of North Dakota Development Fund, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about North Dakota Development Fund, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the North Dakota Development Fund, Inc.'s basic financial statements. The combining financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combined financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2024 on our consideration of the North Dakota Development Fund, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of North Dakota Development Fund, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering North Dakota Development Fund, Inc.'s internal control over financial reporting and compliance.

Eide Bailly LLP

Bismarck, North Dakota
November 5, 2024

The discussion and analysis of the financial performance of the North Dakota Development Fund, Inc. that follows is meant to provide additional insight into the Development Fund's activities for the years ended June 30, 2024 and 2023. Please read it in conjunction with the Development Fund's financial statements and footnotes, which are presented within this report.

Financial Highlights

Total revenue increased by $87,403,045 (900%) to $97,110,938. Operating revenues decreased by $45,481 (3.43%) to $1,281,038. Cash flow increased by $11,428,463 (62.2%) to $29,803,262. The Fund collected $2,123,811 in principal payments in 2024, which was a decrease of $4,302,497 (66.95%) from 2023. The increase in total revenue is primarily attributed to $95,000,000 in state appropriations into the Fund and increased interest income on deposits. These appropriations comprised $65,000,000 for fertilizer facility loan funding and $30,000,000 from the legacy earnings fund. The decrease in operating revenues is due to decreased interest income on loans. The decrease in the total principal funds collected was, in part, attributable to the Fund receiving a lower payout of loans compared to 2023 and an increased proportion of the portfolio invested in company equity.

The Fund received $125,000 in dividend payments in 2024 from equity investments made, compared to $120,000 in dividend payments received in 2023.

General and Administrative expense increased by $61,393 (10.31%) from $595,436 in 2023 to $656,829 in 2024. The increase was attributable to the staff salary and benefits and increases in travel and general operating expenses.

Operating Income (loss) before non-operating revenues and expenses increased by $8,596,363 from $282,934 in 2023 to ($8,313,429) in 2024. The decrease in the operating income (loss) in 2024 was attributable to a higher amount of provision for allowance for losses.

Interest income on deposits increased by $779,251 (1,538.53%) from $50,649 received in 2023 to $829,900 received in 2024. The increase was the result of larger balances carried at the Bank of North Dakota and investments in certificates of deposit.

Net position increased by $87,516,471 from $36,574,136 at the end of year 2023 to $124,090,607 at the end of year 2024. The change in net position increased by $78,852,163 from $8,664,308 in 2023 to $87,516,471 in 2024. The increase was attributable to $95,000,000 in state appropriations into the Fund and increased interest income on deposits. The appropriations comprised $65,000,000 for fertilizer facility loan funding and $30,000,000 from the legacy earnings fund.

Noncurrent net assets (excluding equipment) increased by $24,027,963 from $13,629,658 in 2023 to $37,722,036 in 2024. The noncurrent assets consist of the Fund's loan and equity investments. The loan investments increased by $26,530,487 from $29,180,208 in 2023 to $55,710,695 in 2024. Equity investments increased by $5,150,000 to $13,526,201 in 2024 from $8,376,201 in 2023. This increase is attributed to the conversion of convertible debt to equity and general new loan and investment growth.

Loan charge-offs decreased by $2,459,453 from $2,609,453 in 2023 to $150,000 in 2024.

Interest receivable on loans increased by $197,587 to $388,481 in 2024.

Current portion of loans receivable decreased from $2,303,128 in 2023 to $1,208,696 in 2024. The decrease is attributable to loan maturities and increased company equity investments.

Cash and cash equivalents increased by $11,428,463 (62.2%) to $29,803,262 (cash balance is before loan and investment unfunded commitments). The increase in Cash and cash equivalents was attributable to $95,000,000 of state appropriations transferred into the Fund while partially offset by an increase in the Fund's investing activities.

The Fund does invest their excess funds into longer term deposits for a higher rate of return to coincide with the funding commitments made by the Fund to companies for loans and equity investments, which are not required to be funded in the short-term. The Fund has invested more funds in longer term certificates of deposit, which are at a higher rate of return earning more deposit interest and putting the funds to work in loan and equity investments to "Primary Sector" businesses in the State of North Dakota.

20 projects were funded totaling $46,248,199.76 from July 1, 2023 to June 30, 2024.

Required Financial Statements

The discussion and analysis are intended to serve as an introduction to the Development Fund's financial statements. The financial statements of the Development Fund provide accounting information similar to that of many other business entities. The Balance Sheet summarizes the assets and liabilities, with the difference between the two reported as net position. It also serves as a basis for analysis of the soundness and liquidity of the Development Fund. The statement of Revenues, Expenses and Changes in Net position summarize the Development Fund's operating performance for the year. The statements of Cash Flows summarize the flow of cash through the Development Fund as it conducts its business.

Condensed Statements of Net Position
June 30, 2024 and 2023, and 2022

Assets	2024	2023	2022
Current assets	$ 86,400,439	$ 22,868,821	$ 17,534,091
Capital assets, net	64,415	105,097	145,779
Noncurrent assets	37,657,621	13,629,658	10,250,480
Total noncurrent assets	37,722,036	13,734,755	10,396,259
Total assets	$ 124,122,475	$ 36,603,576	$ 27,930,350
Liabilities and Net Position			
Current liabilities	$ 31,868	$ 29,440	$ 20,522
Investment in capital assets	64,415	105,097	145,779
Restricted	13,477,236	12,808,615	12,447,491
Unrestricted	110,548,956	23,660,424	15,316,558
Total net position	124,090,607	36,574,136	27,909,828
Total liabilities and net position	$ 124,122,475	$ 36,603,576	$ 27,930,350

Cash and Cash Equivalents and Certificates of Deposit

Cash and cash equivalents and certificates of deposit consist of deposits with the Bank of North Dakota and are included in the current and noncurrent assets section of the balance sheet. Additional discussion of cash and cash equivalents and certificates of deposit can be found in Note 2 to the financial statements.

Equity Investments

Equity investments consist of capital investments in new or expanding primary sector businesses in or relocating to North Dakota and are included in noncurrent assets. Additional discussion of equity investments can be found in Note 3 to the financial statements.

Loans Receivable

Loans receivable consist of loans to new or expanding primary sector businesses in or relocating to North Dakota and are included in current and noncurrent assets in the balance sheet. Additional analysis of loans receivable can be found in Note 4 to the financial statements.

Condensed Statement of Revenues, Expenses and Changes in Net Position
For the Years Ended June 30, 2024 and 2023, and 2022

	2024	2023	2022
Operating Revenues	$ 1,281,038	$ 1,326,519	$ 1,727,934
Nonoperating Revenue	95,829,900	8,381,374	128,086
Total Revenue	97,110,938	9,707,893	1,856,020
Operating Expenses			
General and administrative	656,829	595,436	494,553
Depreciation expense	40,682	40,682	39,322
Bad debt expense	8,896,956	407,467	4,068,675
	9,594,467	1,043,585	4,602,550
Change in Net Position	87,516,471	8,664,308	(2,746,530)
Net Position, Beginning of Year	36,574,136	27,909,828	30,656,358
Net Position, End of Year	$ 124,090,607	$ 36,574,136	$ 27,909,828

Contacting the North Dakota Development Fund's Financial Management

The information in this report is intended to provide the reader with an overview of the Development Fund's accountability for those operations. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the North Dakota Development Fund, PO Box 2057, Bismarck, ND 58502-2057.

North Dakota Development Fund, Inc.
Statements of Net Position
June 30, 2024 and 2023

	2024	2023
Assets		
Current Assets		
Cash and cash equivalents	$ 29,803,262	$ 18,374,799
Certificates of deposit	55,000,000	2,000,000
Interest receivable on loans	388,481	190,894
Current portion of loans receivable	1,208,696	2,303,128
Total current assets	86,400,439	22,868,821
Noncurrent Assets		
Certificates of deposit	-	-
Loans receivable, net of current portion and allowance	33,032,621	13,354,658
Equity Investments, net	4,625,000	275,000
Capital assets, net	64,415	105,097
Total noncurrent assets	37,722,036	13,734,755
Total assets	$ 124,122,475	$ 36,603,576
Liabilities and Net Position		
Current Liabilities		
Accrued expenses	$ 31,868	$ 29,440
Net Position		
Investment in capital assets	64,415	105,097
Restricted for		
Regional Rural Development	9,051,640	10,002,507
Child Care	4,218,095	620,942
Small Business Technology	-	975,356
State Small Business Credit Initiative	207,501	1,209,810
Unrestricted	110,548,956	23,660,424
Total net position	124,090,607	36,574,136
Total liabilities and net position	$ 124,122,475	$ 36,603,576

North Dakota Development Fund, Inc.

Statements of Revenues, Expenses and Changes in Net Position

Years Ended June 30, 2024 and 2023

	2024	2023
Operating Revenues		
Interest income on loans	$ 1,065,786	$ 1,119,081
Dividend income	125,000	125,000
Other	90,252	82,438
	1,281,038	1,326,519
Operating Expenses		
General and administrative	656,829	595,436
Depreciation expense	40,682	40,682
Provision for losses (change in allowance)	8,896,956	407,467
	9,594,467	1,043,585
Operating Income (Loss)	(8,313,429)	282,934
Nonoperating Revenue		
Interest income on deposits	829,900	50,649
State appropriations	95,000,000	8,330,725
Total nonoperating revenue	96,659,800	8,432,023
Change in Net Position	87,516,471	8,664,308
Net Position, Beginning of Year	36,574,136	27,909,828
Net Position, End of Year	$ 124,090,607	$ 36,574,136

	2024	2023 (as Restated)
Operating Activities		
Interest and dividend income received	$ 1,823,098	$ 1,295,254
Other receipts	90,255	82,438
Payments to vendors	(654,401)	(586,518)
Net Cash from Operating Activities	1,258,952	791,174
Investing Activities		
Purchase of equity investments	(4,770,000)	(1,980,000)
Purchase of certificates of deposit	(54,000,000)	-
Redemption of certificates of deposit	1,000,000	-
Disbursements of business loans	(29,184,300)	(11,372,233)
Principal payments received on business loans	2,123,811	6,426,308
Net Cash used for Investing Activities	(84,830,489)	(6,925,925)
Non-Capital Financing Activity		
State appropriations	95,000,000	8,330,725
Net Change in Cash and Cash Equivalents	11,428,463	2,195,974
Cash and Cash Equivalents, Beginning of Year, as Restated	18,374,799	16,178,825
Cash and Cash Equivalents, End of Year	$ 29,803,262	$ 18,374,799
Reconciliation of Operating Income (Loss) to Net Cash from (used for) Operating Activities		
Operating income (loss)	$ (8,313,429)	$ 282,934
Adjustments to reconcile operating income (loss) to net cash used for operating activities		
Depreciation	40,682	40,682
Provision for loan losses	8,476,958	(1,572,533)
Provision for equity investment losses	420,000	1,980,000
Reclassification of interest income on cash equivalents and certificates of deposit	829,900	50,649
Changes in assets and liabilities		
Accrued expenses	2,428	8,918
Interest receivable	(197,587)	524
Net Cash from Operating Activities	$ 1,258,952	$ 791,174
Supplemental Schedule of Non-cash Investing Activities		
Renewal of certificates of deposit	$ -	$ -
Loans converted to equities	$ 2,147,847	$ 4,596,201
Conversion of allowance for loans to allowance for equities	$ (380,000)	$ (4,571,201)

North Dakota Development Fund, Inc.

Statements of Fiduciary Net Position – Fiduciary Funds

June 30, 2024 and 2023

	Custodial Funds	
	2024	2023
Assets		
Cash and Cash Equivalents	$ 70,559	$ 70,858
Net Position		
Restricted	$ 70,559	$ 70,858

North Dakota Development Fund, Inc.

Statements of Changes in Fiduciary Net Position – Fiduciary Funds

Years Ended June 30, 2024 and 2023

	Custodial Funds	
	2024	2023
Additions		
Loan payments received on loans owned by the Bank of North Dakota	$ 389,770	$ 55,033
Loan payments received on loans owned by the McKenzie County JDA	79,514	-
Total additions	469,284	55,033
Deductions		
Loan payments remitted to Bank of North Dakota	390,069	54,036
Loan payments remitted to McKenzie County JDA	79,514	-
Total deductions	469,583	54,036
Change in Net Position	(299)	997
Net Position, Beginning of Year	70,858	69,861
Net Position, End of Year	$ 70,559	$ 70,858

Note 1 - Summary of Significant Accounting Policies

Organization and Nature of Activities

The North Dakota Development Fund, Inc. (the Corporation) was established pursuant to Chapter 10-30.3 of the North Dakota Century Code as amended by the passage of Senate Bill 2058 during the 1991 legislative session. The Corporation is a statewide nonprofit development corporation with the authority to take equity positions in; to provide loans to; or to use other innovative financing mechanisms to provide capital for new or expanding primary sector businesses in North Dakota or relocating to North Dakota.

The Corporation uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain corporate functions or activities.

The following activities are used by the Corporation:

Development Fund

The Development Fund is used to account for fund investments, including equity positions, loans, loan guarantees, and other innovative financing mechanisms for new or expanding primary sector businesses in North Dakota or relocating to North Dakota.

Regional Rural Development Revolving Loan Fund

The Regional Rural Development Revolving Loan Fund is used to account for fund investments including equity positions, loans, loan guarantees, or debt financing on a matching basis to new or expanding primary sector businesses in rural areas.

Small Business Technology Investment Fund

The Small Business Technology Fund is used to provide matching investments to startup technology-based businesses. This fund was extinguished during the year ended June 30, 2024 and remaining net assets of the Small Business Technology Investment Fund were transferred to the Development Fund.

Child Care Fund

The Child Care Fund is used to account for fund investments including loans and loan guarantees for new or expanding child-care facilities in North Dakota.

Development Fund Venture Capital Loan Program

The Development Fund Venture Capital Loan Program is used to provide flexible financing through debt and equity investments for new or expanding businesses in the state of North Dakota.

State Small Business Credit Initiative (SSBCI)

The State Small Business Credit Initiative is used to provide support to small businesses and entrepreneurs by giving them access to capital needs to create job opportunities.

American Rescue Plan Act (ARPA)

The American Rescue Plan Act is used to provide support to small businesses and entrepreneurs by giving them access to capital needs to create job opportunities.

The Corporation may form additional corporations, partnerships or other forms of business associations in order to further its mission.

The Director of the Department of Commerce Division of the Economic Development and Finance shall appoint the Chief Executive Officer of the Corporation. All investments, contracts, partnerships, limited liability companies, and business transactions of the Corporation are the responsibility of the Chief Executive Officer and the eight-member Board of Directors, who are appointed by the Governor.

Reporting Entity

In accordance with Governmental Accounting Standards Board (GASB) Statements, the Corporation should include all component units over which the Corporation exercises such aspects as (1) appointing a voting majority of an organization's governing body and (2) has the ability to impose its will on that organization or (3) the potential for the organization to provide specific financial benefits to, or impose specific burdens on the Corporation. GASB further defined reporting units as a legally separate, tax exempt affiliated organization that meet all of the following criteria:

- The economic resources of the organization entirely or almost entirely directly benefit the Corporation or its constituents, and
- The Corporation or its component units are entitled to or can otherwise access, a majority of the economic resources of the organization, and
- The economic resources that the Corporation is entitled to, or can otherwise access, are significant to the Corporation.

Based upon criteria set forth in GASB, no organizations were determined to be part of the reporting entity. The Corporation is included as part of the primary government of the State of North Dakota's reporting entity.

Basis of Accounting

The Corporation is presented in the accompanying financial statements as a proprietary fund type – an enterprise fund.

An enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public or other funds on a continuing basis be financed or recovered primarily through user charges. The Corporation operates primarily with appropriations from the general fund of the State of North Dakota.

As a proprietary fund type, the Corporation accounts for its transactions using the accrual basis of accounting. Revenues are recognized for its transactions when they are earned, and expenses are recognized when they are incurred.

Custodial Funds – These funds account for assets held by the Corporation in a custodial capacity as an agent on behalf of others. The Corporation's custodial fund are used to account for loan payment deposits on loans owned by the Bank of North Dakota and McKenzie County Job Development Authority (JDA) that are serviced by the Corporation, and accordingly, net position is restricted for these purposes.

Revenue and Expense Recognition

The Corporation presents its revenues and expenses as operating or non-operating based on recognition definitions from GASB. Operating activities are those activities that are necessary and essential to the mission of the Corporation. Operating revenues include all charges to customers, research contracts and grants, dividends earned on equity investments and interest earned on loans. Revenues from non-exchange transactions and state appropriations that represent subsidies or gifts to the Corporation, as well as investment income, are considered non-operating since these are either investing, capital or noncapital financing activities. Operating expenses are all expense transactions incurred other than those related to investing, capital or noncapital financing activities. Revenues received for capital financing activities, as well as related expenses, are considered neither operating nor non-operating activities and are presented after non-operating activities on the accompanying Statement of Revenues, Expenses, and Changes in Net Position.

Concentration of Credit Risk

Loans receivable and equity investments consist primarily of loans and equity investments to new or expanding businesses in North Dakota or relocating businesses to North Dakota. The Corporation performs credit evaluations and maintains a security interest until related loans are collected.

Cash Equivalents

The Corporation considers all highly liquid investments purchased with maturity of three months or less to be cash equivalents.

Certificates of Deposit

Certificates of deposit are recorded at cost.

Equity Investments

The Corporation records its equity investments at cost adjusted for impairment as determined by the Board of Directors. The impairment of equity investments is included in unrestricted net position. Realization of the carrying value of these investments is subject to future developments inherent in such investments (see Note 3).

Among the factors considered in determining whether an impairment of an investment has occurred are the cost of the investment, development since the acquisition of the investment, the financial condition and operating results of the issuer, the long-term potential of the business of the issuer, and other factors generally pertinent to the valuation of investments. The Development Fund has relied on financial data of investees and, in many instances, on estimates by the management company and of the investee company as to the potential effect of future developments.

Expense Allocation

The Development Fund pays all expenses of the Corporation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Material estimates that are particularly susceptible to significant change in the near-term relate to the determination of the allowance for loan losses and valuation of equity investments.

Capital Assets and Depreciation

All capital assets are recorded in the accompanying financial statements at cost. Donated capital assets are stated at acquisition value at the time of donation. Equipment with a cost greater than $5,000 is capitalized and reported in the accompanying financial statements. The Corporation's capital assets are being depreciated on a straight-line basis over estimated useful life of 5 years.

Loans

Loans are reported at their outstanding unpaid principal adjusted for charge-offs and the allowance for loan losses.

Interest income is accrued on the unpaid principal balance. The accrual of interest on loans is discontinued at the time the loan is 90 days delinquent unless the credit is well secured and in process of collection. Loans are placed on non-accrual or charged-off at an earlier date if collection of principal or interest is doubtful. All current year interest accrued but not collected for loans that are placed on non-accrual or charged off is reversed against interest income. All prior year interest accrued but not collected is charged-off against the allowance for loan losses. The interest on these loans is accounted for on the cash-basis or cost-recovery method, until qualifying for return to accrual. Loans are returned to accrual status when all principal and interest amounts contractually due are brought current and future payments are reasonably assured.

The Corporation has determined that the accounting for nonrefundable fees and costs associated with originating or acquiring loans does not have a material effect on their financial statements. As such, these fees and costs have been recognized during the period they are collected and incurred, respectively.

Allowance for Loan Losses

The allowance for loan losses is established as losses are estimated to have occurred through a provision for loan losses charged to earnings. Loan losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries, if any, are credited to a recovery account.

The allowance for loan losses is evaluated on a regular basis by management and is based upon management's periodic review of the collectability of the loans in light of historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral and prevailing economic conditions. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available.

A loan is considered impaired when, based on current information and events, it is probable that the Corporation will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed. Impairment is measured on a loan-by-loan basis by either the present value of expected future cash flows discounted at the loan's effective interest rate, the loan's obtainable market price, or the fair value of the collateral if the loan is collateral dependent. The Corporation separately identifies individual loans for impairment disclosures by rating them on a scale of 1 to 6.

Restricted Resources

It is the North Dakota Development Fund, Inc.'s policy to first apply restricted resources when an expense is incurred for which both restricted and unrestricted resources are available.

Note 2 - Deposits

The Corporation is required to maintain its deposits at the Bank of North Dakota (a related party). As of June 30, 2024, the Corporation had the following:

	Book Balance	Maturity Date
Bank of North Dakota		
Cash and cash equivalents	$ 29,803,262	N/A
Certificates of deposit	$ 55,000,000	9/19/2024

Cash equivalents consist of money market deposit accounts.

As of June 30, 2023, the Corporation had the following:

	Book Balance	Maturity Date
Bank of North Dakota		
Cash and cash equivalents	$ 18,374,799	N/A
Certificates of deposit	$ 2,000,000	9/9/2023

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of investments will adversely affect the fair value of the investments.

Custodial and Concentration of Credit Risk

For deposits, the custodial credit risk is that, in the event of the failure of a depository financial institution, the Corporation will not be able to recover collateral securities that are in possession of an outside party. The Corporation's deposits are uncollateralized. All of the Corporation's deposits are with the Bank of North Dakota.

Note 3 - Equity Investments

Equity investments in affiliates as of June 30, 2024 and 2023 are as follows:

	2024	2023
Development Fund	$ 2,654,997	$ 1,272,497
Regional Rural Development Revolving Loan Fund	877,850	877,850
Small Business Technology Fund	-	50,000
Development Fund Venture Capital	7,428,354	4,195,854
State Small Business Credit Initiative	2,565,000	1,980,000
	13,526,201	8,376,201
Allowance for impairment	(8,901,201)	(8,101,201)
	$ 4,625,000	$ 275,000

Among the factors considered in determining whether an impairment of an investment has occurred are the cost of the investment, development since the acquisition of the investment, the financial condition and operating results of the issuer, the long-term potential of the business of the issuer, and other factors generally pertinent to the valuation of investments. The Corporation has relied on financial data of investees and, in many instances, on estimates by the management company and of the investee company as to the potential effect of future developments.

The Corporation acquired its investment by direct purchase from the issuer under investment representations, and the Board of Directors valued the securities on the premise that they may not be sold without registration under the Securities Act of 1933. The price of securities purchased was determined by direct negotiation between the Corporation and the seller.

Changes in the valuation allowance for equity investments as of June 30, 2024 and 2023 are as follows:

	2024	2023
Balance, beginning of year	$ 8,101,201	$ 1,550,000
Provision for equity investment losses	420,000	1,980,000
Conversion of allowance for loans to allowance for equities	380,000	4,571,201
Balance, end of year	$ 8,901,201	$ 8,101,201

Note 4 - Loans Receivable

Loans receivable at June 30, 2024 and 2023 are as follows:

	2024	2023
Development Fund	$ 34,933,117	$ 11,874,158
Regional Rural Development Revolving Loan Fund	7,860,332	8,446,995
Child Care Program	5,836,700	1,808,005
State Small Business Credit Initiative	435,000	65,000
Development Fund Venture Capital	6,645,546	6,986,050
	55,710,695	29,180,208
Allowance for loan losses	(21,469,378)	(13,522,422)
Loans receivable, net of allowance for loan losses	34,241,317	15,657,786
Less current portion of loans receivable	1,208,696	2,303,128
Loans receivable, net of current portion	$ 33,032,621	$ 13,354,658

Changes in the allowance for loan losses as of June 30, 2024 and 2023 are as follows:

	2024	2023
Balance, beginning of year	$ 13,522,422	$ 22,275,610
Provision for loan losses (reserve decrease)	8,476,956	(1,572,534)
Conversion of allowance for loans to allowance for equities	(380,000)	(4,571,201)
Write-offs	(150,000)	(2,609,453)
Balance, end of year	$ 21,469,378	$ 13,522,422

Note 5 - Capital Assets

A statement of changes in capital assets for the years ended June 30, 2024 and 2023 is as follows:

	Balance 07/01/23	Additions	Deletions	Balance 06/30/24
Computer software	$ 203,412	$ -	$ -	$ 203,412
Accumulated depreciation	(98,315)	(40,682)	-	(138,997)
	$ 105,097	$ (40,682)	$ -	$ 64,415

	Balance 07/01/22	Additions	Deletions	Balance 06/30/23
Computer software	$ 203,412	$ -	$ -	$ 203,412
Accumulated depreciation	(57,633)	(40,682)	-	(98,315)
	$ 145,779	$ (40,682)	$ -	$ 105,097

Note 6 - Commitments and Contingencies

Development Fund

The Board of Directors has approved equity investments, loans, grants and guaranty of collections at June 30, 2024 for which funds have not been disbursed or written agreements entered into in the approximate amount of $14,547,000.

Regional Rural Development Revolving Loan Fund

The Board of Directors has approved equity investments, loans, and guaranty of collections at June 30, 2024 for which funds have not been disbursed or written agreements entered into in the approximate amount of $3,000,000.

Note 7 - Related Party Transactions

The financial statements of the North Dakota Development Fund, Inc. include loans receivable in entities partially owned by members of the Board of Directors. The financial statements include four related party loans receivable, respectively, as of June 30, 2024 and 2023. The related party loan receivables have a gross loan balance of $3,878,000 and $3,830,000, respectively, as of June 30, 2024 and 2023. The related party loan receivables have a reserve allowance of ($2,378,000) and ($2,330,000), respectively, as of June 30, 2024 and 2023.

Contracted salaries and benefits for North Dakota Department of Commerce employees incurred by the Corporation totaled $487,708 and $388,752, respectively, for the years ended June 30, 2024 and 2023.

See Note 9 for state appropriations.

During the year ended June 30, 2024, North Dakota Development Fund, Inc. purchased an equity investment from Wonder Fund North Dakota, an entity of which the State of North Dakota has an investment interest, in the amount of $1,250,000.

Note 8 - Risk Management

North Dakota Development Fund, Inc. is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The following are funds/pools established by the State for risk management issues:

The 1995 Legislative Session established the Risk Management Fund (RMF), an internal service fund, to provide a self-insurance vehicle for funding the liability exposures of state agencies resulting from the elimination of the state's sovereign immunity. The RMF manages the tort liability of the state, its agencies' employees, and the University System. All state agencies participate in the RMF and their fund contribution was determined using a projected cost allocation approach. The statutory liability of the State is limited to a total of $250,000 per person and $1,000,000 per occurrence.

The Corporation participates in the North Dakota Fire and Tornado Fund and the State Bonding Fund through the policies of the North Dakota Commerce Department. North Dakota Commerce Department pays an annual premium to the Fire and Tornado Fund to cover property damage to personal property. Replacement cost coverage is provided by estimating replacement cost in consultation with the Fire and Tornado Fund. The Fire and Tornado Fund is reinsured by a third-party insurance carrier for losses in excess of one million dollars per occurrence during a twelve-month period. The State Bonding Fund currently provides the Agency with blanket fidelity bond coverage in the amount of $2,000,000. The State Bonding Fund does not currently charge any premium for this coverage.

The Corporation participates in the North Dakota Workforce Safety and Insurance, (WSI) an Enterprise Fund of the State of North Dakota. WSI is a state insurance fund and a "no fault" insurance system covering the State's employers and employees financed by premiums assessed to employers. The premiums are available for the payment of claims to employees injured during employment.

There have been no significant reductions in insurance coverage from the prior year and settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

Note 9 - State Appropriations

During the year ended June 30, 2024, the Corporation received a state appropriation of $65,000,000 from the Strategic Investment and Improvements Fund in accordance with the requirements of House Bill No. 1018. During the year ended June 30, 2024, the Corporation received a state appropriation of $30,000,000 from the Strategic Investment and Improvements Fund in accordance with the requirements of Senate Bill No. 2015.

During the year ended June 30, 2023, the Corporation received a state appropriation of $5,000,000 from the North Dakota General Fund of American Rescue Plan Act (ARPA) program funds. As of June 30, 2024, no ARPA funds had been expended. In addition, the Corporation received a state appropriation of $3,330,466 from the North Dakota Department of Commerce for the State Small Business Credit Initiative program.

Note 10 - Restatement

In its previously issued financial statements, the Corporation had a classification misstatement in its statement of cash flows for the year ended June 30, 2023. Management corrected the error by recording the following prior period adjustment to the business-type activities:

Statements of Cash Flows For the year ended June 30, 2023	Business-Type Activities
Provision for loan losses, as previously reported	$ (4,181,986)
Restatement for charge-offs being a separate component in the statement of cash flows	2,609,453
Provision for loan losses, as restated	$ (1,572,533)
Charge-offs, as previosly reported	$ 2,609,453
Restatement for charge-offs being a separate component in the statement of cash flows	(2,609,453)
Charge-offs, as restated	$ -

Supplementary Information
June 30, 2024 and 2023

North Dakota Development Fund, Inc.

North Dakota Development Fund, Inc.

Combining Statements of Net Position

June 30, 2024 and 2023

	Development Fund	Regional Rural Development Revolving Loan Fund	Child Care Fund	Small Business Technology	Development Fund Venture Capital	State Small Business Credit Initiative	American Rescue Plan Act (ARPA)	2024	2023 (Memorandum only)
Assets									
Current Assets									
Cash and cash equivalents	$ 18,583,435	$ 5,511,804	$ 15,850	$ -	$ 442,312	$ 207,501	$ 5,042,360	$ 29,803,262	$ 18,374,799
Certificates of deposit	55,000,000	-	-	-	-	-	-	55,000,000	2,000,000
Interest receivable on loans	3,364	2,457	4,649	-	378,011	-	-	388,481	190,894
Current portion of loans receivable	488,698	376,774	302,236	-	40,988	-	-	1,208,696	2,303,128
Total current assets	74,075,497	5,891,035	322,735	-	861,311	207,501	5,042,360	86,400,439	22,868,821
Noncurrent Assets									
Loans receivable, net of current portion and allowance	23,671,444	3,160,605	4,769,110	-	1,431,462	-	-	33,032,621	13,354,658
Intrafund balances	873,750	-	(873,750)	-	-	-	-	-	-
Equity investments, net	625,000	-	-	-	4,000,000	-	-	4,625,000	275,000
Capital assets, net	64,415	-	-	-	-	-	-	64,415	105,097
Total noncurrent assets	25,234,609	3,160,605	3,895,360	-	5,431,462	-	-	37,722,036	13,734,755
Total assets	$ 99,310,106	$ 9,051,640	$ 4,218,095	$ -	$ 6,292,773	$ 207,501	$ 5,042,360	$ 124,122,475	$ 36,603,576
Liabilities and Net Position									
Current Liabilities									
Accrued expenses	$ 31,868	$ -	$ -	$ -	$ -	$ -	$ -	$ 31,868	$ 29,440
Total liabilities	31,868	-	-	-	-	-	-	31,868	29,440
Net Position									
Investment in capital assets	64,415	-	-	-	-	-	-	64,415	105,097
Restricted	-	9,051,640	4,218,095	-	-	207,501	-	13,477,236	12,808,615
Unrestricted	99,213,823	-	-	-	6,292,773	-	5,042,360	110,548,956	23,660,424
Total net position	99,278,238	9,051,640	4,218,095	-	6,292,773	207,501	5,042,360	124,090,607	36,574,136
Total liabilities and net position	$ 99,310,106	$ 9,051,640	$ 4,218,095	$ -	$ 6,292,773	$ 207,501	$ 5,042,360	$ 124,122,475	$ 36,603,576

North Dakota Development Fund, Inc.

Combining Statements of Revenues, Expenses and Changes in Net Position

Years Ended June 30, 2024 and 2023

	Development Fund	Regional Rural Development Revolving Loan Fund	Child Care Fund	Small Business Technology	Development Fund Venture Capital	State Small Business Credit Initiative	American Rescue Plan Act (ARPA)	2024	2023 (Memorandum only)
Operating Revenues									
Interest income on loans	$ 305,064	$ 354,962	$ 62,778	$ -	$ 342,981	$ 1	$ -	$ 1,065,786	$ 1,119,081
Dividend income	-	-	-	-	125,000	-	-	125,000	125,000
Other	58,645	911	6,311	-	23,487	898	-	90,252	82,438
	363,709	355,873	69,089	-	491,468	899	-	1,281,038	1,326,519
Operating Expenses									
General and administrative	604,297	-	-	-	-	49,978	2,554	656,829	595,436
Depreciation expense	40,682	-	-	-	-	-	-	40,682	40,682
Provision for losses (change in allowance)	7,086,883	1,364,816	(57,639)	-	(452,104)	955,000	-	8,896,956	407,467
	7,731,862	1,364,816	(57,639)	-	(452,104)	1,004,978	2,554	9,594,467	1,043,585
Operating Income (Loss)	(7,368,153)	(1,008,943)	126,728	-	943,572	(1,004,079)	(2,554)	(8,313,429)	282,934
Nonoperating Revenue									
Interest income on deposits	737,245	58,076	425	32	2,114	1,770	30,238	829,900	50,649
State appropriations	95,000,000	-	-	-	-	-	-	95,000,000	8,330,725
Total nonoperating revenue	95,737,245	58,076	425	32	2,114	1,770	30,238	95,829,900	8,381,374
Transfers	(2,494,612)	-	3,470,000	(975,388)	-	-	-	-	-
Change in Net Position	85,874,480	(950,867)	3,597,153	(975,356)	945,686	(1,002,309)	27,684	87,516,471	8,664,308
Net Position, Beginning of Year	13,403,758	10,002,507	620,942	975,356	5,347,087	1,209,810	5,014,676	36,574,136	27,909,828
Net Position, End of Year	$ 99,278,238	$ 9,051,640	$ 4,218,095	$ -	$ 6,292,773	$ 207,501	$ 5,042,360	$ 124,090,607	$ 36,574,136

North Dakota Development Fund, Inc.
Combining Statements of Cash Flows
Years Ended June 30, 2024 and 2023

	Development Fund	Regional Rural Development Revolving Loan Fund	Child Care Fund	Small Business Technology	Development Fund Venture Capital	State Small Business Credit Initiative	American Rescue Plan Act (ARPA)	2024	2023 (Memorandum only)
Operating Activities									
Interest and dividend income received	$ 1,044,452	$ 413,725	$ 60,019	$ 32	$ 272,862	$ 1,770	$ 30,238	$ 1,823,098	$ 1,295,254
Other receipts	58,647	912	6,311	-	23,486	899	-	90,255	82,438
Payments to vendors	(601,869)	-	-	-	-	(49,978)	(2,554)	(654,401)	(586,518)
Net Cash from (used for) Operating Activities	501,230	414,637	66,330	32	296,348	(47,309)	27,684	1,258,952	791,174
Non-Capital Financing Activities									
State appropriations	95,000,000	-	-	-	-	-	-	95,000,000	8,330,725
Transfers	(2,494,612)	-	3,470,000	(975,388)	-	-	-	-	-
Net Cash from (used for) Financing Activities	92,505,388	-	3,470,000	(975,388)	-	-	-	95,000,000	8,330,725
Investing Activities									
Purchase of equity investments	(1,250,000)	-	-	-	(3,000,000)	(520,000)	-	(4,770,000)	(1,980,000)
Purchase of certificates of deposit	(54,000,000)	-	-	-	-	-	-	(54,000,000)	-
Redemption of certificates of deposit	-	1,000,000	-	-	-	-	-	1,000,000	-
Disbursements of business loans	(24,295,016)	-	(4,406,284)	-	(48,000)	(435,000)	-	(29,184,300)	(11,372,233)
Principal received on business loans	1,003,556	586,663	377,588	-	156,004	-	-	2,123,811	6,426,308
Net Cash from (used for) Investing Activities	(78,541,460)	1,586,663	(4,028,696)	-	(2,891,996)	(955,000)	-	(84,830,489)	(6,925,925)
Net Change in Cash and Cash Equivalents	14,465,158	2,001,300	(492,366)	(975,356)	(2,595,648)	(1,002,309)	27,684	11,428,463	2,195,974
Cash and Cash Equivalents, Beginning of Year	4,118,277	3,510,504	508,216	975,356	3,037,960	1,209,810	5,014,676	18,374,799	16,178,825
Cash and Cash Equivalents, End of Year	$ 18,583,435	$ 5,511,804	$ 15,850	$ -	$ 442,312	$ 207,501	$ 5,042,360	$ 29,803,262	$ 18,374,799

North Dakota Development Fund, Inc.
Combining Statements of Cash Flows
Years Ended June 30, 2024

	Development Fund	Regional Rural Development Revolving Loan Fund	Child Care Fund	Small Business Technology	Development Fund Venture Capital	State Small Business Credit Initiative	American Rescue Plan Act (ARPA)	2024	2023 (Memorandum only) (as Restated)
Reconciliation of Operating Income (Loss) to Net Cash from (used for) Operating Activities									
Operating income (loss)	$ (7,368,153)	$ (1,008,943)	$ 126,728	$ -	$ 943,572	$ (1,004,079)	$ (2,554)	$ (8,313,429)	$ 282,934
Adjustments to reconcile operating (loss) income to net cash from (used for) operating activities									
Depreciation	40,682	-	-	-	-	-	-	40,682	40,682
Provision for loan losses	6,461,885	1,364,816	(57,639)	-	272,896	435,000	-	8,476,958	(1,572,533)
Provision for equity investment losses	625,000	-	-	-	(725,000)	520,000	-	420,000	1,980,000
Reclassification of interest income on cash equivalents and certificates of deposit	737,245	58,076	425	32	2,114	1,770	30,238	829,900	50,649
Changes in Assets and Liabilities									
Accrued expenses	2,428	-	-	-	-	-	-	2,428	8,918
Interest receivable	2,143	688	(3,184)	-	(197,234)	-	-	(197,587)	524
Net Cash from (used for) Operating Activities	$ 501,230	$ 414,637	$ 66,330	$ 32	$ 296,348	$ (47,309)	$ 27,684	$ 1,258,952	$ 791,174
Supplemental Schedule of Non-cash Investing Activities									
Renewal of certificates of deposit	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Loans converted to equities	$ 972,497	$ 877,850	$ -	$ -	$ 232,500	$ 65,000	$ -	$ 2,147,847	$ 4,596,201
Conversion of allowance for loans to allowance for equities	$ (82,500)	$ -	$ -	$ -	$ (232,500)	$ (65,000)	$ -	$ (380,000)	$ (4,571,201)

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Independent Auditor's Specific Comments Requested by the North Dakota Legislative Audit and Fiscal Review Committee

Governor of North Dakota
The Legislative Assembly

Board of Directors
North Dakota Development Fund, Inc.
Bismarck, North Dakota

The Legislative Audit and Fiscal Review Committee requires a separate audit summary from certified public accountants performing audits of state agencies. The separate audit summary regarding the June 30, 2024 audit of the North Dakota Development Fund, Inc. (the Corporation) is as follows:

Purpose of the Audit

North Dakota Development Fund, Inc. is a component unit of the financial statements of the state of North Dakota. The purpose of the audit of the Corporation is to express an opinion on the financial statements of the Corporation.

The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and in accordance with *Government Auditing Standards*, will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually and in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Type of Audit Opinion

We issued an unmodified opinion on the financial statements of the Corporation.

Findings and Recommendations

We have the following findings and recommendations that we communicated as a result of our audit. For further details on the findings, please see the schedule of findings and responses.

- 2024-001 – Preparation of Financial Statements
- 2024-002 – Material Proposed Audit Adjustments including Restatement
- 2024-003 – Lack of Segregation of Duties
- 2024-004 – Loan Interest Income Accounting and Reconciliation
- 2024-005 – Loan and Equity Investment Risk Rating Controls

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Status of Prior Recommendations

Prior finding 2023-001 was repeated in the current year as finding 2024-001.

Prior finding 2023-002 was repeated in the current year as finding 2024-002.

Prior finding 2023-003 was repeated in the current year as finding 2024-003.

Prior finding 2023-004 was repeated in the current year as finding 2024-004.

Explanations of Significant Audit Adjustments and Misstatements

See page 31 for material audit adjustments that were identified as a result of the audit procedures performed which were brought to the attention of, and corrected by, management. Also, a restatement audit adjustment in the amount of $2,609,453 was proposed in the statement of cash flows for the year ended June 30, 2023, as noted in Note 10 of the financial statements.

Disagreements with Management or Difficulties Encountered during the Audit

No disagreements with management arose during the course of the audit.

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Other Audit Report Highlights

None

Cost of the Audit Compared to the Prior Audit

The cost of the 2024 North Dakota Development Fund, Inc. audit was $49,000.

The cost of the 2023 North Dakota Development Fund, Inc. audit was $49,000.

This report is intended solely for the information and use of the Legislative Audit and Fiscal Review Committee, North Dakota Development Fund, Inc. Board of Directors and other state officials and legislative committees and is not intended to be and should not be used by anyone other than these specified parties.

Eide Bailly LLP

Bismarck, North Dakota
November 5, 2024

	Debit	Credit
Business-Type Activities:		
Intrafund transfers - NDDF	$ 2,444,612	
Intrafund transfers - Small Business Technology	1,025,388	
Intrafund transfers - Child Care Fund		$ 3,470,000
To adjust for trial balance not balancing by fund.		
Interest Income	116,113	
Interest Receivable		116,113
To adjust interest receivable and interest income to actual		
Interest receivable - Small Business Technology	36,287	
Loans receivable - Small Business Technology	50,000	
Reserve for equity loss - Small Business Technology	50,000	
Equity investments - Small Business Technology		50,000
Interest income - Small Business Technology		36,287
Fund transfers - Small Business Technology		50,000
To close out dissolved Small Business Technology fund		
Equity investments	1,613,050	
Reserve for equity investment losses	9,936,108	
Provision for loan losses	11,466,109	
Fund transfers	50,000	
Provision for equity investment losses		11,516,109
Reserve for loan losses		9,936,108
Loans receivable		1,613,050
To appropriately classify loans, equities, reserves, and provisions for losses		
Reserve for Loan and Equity Investment Loss	458,622	
Provision for Loan and Equity Investment Loss		458,622
To adjust reserve for loan and equity investment loss to actual		
Interest receivable	2,686,826	
Interest income		2,686,826
To adjust for client's improper accounting of nonaccrual loans		

	Debit	Credit
Aggregate Remaining Fund		
Net Position, July 1, 2023 - Custodial Fund		2,299
Custodial Fund Expense	390,069	
Custodial Fund Revenue		387,770
To record current year activity of the custodial fund		

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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Governor of North Dakota
The Legislative Assembly

Board of Directors
North Dakota Development Fund, Inc.
Bismarck, North Dakota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the business-type activities and the aggregate remaining fund information of the North Dakota Development Fund, Inc., a component unit of the State of the North Dakota, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise North Dakota Development Fund, Inc.'s basic financial statements, and have issued our report thereon dated November 5, 2024

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered North Dakota Development Fund, Inc.'s internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of North Dakota Development Fund, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of North Dakota Development Fund, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2024-001, 2024-002, 2024-003, 2024-004, and 2024-005 that we consider to be material weaknesses.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether North Dakota Development Fund, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

North Dakota Development Fund, Inc.'s Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on North Dakota Development Fund, Inc.'s responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Responses. North Dakota Development Fund, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Bismarck, North Dakota
November 5, 2024

2024-001 Preparation of Financial Statements
Material Weakness

Criteria: Proper controls over financial reporting include the ability to prepare financial statements and accompanying notes to the financial statements that are materially correct.

Condition: The North Dakota Development Fund, Inc. does not have an internal control system designed to provide for the preparation of the financial statements being audited.

Cause: North Dakota Development Fund, Inc. does not have staff trained in reporting standards for the financial statements and notes to the financial statements.

Effect: Inadequate controls over financial reporting of the North Dakota Development Fund, Inc. result in the more than remote likelihood that the North Dakota Development Fund, Inc. would not be able to draft the financial statements and accompanying notes to the financial statements that are materially correct without the assistance of the auditors.

Recommendations: It is important that you be aware of this condition for financial reporting purposes. Management and the Board should continually be aware of the financial reporting of the North Dakota Development Fund, Inc. and changes in reporting requirements.

Views of responsible officials: Since it is not cost-effective for an organization our size to have staff to prepare audit-ready financial statements, we have chosen to hire Eide Bailly, a public accounting firm, to prepare the audit financial statements as part of their annual audit of North Dakota Development Fund, Inc.

2024-002 Material Proposed Audit Adjustments including Restatement
Material Weakness

Criteria: A good system of internal accounting control should provide for the proper reconcilements of all general ledger accounts and adjustments of those accounts to the reconciled balances. This also includes accounting for transactions in accordance with generally accepted accounting principles.

Condition: We identified misstatements in North Dakota Development Fund, Inc.'s financial statements causing us to propose material audit adjustments including a restatement audit adjustment. A number of the adjustments were related to the Corporation's improper classification between loans and equity investments. In addition, there were errors with rolling beginning balances and the financial statements did not balance intra-fund.

Cause: The Organization does not have a document that details transactions outside of the typical day to day activities.

Effect: Misstatements in the financial statements could result from inadequate controls over recording of transactions and it affects the North Dakota Development Fund, Inc.'s ability to detect misstatements to the financial statements.

Recommendations: The organization should develop a document that details various transactions made by the organization and includes supporting documentation to enable staff the ability to easily understand how to properly account for those transactions.

Views of responsible officials: The organization accepts the recommendation of proposed audit adjustments. North Dakota Development Fund, Inc. plans to transition to a new ERP reporting system that will assist in remedying this deficiency.

2024-003 Lack of Segregation of Duties
Material Weakness

Criteria: A good system of internal accounting control contemplates an adequate segregation of duties so that no one individual handles a transaction from its inception to its completion.

Condition: North Dakota Development Fund, Inc. has a lack of segregation of duties in certain areas due to a limited staff. There is no review or approval process over manual journal entries.

Cause: North Dakota Development Fund, Inc. has limited staff to be able to adequately segregate duties.

Effect: Inadequate segregation of duties could adversely affect the North Dakota Development Fund, Inc.'s ability to detect misstatements in amounts that would be material in relation to the financial statements in a timely period by employees in the normal course of performing their assigned function.

Recommendations: All accounting functions should be reviewed to determine if additional segregation is feasible and to improve efficiency and effectiveness of financial management of the North Dakota Development Fund, Inc. We recommend management institute a level of oversight and approval of all accounting functions.

Views of responsible officials: At this time, North Dakota Development Fund, Inc. has segregated the duties of all accounting functions in the most efficient manner possible given its limited staff. The Board is involved and is being kept informed of the financial management of North Dakota Development Fund, Inc.

2024-004 Loan Interest Income Accounting and Reconciliation
Material Weakness

Criteria: Loans greater than 90 days past due should be placed on non-accrual which stops the recognition of interest income and increasing interest receivable. Loan interest receivable and interest income should be reconciled monthly from the loan system to the accounting system and reviewed and approved.

Condition: North Dakota Development Fund, Inc. is not utilizing their accounting system placing loans on non-accrual and not performing a reconciliation of interest income and interest receivable which resulted in material audit adjustments.

Cause: North Dakota Development Fund, Inc. does not have the training needed to utilize the accounting system appropriately for non-accrual loans or to reconcile interest income and interest receivable accurately.

Effect: Misstatements in the financial statements could result from inadequate controls over recording of transactions and it affects the North Dakota Development Fund, Inc.'s ability to detect misstatements to the financial statements.

Recommendations: The organization should obtain training and develop a document that details the accounting for non-accrual loans within the accounting system and reconciling loan interest income and interest receivable to enable staff the ability to easily understand how to properly account for those transactions.

Views of responsible officials: North Dakota Development Fund, Inc. plans to transition to a new ERP reporting system that will assist in remedying this deficiency.

2024-005 Loan and Equity Investment Risk Rating Controls
Material Weakness

Criteria: When a borrower or investee has multiple lending or investment relationships with the Corporation, they should all be risk rated the same and the reserve adjusted accordingly. The reserve calculation should align with the risk rating the Corporation assigns to a lending or investment relationship during its credit reviews.

Condition: During our audit procedures, we identified instances of loan and investment relationships where a borrower or investee had multiple loan or investment relationships, and the Corporation did not risk rate them all the same which resulted in material audit adjustments to the reverse and provision for losses. During our audit procedures, we identified instances where the risk rating in the reserve calculation did not align with the risk rating assigned to a lending or investment relationship during its most recent credit review which resulted in material audit adjustments to the reserve and provision for losses.

Cause: North Dakota Development Fund, Inc. does not have a control process in place to ensure when there are multiple loan or investment relationships with a single borrower or investee, that the risk rating is applied similarly to all and adjusting the reserve and provision for losses accordingly. The Corporation does not have a control process in place to ensure that risk ratings assigned in the most recent credit reviews are updating the reserve calculation accurately which affects the reserve and provision for losses accordingly.

Effect: Misstatements in the financial statements could result from inadequate controls loan and investment risk ratings and it affects the North Dakota Development Fund, Inc.'s ability to detect misstatements to the financial statements.

Recommendations: The organization should implement a control function to ensure that the risk rating reserve calculation is reviewed at least monthly to ensure that borrowers and investee with multiple relationships are risk rated the same. The organization should implement a control function to ensure that the risk rating reserve calculation is automatically updated upon completion of a credit review for a borrower or investee.

Views of responsible officials: North Dakota Development Fund, Inc. plans to implement control processes to remedy this deficiency.

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division
Red River Room, State Capitol

SB 2018
2/7/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; and to provide a transfer.

9:49 a.m. Chairman Wanzek opened the meeting.

Members present: Chairman Wanzek, Vice-Chair Dwyer, Senator Burckhard, Senator Erbele, and Senator Sickler.

Discussion Topics:

- Development Fund
- Recruitment
- Economic development groups
- Equity and authority
- Federal contracts
- Economic development gaps
- Appropriation authority
- Federal/State dollars
- Tribal college amendment
- Lending policies and procedures
- Military Base enhancements grants
- Name change
- Department of Financial Institutions budget
- Grant transparency

9:49 a.m. Levi Andrist, Attorney for GA Group, testified in favor and submitted testimony #36279.

10:00 a.m. Chris Schilken, Commissioner of ND Commerce Department, testified in favor and submitted testimony #36251.

10:07 a.m. Levi Kinnischtzke, LC Senior Fiscal Analyst, supplied budget information and submitted testimony #36203 and #36207.

10:24 a.m. Chris Schilken testified in favor.

10:45 a.m. Senator Hogue, Senator Majority Leader, testified in favor and submitted testimony #36220.

10:52 a.m. Chairman Wanzek closed the meeting.

Carol Thompson, Committee Clerk

25.0185.01001
Title.

Prepared by the Legislative Council staff for Senator Myrdal
January 24, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2018

Introduced by

Appropriations Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; ~~and~~ to provide a transfer; and to provide an exemption.

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 other funds derived from special funds and federal funds, 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:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$15,785,306	$0	$15,785,306
Operating expenses	19,462,643	0	19,462,643
Grants	47,636,118	0	47,636,118
Discretionary funds	2,150,000	0	2,150,000
Partner programs	907,920	0	907,920
Entrepreneurship grants and vouchers	948,467	0	948,467
Total all funds	$86,890,454	$0	$86,890,454
Less other funds	53,344,371	0	53,344,371

Total general fund	$33,546,083	$0	$33,546,083
Full-time equivalent positions	62.80	0.00	62.80

SECTION 2. TRANSFER - INTERNSHIP FUND. The office of management and budget shall transfer $1,006,896 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 3. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO NORTH DAKOTA DEVELOPMENT FUND - EXEMPTION. 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 programs under chapter 10-30.5, during the biennium beginning July 1, 2025, and ending June 30, 2027. Notwithstanding section 10-30.5-02, the North Dakota development fund may use the funds transferred to the development fund under this section for nonprimary sector business activities.

SECTION 4. RURAL HEALTH CARE GRANT PROGRAM - MATCHING FUNDS REQUIREMENT. The grants line item in section 1 of this Act includes $444,000 from the general fund for providing matching funds to an organization assisting in the recruitment, distribution, and supply, and enhancing the quality and efficiency of personnel providing health services in rural areas of the state. The department of commerce may spend the funds appropriated in this section only to the extent the organization has secured matching funds from nonstate sources on a dollar-for-dollar basis.

25.1226.01000

Sixty-ninth
Legislative Assembly
of North Dakota

BILL NO.

Introduced by

Representative Davis

A BILL for an Act to provide an appropriation to the department of commerce for workforce development grants to tribally controlled community colleges; and to provide for a legislative management report.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION - DEPARTMENT OF COMMERCE - WORKFORCE DEVELOPMENT GRANTS TO TRIBALLY CONTROLLED COMMUNITY COLLEGES - LEGISLATIVE MANAGEMENT REPORT - ONE-TIME FUNDING. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $1,500,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of providing workforce development grants to a tribally controlled community college in the Turtle Mountain area, for the biennium beginning July 1, 2025, and ending June 30, 2027. To be eligible for a grant under this section, a tribally controlled community college shall partner with at least one high school in the state for programs under section 54-60.2-02. A tribally controlled community college receiving funding under this program shall report to the department of commerce by August 1, 2026, regarding the use of grant funds, and the department of commerce shall provide a report to the legislative management by October 1, 2026, regarding the use of grant funds. The funding provided in this section is considered a one-time funding item.

25.0185.01004
Title.

Prepared by the Legislative Council staff for Senator Hogue
February 6, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2018

Introduced by

Appropriations Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; to create and enact a new section to chapter 54-60 of the North Dakota Century Code, relating to department of commerce grant reporting requirements; and to provide a transfer.

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 other funds derived from special funds and federal funds, 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:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$15,785,306	$0	$15,785,306
Operating expenses	19,462,643	0	19,462,643
Grants	47,636,118	0	47,636,118
Discretionary funds	2,150,000	0	2,150,000
Partner programs	907,920	0	907,920
Entrepreneurship grants and vouchers	948,467	0	948,467
Total all funds	$86,890,454	$0	$86,890,454

Less other funds	53,344,371	0	53,344,371
Total general fund	$33,546,083	$0	$33,546,083
Full-time equivalent positions	62.80	0.00	62.80

SECTION 2. TRANSFER - INTERNSHIP FUND. The office of management and budget shall transfer $1,006,896 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 3. RURAL HEALTH CARE GRANT PROGRAM - MATCHING FUNDS REQUIREMENT. The grants line item in section 1 of this Act includes $444,000 from the general fund for providing matching funds to an organization assisting in the recruitment, distribution, and supply, and enhancing the quality and efficiency of personnel providing health services in rural areas of the state. The department of commerce may spend the funds appropriated in this section only to the extent the organization has secured matching funds from nonstate sources on a dollar-for-dollar basis.

SECTION 4. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

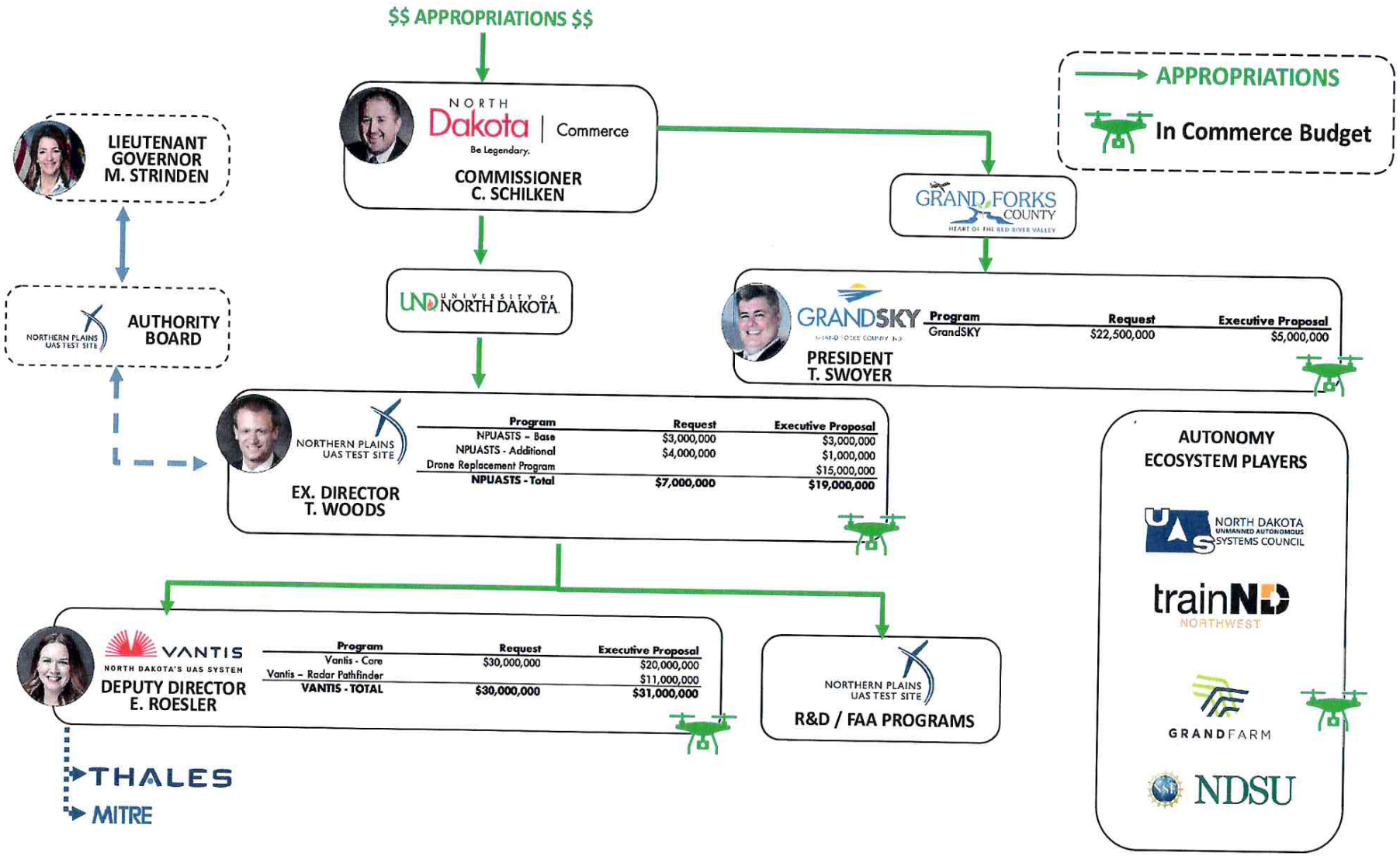
Reporting requirements - Grant programs.

The department shall compile a report regarding all grant programs administered by the department to be provided quarterly to the budget section. The report must include the following for each grant program:

1. The purpose of the grant program;
2. Funding history;
3. The number of days the grant application period was open to applicants;
4. The name of each grant recipient and the amount of each grant award; and
5. The distribution date of grant funds or the anticipated distribution date of grant funds.

2/1/23
Sen. Dwyer

#36251



Of the $50M appropriated to the Development Fund by this act, up to $15M may be used for grants to leverage federal contracts or grants, subject to the minimum of a dollar-for-dollar match by non-state funds, provided that the grants meet the purpose of the fund under NDCC 10-30.5-02 (“Purpose and fund uses”).

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division
Red River Room, State Capitol

SB 2018
2/10/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; and to provide a transfer.

10:30 a.m. Chairman Wanzek opened the meeting.

Members present: Chairman Wanzek, Vice-Chair Dwyer, Senator Burckhard, Senator Erbele, and Senator Sickler.

Discussion Topics:

- Base retention grant program
- Sentinel Project
- Military economic impact for ND
- Minot duel nuclear mission
- Off-base construction
- Air base retention program
- Community fund-raising reports
- ND Military Commission priority

10:33 a.m. Senator Burckhard, testified in favor and submitted testimony #36709.

10:33 a.m. Brecca Kramer, President/CEO of the Minot Area Economic Development Commission and Executive Committee Member of the ND Military Commission, testified in favor.

10:51 a.m. Chairman Wanzek closed the hearing.

Carol Thompson, Committee Clerk

2/10/25
Burckhard-

APPROPRIATION – DEPARTMENT OF COMMERCE - NORTH DAKOTA BASE ENHANCEMENT GRANT PROGRAM

The North Dakota Base Enhancement Program is an appropriation to the Department of Commerce for communities with an Air Force Base or National Guard. The proposed funds of $1,000,000 with $600,000 to Minot, $250,000 to Grand Forks, and $150,000 to Fargo.

ANNUAL NORTH DAKOTA MILITARY ECONOMIC IMPACT

In fiscal year (FY) 2023 Military organizations employed 13,377 people and created about 3,648 indirect jobs in North Dakota. Annual payroll for military employees is approximately $784.1 million and indirect salaries are approximately $213.3 million. The military also has direct expenses for construction, services, materials, equipment, and supplies of $196.3 million. Total military economic impact in North Dakota for Fiscal Year 2023 was estimated at about $1.19 billion.

The National Guard is made up of North Dakota Army and Air National Guard units. Active Duty is made up of the Air Force bases at Minot and Grand Forks and the Armed Forces recruiting stations for Air Force, Army, Marines and Navy. The Reserves are made up of the Air Force at Minot; the Army at Bismarck, Fargo, and Grand Forks; the Marines at Wahpeton and the Navy at Fargo.

*Data is from the North Dakota Military FY23 Economic Impact Analysis report prepared by NGND-PFO-IR

In addition to the report above each of the following has their own economic impact report prepared for FY23

Minot Air Force Base	$621,623,570
Grand Forks Air Force Base	$197,577,021
North Dakota National Guard	$342,033,712

All figures show the annual military impact, for the biennium it is estimated at about $2.4 billion economic impact.

BASE ENHANCEMENT PROGRAM

The communities of Minot, Grand Forks and Fargo raise funds privately and support the military efforts in each community. The State of North Dakota through the Base Enhancement Program supports the following:

Minot – Minot Air Force Base (MAFB) is the only dual-wing nuclear-capable base in the nation, hosting two legs of the nuclear triad. The 5th Bomb Wing operates 26 B-52 aircraft, and the 91st Missile Wing operates 150 Minuteman III intercontinental ballistic missile (ICBM) sites. Major modernization projects are underway for the bombers, missiles, and weapons system.

- Advocacy and Awareness
  - Strategic meetings with Washington DC leadership and U.S. Air Force Global Strike Command
  - Host Nuclear Triad Annual Symposium in Washington DC to educate industry, elected officials and military on nuclear deterrence and the importance of all three legs of the nuclear triad
  - North Dakota a Nuclear Triad Symposium with the objectives outlined above
  - Bomber Constituency Group support of the modernization and nuclear mission of the B52 and the U.S. Air Force's Long-Range Standoff Weapon (LRSO) program
  - Strategic partnerships with key military associations and organizations
  - Strategic guidance to raise national awareness and align the community and MAFB with current and future Air Force initiatives
- Sentinel Preparation
  - Workforce hub research and planning
  - Build business resource hub for North Dakota
  - Coalition development and strategic partnerships with F.E. Warren AFB, Cheyenne WY and Malmstrom AFB, Great Falls MT to prepare our state for the largest Department of Defense modernization project
  - Sentinel Working Group to support the Air Force's program to modernize the ICBM

Grand Forks – Grand Forks Air Force Base (GFAFB) is an Intelligence, Surveillance and Reconnaissance (ISR) Base. The mission of the 319th Reconnaissance Wing is to provide decisional advantage to our warfighters and national leaders through support of our Nation's Global Hawk High Altitude ISR mission.

- Advocacy and Awareness
  - Annual strategic meetings with Air Force leadership at Pentagon and Air Combat Command
  - Community and stakeholder education on new Intelligence Surveillance Reconnaissance (ISR) designation at GFAFB and the additional cyber, communications, and technology work to occur
  - Brief rotating senior Air Force leadership on GFAFB infrastructure, ISR and cyber-capabilities, and the eco-system among GFAFB, Grand Sky, UND, and Grand Forks community partners
- Quality of Life
  - Research, studies, and investments into quality of life for service members and their families to include support of K-12 public education, student services, higher education programming and research, medical care and behavioral/mental health, and educational and recreational opportunities
  - Utilize the Support of Military Families Report, which is weighed by Air Force leadership during mission and basing decisions, to identify and address how to best support the military family
- Strategic Advising
  - Strategic guidance to raise national awareness and align the community and GFAFB with current and future Air Force initiatives
  - Utilize experts to arrange meetings with top Air Force leadership and to help craft strategic priorities and messaging
  - Receive updates on external and internal priorities and plans for DoD policies and budgets

Fargo – The mission of Fargo-based Air National Guard 119th Wing is to provide trained and ready Airmen executing world-class MQ-9 precision attack and reconnaissance, kinetic and non-kinetic target intelligence production, and expeditionary support capabilities for the nation and state.

- Advocacy and Awareness
  - Host strategic meetings and engagements with key federal and military officials to maintain and bolster national awareness and demonstrate community military support
  - Obtain strategic advisors to support advocacy efforts at the federal level
  - Increase regional awareness of military efforts through marketing and public relations campaigns
- Advancement of Personnel Recruitment
  - Augment ND Air National Guard recruitment efforts through targeted marketing campaigns
  - Engage in promotional efforts to promote National Guard enlistment and employment
- Community-Based Programming and Support
  - Host military appreciation events to increase community support for military personnel and missions
  - Expand existing military support efforts such as the business Honor Star program and Deployment Events, by matching private funding with public funding

NORTH DAKOTA MILITARY SUPPORT HISTORY & BACKGROUND

North Dakota has always understood the importance of supporting those who serve and has supported the communities of Minot, Grand Forks, and Fargo in past legislative sessions with a mission to maintain our military excellence and increase our competitive advantage for the North Dakota National Guard while supporting the missions at Minot Air Force Base and Grand Forks Air Force Base.

Past State of North Dakota Base Enhancement Grant Funding

July 1, 2023 – June 30, 2025	$1,350,000
July 1, 2017 – June 30, 2019	$600,000
July 1, 2015 – June 30, 2017	$1,500,000
July 1, 2013 – June 30, 2015	$1,500,000
July 1, 2011 – June 30, 2013	$975,000

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division
Red River Room, State Capitol

SB 2018
2/18/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; and to provide a transfer.

3:39 p.m. Chairman Wanzek opened the meeting.

Members present: Chairman Wanzek, Vice-Chair Dwyer, Senator Burckhard, Senator Erbele, and Senator Sickler.

Discussion Topics:

- Information technology cost increases
- Remove items which have appropriations in other bills
- Office of Legal Immigration
- Unification of ND marketing brands
- Native American Business Development Center
- ND State magazine

3:42 p.m. Levi Kinnischtzke, LC Senior Fiscal Analyst, supplied budget information and submitted testimony #38028 and referenced the Executive Budget Recommendation formulated under former Governor Burgum.

4:20 p.m. Alison Widmer, Director of Administrative Services, ND Department of Commerce, testified in favor.

4:26 p.m. Chris Schilken, Commissioner of ND Department of Commerce, testified in favor.

4:29 p.m. Sara Otte Coleman, Director of Tourism, ND Department of Commerce, testified in favor.

4:32 p.m. Katie Ralson Howe, Director of Workforce Development, ND Department of Commerce, testified in favor.

4:49 p.m. Chairman Wanzek closed the meeting.

Carol Thompson, Committee Clerk

2/18, 3:40 pm
Levi

February 18, 2025

Legislative Council

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

	Armstrong Budget				Senate Version				Senate Compared to Armstrong Budget Increase (Decrease)			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	62.80	$33,546,083	$53,344,371	$86,890,454	62.80	$33,546,083	$53,344,371	$86,890,454	0.00	$0	$0	$0
2025-27 Ongoing Funding Changes												
Base payroll changes		$67,653	$82,578	$150,231		$67,653	$82,578	$150,231				$0
Adds funding for the cost to continue salary increases		238,480	45,544	284,024		238,480	45,544	284,024				0
Salary increase		538,835	137,845	676,680		538,835	137,845	676,680				0
Health insurance increase		300,624	83,714	384,338		300,624	83,714	384,338				0
Adds funding to replace the 2023-25 new FTE pool		405,880		405,880		405,880		405,880				0
Adds funding to replace the 2023-25 vacant FTE pool		560,856	102,571	663,427		560,856	102,571	663,427				0
Adjusts funding for the 2025-27 new FTE pool				0		(19,695)	(25,741)	(45,436)		($19,695)	($25,741)	($45,436)
Adjusts funding for the 2025-27 vacant FTE pool				0		(198,263)	(51,422)	(249,685)		(198,263)	(51,422)	(249,685)
Adds funding for a FTE North Dakota Development Fund position	1.00		257,408	257,408				0	(1.00)		(257,408)	(257,408)
Adds funding for a FTE procurement officer position	1.00	216,954		216,954				0	(1.00)	(216,954)		(216,954)
Adds funding for temporary salaries for temporary staff and an office intern		100,000	3,590	103,590				0		(100,000)	(3,590)	(103,590)
Adds funding for North Dakota Development Fund temporary salaries			200,000	200,000				0			(200,000)	(200,000)
Adds federal funding for temporary salaries and operating expenses to maintain building codes			98,583	98,583				0			(98,583)	(98,583)
Adds funding for the cost to continue IT increases		14,036	54,666	68,702				0		(14,036)	(54,666)	(68,702)
Adjusts base level funding for operating expenses		(21,481)	10,654	(10,827)				0		21,481	(10,654)	10,827
Adds funding for operating expenses of the Office of Legal Immigration		250,000		250,000				0		(250,000)		(250,000)
Adds federal funding for AmeriCorps program operating expenses			290,000	290,000				0			(290,000)	(290,000)
Removes funding for the continuum of care program and state apprenticeship program		(81,713)	(1,097,157)	(1,178,870)				0		81,713	1,097,157	1,178,870
Adds federal funding for AmeriCorps and weatherization grant programs			3,132,157	3,132,157				0			(3,132,157)	(3,132,157)
Reduces federal funding for community development and community services block grants			(2,086,940)	(2,086,940)				0			2,086,940	2,086,940
Removes funding from the uncrewed aircraft systems (UAS) fund for UAS program grants			(1,020,150)	(1,020,150)				0			1,020,150	1,020,150
Total ongoing funding changes	**2.00**	**$2,590,124**	**$295,063**	**$2,885,187**	**0.00**	**$1,894,370**	**$375,089**	**$2,269,459**	**(2.00)**	**($695,754)**	**$80,026**	**($615,728)**
One-Time Funding Items												
Adds funding for tourism marketing awareness			$5,000,000	$5,000,000				$0			($5,000,000)	($5,000,000)
Adds funding for operating expenses of the operation intern program		$2,000,000		2,000,000				0		($2,000,000)		(2,000,000)
Adds funding for a state radar data pathfinder			11,000,000	11,000,000				0			(11,000,000)	(11,000,000)
Adds funding for an uncrewed aerial vehicle replacement grant program			15,000,000	15,000,000				0			(15,000,000)	(15,000,000)
Adds one-time funding for the Office of Legal Immigration		1,750,000		1,750,000				0		(1,750,000)		(1,750,000)

Adds funding for a housing for opportunity, mobility, and empowerment program			50,000,000	50,000,000				0			(50,000,000)	(50,000,000)
Adds funding for the community property improvements grant program			5,000,000	5,000,000				0			(5,000,000)	(5,000,000)
Adds funding for tourism destination development grants			15,000,000	15,000,000				0			(15,000,000)	(15,000,000)
Adds funding for UAS program grants		1,000,000		1,000,000				0		(1,000,000)		(1,000,000)
Adds funding for the beyond visual line of sight UAS program grants			20,000,000	20,000,000				0			(20,000,000)	(20,000,000)
Adds funding for the enhanced use lease grant program			5,000,000	5,000,000				0			(5,000,000)	(5,000,000)
Adds funding for autonomous agriculture grants			10,000,000	10,000,000				0			(10,000,000)	(10,000,000)
Adds funding for the entrepreneurship grants and vouchers program		1,259,044		1,259,044				0		(1,259,044)		(1,259,044)
Adds funding for regional workforce impact program grants			10,000,000	10,000,000				0			(10,000,000)	(10,000,000)
Adds funding for operating expenses of the find the good life initiative			5,000,000	5,000,000				0			(5,000,000)	(5,000,000)
Adds funding for technical skills training grants		2,000,000		2,000,000				0		(2,000,000)		(2,000,000)
Total one-time funding changes	**0.00**	**$8,009,044**	**$151,000,000**	**$159,009,044**	**0.00**	**$0**	**$0**	**$0**	**0.00**	**($8,009,044)**	**($151,000,000)**	**($159,009,044)**
Total Changes to Base Level Funding	**2.00**	**$10,599,168**	**$151,295,063**	**$161,894,231**	**0.00**	**$1,894,370**	**$375,089**	**$2,269,459**	**(2.00)**	**($8,704,798)**	**($150,919,974)**	**($159,624,772)**
2025-27 Total Funding	**64.80**	**$44,145,251**	**$204,639,434**	**$248,784,685**	**62.80**	**$35,440,453**	**$53,719,460**	**$89,159,913**	**(2.00)**	**($8,704,798)**	**($150,919,974)**	**($159,624,772)**
Federal funds included in other funds			*$44,452,491*				*$44,020,133*				*($432,358)*	
Total ongoing changes - Percentage of base level	*3.2%*	*7.7%*	*0.6%*	*3.3%*	*0.0%*	*5.6%*	*0.7%*	*2.6%*	*N/A*	*N/A*	*N/A*	*N/A*
Total changes - Percentage of base level	*3.2%*	*31.6%*	*283.6%*	*186.3%*	*0.0%*	*5.6%*	*0.7%*	*2.6%*	*N/A*	*N/A*	*N/A*	*N/A*

Other Sections in Department of Commerce - Budget No. 601

Section Description	Armstrong Budget	Senate Version	
New and vacant FTE pool line item		Section 3 provides the Department of Commerce cannot spend funds appropriated in the new and vacant FTE funding pool line item but may request the Office of Management and Budget to transfer funds to the salaries and wages line item.	
Transfer - General fund to internship fund		Section 4 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 2025-27 biennium.	
Rural health care grant program - Matching funds requirement		Section 5 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.	

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division
Red River Room, State Capitol

SB 2018
2/20/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; and to provide a transfer.

8:34 a.m. Chairman Wanzek opened the meeting.

Members present: Chairman Wanzek, Vice-Chair Dwyer, Senator Burckhard, Senator Erbele, and Senator Sickler.

Discussion Topics:

- Scheduling

8:36 a.m. Levi Kinnischtzke, LC Senior Fiscal Analyst, distributed a budget update, testimony #38175.

8:37 a.m. Chairman Wanzek closed the meeting.

Carol Thompson, Committee Clerk

February 20, 2025

Legislative Council

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

	Armstrong Budget				Senate Version				Senate Compared to Armstrong Budget Increase (Decrease)			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	62.80	$33,546,083	$53,344,371	$86,890,454	62.80	$33,546,083	$53,344,371	$86,890,454	0.00	$0	$0	$0
2025-27 Ongoing Funding Changes												
Base payroll changes		$67,653	$82,578	$150,231		$67,653	$82,578	$150,231				$0
Adds funding for the cost to continue salary increases		238,480	45,544	284,024		238,480	45,544	284,024				0
Salary increase		538,835	137,845	676,680		538,835	137,845	676,680				0
Health insurance increase		300,624	83,714	384,338		300,624	83,714	384,338				0
Adds funding to replace the 2023-25 new FTE pool		405,880		405,880		405,880		405,880				0
Adds funding to replace the 2023-25 vacant FTE pool		560,856	102,571	663,427		560,856	102,571	663,427				0
Adjusts funding for the 2025-27 new FTE pool				0		(19,695)	(25,741)	(45,436)		($19,695)	($25,741)	(45,436)
Adjusts funding for the 2025-27 vacant FTE pool				0		(198,263)	(51,422)	(249,685)		(198,263)	(51,422)	(249,685)
Adds funding for a FTE North Dakota Development Fund position	1.00		257,408	257,408				0	(1.00)		(257,408)	(257,408)
Adds funding for a FTE procurement officer position	1.00	216,954		216,954				0	(1.00)	(216,954)		(216,954)
Removes funding for a FTE workforce program manager position				0	(1.00)	(199,286)		(199,286)	(1.00)	(199,286)		(199,286)
Adds funding for temporary salaries for temporary staff and an office intern		100,000	3,590	103,590				0		(100,000)	(3,590)	(103,590)
Adds funding for North Dakota Development Fund temporary salaries			200,000	200,000				0			(200,000)	(200,000)
Adds federal funding for temporary salaries and operating expenses to maintain building codes			98,583	98,583				0			(98,583)	(98,583)
Adds funding for the cost to continue IT increases		14,036	54,666	68,702				0		(14,036)	(54,666)	(68,702)
Adjusts base level funding for operating expenses		(21,481)	10,654	(10,827)				0		21,481	(10,654)	10,827
Adds funding for operating expenses of the Office of Global Talent		250,000		250,000				0		(250,000)		(250,000)
Adds federal funding for AmeriCorps program operating expenses			290,000	290,000				0			(290,000)	(290,000)
Reduces ongoing funding for the operation intern program				0		(6,896)		(6,896)		(6,896)		(6,896)
Removes funding for the continuum of care program and state apprenticeship program		(81,713)	(1,097,157)	(1,178,870)				0		81,713	1,097,157	1,178,870
Adds federal funding for AmeriCorps and weatherization grant programs			3,132,157	3,132,157				0			(3,132,157)	(3,132,157)
Reduces federal funding for community development and community services block grants			(2,086,940)	(2,086,940)				0			2,086,940	2,086,940
Removes funding from the uncrewed aircraft systems (UAS) fund for UAS program grants			(1,020,150)	(1,020,150)				0			1,020,150	1,020,150
Total ongoing funding changes	**2.00**	**$2,590,124**	**$295,063**	**$2,885,187**	**(1.00)**	**$1,688,188**	**$375,089**	**$2,063,277**	**(3.00)**	**($901,936)**	**$80,026**	**($821,910)**
One-Time Funding Items												
Adds funding for tourism marketing awareness			$5,000,000	$5,000,000			$7,000,000	$7,000,000			$2,000,000	$2,000,000
Adds funding for operating expenses of the operation intern program		$2,000,000		2,000,000		$2,000,000		2,000,000				0
Adds funding for a state radar data pathfinder			11,000,000	11,000,000				0			(11,000,000)	(11,000,000)

Adds funding for an uncrewed aerial vehicle replacement grant program			15,000,000	15,000,000				0			(15,000,000)	(15,000,000)
Adds one-time funding for the Office of Global Talent		1,750,000		1,750,000		1,000,000		1,000,000		($750,000)		(750,000)
Adds funding for a housing for opportunity, mobility, and empowerment program			50,000,000	50,000,000				0			(50,000,000)	(50,000,000)
Adds funding for the community property improvements grant program			5,000,000	5,000,000				0			(5,000,000)	(5,000,000)
Adds funding for tourism destination development grants			15,000,000	15,000,000			20,000,000	20,000,000			5,000,000	5,000,000
Adds funding for UAS program grants		1,000,000		1,000,000				0		(1,000,000)		(1,000,000)
Adds funding for the beyond visual line of sight UAS program grants			20,000,000	20,000,000			10,000,000	10,000,000			(10,000,000)	(10,000,000)
Adds funding for the enhanced use lease grant			5,000,000	5,000,000			5,000,000	5,000,000				0
Adds funding for autonomous agriculture grants			10,000,000	10,000,000			5,000,000	5,000,000			(5,000,000)	(5,000,000)
Adds funding for base enhancement grants				0			1,000,000	1,000,000			1,000,000	1,000,000
Adds funding for the entrepreneurship grants and vouchers program		1,259,044		1,259,044		759,044		759,044		(500,000)		(500,000)
Adds funding for regional workforce impact program grants			10,000,000	10,000,000			5,000,000	5,000,000			(5,000,000)	(5,000,000)
Adds funding for operating expenses of the find the good life initiative			5,000,000	5,000,000				0			(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				0
Total one-time funding changes	**0.00**	**$8,009,044**	**$151,000,000**	**$159,009,044**	**0.00**	**$5,759,044**	**$53,000,000**	**$58,759,044**	**0.00**	**($2,250,000)**	**($98,000,000)**	**($100,250,000)**
Total Changes to Base Level Funding	**2.00**	**$10,599,168**	**$151,295,063**	**$161,894,231**	**(1.00)**	**$7,447,232**	**$53,375,089**	**$60,822,321**	**(3.00)**	**($3,151,936)**	**($97,919,974)**	**($101,071,910)**
2025-27 Total Funding	**64.80**	**$44,145,251**	**$204,639,434**	**$248,784,685**	**61.80**	**$40,993,315**	**$106,719,460**	**$147,712,775**	**(3.00)**	**($3,151,936)**	**($97,919,974)**	**($101,071,910)**
Federal funds included in other funds			*$44,452,491*				*$44,020,133*				*($432,358)*	
Total ongoing changes - Percentage of base level	*3.2%*	*7.7%*	*0.6%*	*3.3%*	*(1.6%)*	*5.0%*	*0.7%*	*2.4%*	*N/A*	*N/A*	*N/A*	*N/A*
Total changes - Percentage of base level	*3.2%*	*31.6%*	*283.6%*	*186.3%*	*(1.6%)*	*22.2%*	*100.1%*	*70.0%*	*N/A*	*N/A*	*N/A*	*N/A*

Other Sections in Department of Commerce - Budget No. 601

Section Description	Armstrong Budget	Senate Version	
New and vacant FTE pool line item		Section 3 provides the Department of Commerce cannot spend funds appropriated in the new and vacant FTE funding pool line item but may request the Office of Management and Budget to transfer funds to the salaries and wages line item.	
Transfer - General fund to internship fund		Section 4 requires 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 - Strategic investment and improvements fund (SIIF) to legacy investment for technology (LIFT) fund		Section 5 requires OMB to transfer $X 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 6 requires OMB to transfer $X from SIIF to the North Dakota Development Fund during the 2025-27 biennium.	

Other Sections in Department of Commerce - Budget No. 601

Section Description	Armstrong Budget	Senate Version	
Rural health care grant program - Matching funds requirement		Section 7 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.	
SIIF		Section 8 identifies $53,000,000 appropriated in Section 1 from SIIF, including $7,000,000 for tourism marketing awareness, $20,000,000 for tourism destination development grants, $10,000,000 for the beyond visual line of sight uncrewed aircraft system program, $5,000,000 for the enhanced use lease grant program, $5,000,000 for autonomous agriculture grants, $1,000,000 is for base enhancement grants, and $5,000,000 is for regional workforce impact program grants. Of the $7,000,000 for tourism marketing awareness, $150,000 is designated for the continuation of the North Dakota state magazine with the current publisher of the magazine. Of the $1,000,000 for base enhancement grants, $600,000 is for eligible organizations in Minot, $250,000 is for eligible organizations in Grand Forks, and $150,000 is for eligible organizations in Fargo. The $5,000,000 provided autonomous agriculture grants may be provided for autonomous trucking activities.	
Amendment - Department of Commerce grant reporting requirements		Section 9 creates a new section to Chapter 54-60 to require the Department of Commerce to report to the Budget Section quarterly regarding grants administered by the department.	
Amendment - Office of Legal Immigration renamed the Office of Global Talent		Section 10 amends Section 54-60-31 to change the name of the Office of Legal Immigration to the Office of Global Talent.	
Exemption - Community development block grant		Subsection 1 of Section 11 allows 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 11 allows 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 11 allows 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 11 allows 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.	

Other Sections in Department of Commerce - Budget No. 601

Section Description	Armstrong Budget	Senate Version	
Exemption - Workforce programs		Subsection 5 of Section 11 allows 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 6 of Section 11 allows 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 7 of Section 11 allows 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 8 of Section 11 allows 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.	
Exemption - Discretionary funds		Subsection 9 of Section 11 allows 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 11 allows 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 11 of Section 11 allows 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 12 of Section 11 allows 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 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 13 of Section 11 allows 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.	
Exemption - Office of Legal Immigration		Subsection 14 of Section 11 allows 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.	

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division
Red River Room, State Capitol

SB 2018
2/20/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; and to provide a transfer.

10:10 a.m. Chairman Wanzek opened the hearing.

Members present: Chairman Wanzek, Vice-Chair Dwyer, Senator Burckhard, Senator Erbele, and Senator Sickler.

Discussion Topics:

- New and Vacant Full-Time Employee (FTE) Pool
- Transfer of employees from Executive Branch to Legislative Branch
- Marketing ND
- Intern Program
- Tourism destination development grants and grant process
- Uncrewed Aerial Systems (UAS)
- Return on Investment (ROI) for State dollars
- Autonomous agriculture

10:13 a.m. Lorraine Davis, Founder and CEO, Native American Development Center, testified in favor and submitted testimony #38203.

10:30 a.m. Levi Kinnischtzke, LC Senior Fiscal Analyst, provided budget information and submitted testimony #38208 (long sheet).

10:40 a.m. Chris Schilken, Commissioner, ND Department of Commerce, testified in favor.

10:46 a.m. Alison Widmer, Director of Administrative Services, ND Department of Commerce, testified in favor.

10:56 a.m. Renae Bloms, OMB Analyst, provided budget information.

11:16 a.m. Sara Otte Coleman, Director of Tourism and Marketing, ND Department of Commerce, testified in favor.

11:24 a.m. Don Larson, Dakota Strategies, testified in favor.

11:46 a.m. Chairman Wanzek closed the meeting.

Carol Thompson, Committee Clerk

NATIVE AMERICAN DEVELOPMENT CENTER
2403 East Thayer Avenue Bismarck ND 58501
Tel: (701) 595-5181 |Website: www.ndnativecenter.org

February 20, 2025

SB 2018
Appropriations - Government Operations Division

Chairman Wanzek, Vice Chairman Erbele, and Members of the Committee,

My name is Lorraine Davis, Founder and CEO of Native American Development Center (NADC), a Native community development financial institution (Native CDFI) designated by the U.S. Department of Treasury to serve at least 60% of Native American populations living on and off the reservation in North Dakota (ND) and 40% of all other distressed populations throughout the state, with financial services in the form of micro-business loans and consumer and credit builder loans, financial literacy, and small business development and workforce development programs.

I am requesting an amendment to SB 2018 to allocate 1,280,000 dollars toward a Native American set-aside for the 2025-2027 biennium budget, as follows:

- **$350,000 Tribal Econ Summit.** This was first funded at $350,000 during the 2023-2025 legislative session. It was a big success between the Five Tribes, State, and Federal governments.
- **$300,000 Revolving Loan Fund (pass through Bank of North Dakota).** Native American Development Center would underwrite micro-business loans between $5,000 to $20,000 each and credit builder and consumer loans between $1,000 to $3,000 each.
- **$130,000 FTE Workforce Development Specialist** ($26 per hr/$63,000 per year includes benefits) hosted at the Native American Development Center where low-income populations funnel through for housing, job seeking, and job training. NADC is partnered with Bismarck State College to host in-person and virtual (hybrid) college and career readiness programs for Native American high school and adults and other low-income populations in the Bismarck area. This platform will NADC/BSC to serve statewide through its hybrid format.
- **$500,000 (One-time funding) Small Business Incubator in Bismarck, ND.** NADC conducted a feasibility in 2022; the results revealed a need for a small business incubator for Native and other distressed populations in ND.

Recommendations for Eligibility:

Must have been a Native Community Development Financial Institute (Native CDFI) for at least five years serving populations across North Dakota.

Thank you for your time and consideration in addressing this gap in North Dakota. I stand for any questions.

SB 2018 Amendment Request to Budget

2025-2027 ND State Biennium Budget

Native American Development Center

Native Set-Aside		
Tribal Econ Summit		
2-Full Days w-Breakout sessions	$	350,000
Revolving Loan Fund (passthrough BND)	$	300,000
Workforce Development Specialist (FTE)		
$27 hr/$56,160 per year + 15% benefits	$	130,000
Small Business Incubator (one-time)	$	500,000
Total	**$**	**1,280,000**

Legislative Council

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

	Armstrong Budget				Senate Version				Senate Compared to Armstrong Budget Increase (Decrease)			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	62.80	$33,546,083	$53,344,371	$86,890,454	62.80	$33,546,083	$53,344,371	$86,890,454	0.00	$0	$0	$0
2025-27 Ongoing Funding Changes												
Base payroll changes		$67,653	$82,578	$150,231		$67,653	$82,578	$150,231				$0
Adds funding for the cost to continue salary increases		238,480	45,544	284,024		238,480	45,544	284,024				0
Salary increase		538,835	137,845	676,680		538,835	137,845	676,680				0
Health insurance increase		300,624	83,714	384,338		300,624	83,714	384,338				0
Adds funding to replace the 2023-25 new FTE pool		405,880		405,880		405,880		405,880				0
Adds funding to replace the 2023-25 vacant FTE pool		560,856	102,571	663,427		560,856	102,571	663,427				0
Adjusts funding for the 2025-27 new FTE pool				0		(19,695)	(25,741)	(45,436)		($19,695)	($25,741)	(45,436)
Adjusts funding for the 2025-27 vacant FTE pool				0		(198,263)	(51,422)	(249,685)		(198,263)	(51,422)	(249,685)
Adds funding for a FTE North Dakota Development Fund position	1.00		257,408	257,408				0	(1.00)		(257,408)	(257,408)
Adds funding for a FTE procurement officer position	1.00	216,954		216,954				0	(1.00)	(216,954)		(216,954)
Removes a FTE workforce program manager position				0	(1.00)	(199,286)		(199,286)	(1.00)	(199,286)		(199,286)
Removes FTE positions				0	(2.00)	(440,000)		(440,000)	(2.00)	(440,000)		(440,000)
Adds funding for temporary salaries for temporary staff and an office intern		100,000	3,590	103,590				0		(100,000)	(3,590)	(103,590)
Adds funding for North Dakota Development Fund temporary salaries			200,000	200,000				0			(200,000)	(200,000)
Adds federal funding for temporary salaries and operating expenses to maintain building codes			98,583	98,583			98,583	98,583				0
Adds funding for the cost to continue IT increases		14,036	54,666	68,702			54,666	54,666		(14,036)		(14,036)
Adjusts base level funding for operating expenses		(21,481)	10,654	(10,827)		(21,481)	10,654	(10,827)				0
Adds funding for operating expenses of the Office of Global Talent		250,000		250,000				0		(250,000)		(250,000)
Adds federal funding for AmeriCorps program operating expenses			290,000	290,000			290,000	290,000				0
Reduces ongoing funding for the operation intern program				0		(6,896)		(6,896)		(6,896)		(6,896)
Removes funding for the continuum of care program and state apprenticeship program		(81,713)	(1,097,157)	(1,178,870)		(81,713)	(1,097,157)	(1,178,870)				0
Adds federal funding for AmeriCorps and weatherization grant programs			3,132,157	3,132,157			3,132,157	3,132,157				0
Reduces federal funding for community development and community services block grants			(2,086,940)	(2,086,940)			(2,086,940)	(2,086,940)				0
Removes funding from the uncrewed aircraft systems (UAS) fund for UAS program grants			(1,020,150)	(1,020,150)			(1,020,150)	(1,020,150)				0
Total ongoing funding changes	**2.00**	**$2,590,124**	**$295,063**	**$2,885,187**	**(3.00)**	**$1,144,994**	**($243,098)**	**$901,896**	**(5.00)**	**($1,445,130)**	**($538,161)**	**($1,983,291)**
One-Time Funding Items												
Adds funding for tourism marketing awareness			$5,000,000	$5,000,000			$7,000,000	$7,000,000			$2,000,000	$2,000,000

Adds funding for operating expenses of the operation intern program		$2,000,000		2,000,000		$2,000,000		2,000,000				0
Adds funding for a state radar data pathfinder			11,000,000	11,000,000				0			(11,000,000)	(11,000,000)
Adds funding for an uncrewed aerial vehicle replacement grant program			15,000,000	15,000,000				0			(15,000,000)	(15,000,000)
Adds one-time funding for the Office of Global Talent		1,750,000		1,750,000		1,000,000		1,000,000		($750,000)		(750,000)
Adds funding for a housing for opportunity, mobility, and empowerment program			50,000,000	50,000,000				0			(50,000,000)	(50,000,000)
Adds funding for the community property improvements grant program			5,000,000	5,000,000				0			(5,000,000)	(5,000,000)
Adds funding for tourism destination development grants			15,000,000	15,000,000			20,000,000	20,000,000			5,000,000	5,000,000
Adds funding for UAS program grants		1,000,000		1,000,000				0		(1,000,000)		(1,000,000)
Adds funding for the beyond visual line of sight UAS program grants			20,000,000	20,000,000			10,000,000	10,000,000			(10,000,000)	(10,000,000)
Adds funding for the enhanced use lease grant			5,000,000	5,000,000			5,000,000	5,000,000				0
Adds funding for autonomous agriculture grants			10,000,000	10,000,000			5,000,000	5,000,000			(5,000,000)	(5,000,000)
Adds funding for base enhancement grants				0			1,000,000	1,000,000			1,000,000	1,000,000
Adds funding for the entrepreneurship grants and vouchers program		1,259,044		1,259,044		759,044		759,044		(500,000)		(500,000)
Adds funding for regional workforce impact program grants			10,000,000	10,000,000			5,000,000	5,000,000			(5,000,000)	(5,000,000)
Adds funding for operating expenses of the find the good life initiative			5,000,000	5,000,000				0			(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				0
Total one-time funding changes	**0.00**	**$8,009,044**	**$151,000,000**	**$159,009,044**	**0.00**	**$5,759,044**	**$53,000,000**	**$58,759,044**	**0.00**	**($2,250,000)**	**($98,000,000)**	**($100,250,000)**
Total Changes to Base Level Funding	**2.00**	**$10,599,168**	**$151,295,063**	**$161,894,231**	**(3.00)**	**$6,904,038**	**$52,756,902**	**$59,660,940**	**(5.00)**	**($3,695,130)**	**($98,538,161)**	**($102,233,291)**
2025-27 Total Funding	**64.80**	**$44,145,251**	**$204,639,434**	**$248,784,685**	**59.80**	**$40,450,121**	**$106,101,273**	**$146,551,394**	**(5.00)**	**($3,695,130)**	**($98,538,161)**	**($102,233,291)**
Federal funds included in other funds			*$44,452,491*				*$44,422,096*				*($30,395)*	
Total ongoing changes - Percentage of base level	*3.2%*	*7.7%*	*0.6%*	*3.3%*	*(4.8%)*	*3.4%*	*(0.5%)*	*1.0%*	*N/A*	*N/A*	*N/A*	*N/A*
Total changes - Percentage of base level	*3.2%*	*31.6%*	*283.6%*	*186.3%*	*(4.8%)*	*20.6%*	*98.9%*	*68.7%*	*N/A*	*N/A*	*N/A*	*N/A*

Other Sections in Department of Commerce - Budget No. 601

Section Description	Armstrong Budget	Senate Version	
New and vacant FTE pool line item		Section 3 provides the Department of Commerce cannot spend funds appropriated in the new and vacant FTE funding pool line item but may request the Office of Management and Budget to transfer funds to the salaries and wages line item.	
Transfer - General fund to internship fund		Section 4 requires 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 - Strategic investment and improvements fund (SIIF) to legacy investment for technology (LIFT) fund		Section 5 requires OMB to transfer $5 million 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 6 requires OMB to transfer $40 million from SIIF to the North Dakota Development Fund during the 2025-27 biennium.	

Other Sections in Department of Commerce - Budget No. 601

Section Description	Armstrong Budget	Senate Version	
Rural health care grant program - Matching funds requirement		Section 7 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.	
SIIF		Section 8 identifies $53,000,000 appropriated in Section 1 from SIIF, including $7,000,000 for tourism marketing awareness, $20,000,000 for tourism destination development grants, $10,000,000 for the beyond visual line of sight uncrewed aircraft system program, $5,000,000 for the enhanced use lease grant program, $5,000,000 for autonomous agriculture grants, $1,000,000 is for base enhancement grants, and $5,000,000 is for regional workforce impact program grants. Of the $7,000,000 for tourism marketing awareness, $150,000 is designated for the continuation of the North Dakota state magazine with the current publisher of the magazine. Of the $1,000,000 for base enhancement grants, $600,000 is for eligible organizations in Minot, $250,000 is for eligible organizations in Grand Forks, and $150,000 is for eligible organizations in Fargo. The $5,000,000 provided autonomous agriculture grants may be provided for autonomous trucking activities.	
Amendment - Department of Commerce grant reporting requirements		Section 9 creates a new section to Chapter 54-60 to require the Department of Commerce to report to the Budget Section quarterly regarding grants administered by the department.	
Amendment - Office of Legal Immigration renamed the Office of Global Talent		Section 10 amends Section 54-60-31 to change the name of the Office of Legal Immigration to the Office of Global Talent.	
Exemption - Community development block grant		Subsection 1 of Section 11 allows 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 11 allows 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 11 allows 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 11 allows 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.	

Other Sections in Department of Commerce - Budget No. 601

Section Description	Armstrong Budget	Senate Version	
Exemption - Workforce programs		Subsection 5 of Section 11 allows 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 6 of Section 11 allows 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 7 of Section 11 allows 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 8 of Section 11 allows 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.	
Exemption - Discretionary funds		Subsection 9 of Section 11 allows 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 11 allows 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 11 of Section 11 allows 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 12 of Section 11 allows 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 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 13 of Section 11 allows 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.	
Exemption - Office of Legal Immigration		Subsection 14 of Section 11 allows 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.	

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division
Red River Room, State Capitol

SB 2018
2/20/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; and to provide a transfer.

3:18 p.m. Chairman Wanzek opened the meeting.

Members present: Chairman Wanzek, Vice-Chair Dwyer, Senator Burckhard, Senator Erbele, and Senator Sickler.

Discussion Topics:

- Base enhancement grants

3:19 p.m. Alex Cronquist, LC Senior Fiscal Analyst, provided budget information.

3:22 p.m. Brecca Kramer, President and CEO, Minot Chamber of Commerce, testified in favor.

3:31 p.m. Chairman Wanzek closed the meeting.

Carol Thompson, Committee Clerk

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division
Red River Room, State Capitol

SB 2018
2/20/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; and to provide a transfer.

3:50 p.m. Chairman Wanzek opened the meeting.

Members present: Chairman Wanzek, Vice-Chair Dwyer, Senator Burckhard, Senator Erbele, and Senator Sickler.

Discussion Topics:

- Legacy Investment for Technology (LIFT) Fund and ND Development Fund
- Grant reports
- Primary / non-primary sector
- Loans / grants
- Advance ND
- Turtle Mountain CDL program
- Matching fund loans for Federal contracts
- Development grants

3:55 p.m. Renae Bloms, OMB Analyst, supplied budget information.

4:08 p.m. Chris Schilken, Commissioner, ND Commerce Department,

4:16 p.m. Shayden Akason, Deputy Director/Head of Investment and Innovation, ND Department of Commerce, testified in favor.

4:24 p.m. Chairman Wanzek distributed testimony #38264.

4:33 p.m. Commissioner Schilken gave additional testimony.

4:43 p.m. Senator Erbele proposed increased funding for commercial driver training.

4:52 p.m. Shayden Akason answered questions.

4:56 p.m. Commissioner Schilken testified again.

5:03 p.m. Chairman Wanzek closed the meeting.

Carol Thompson, Committee Clerk

Program/Purpose	Biennium of Original Appropriation	Original Appropriation				Amount remaining as of January 1, 2025				Estimated Funding Remaining on June 30, 2025			
		General Fund	Federal Funds	Special Funds	Total	General Fund	Federal Funds	Special Funds	Total	General Fund	Federal Funds	Special Funds	Total
1 - Community development block grant - COVID-19	2019-21	$0	$3,000,000	$0	$3,000,000	$0	$3,000,000	$0	$3,000,000	$0	$1,500,000	$0	$1,500,000
2 - State small business credit initiative program - COVID-19	2021-23	0	56,234,176	0	56,234,176	0	17,664,554	0	17,664,554	0	17,664,554	0	17,664,554
3 - Workforce development incentive grant program - SFRF	2021-23	0	15,000,000	0	15,000,000	0	590,808	0	590,808	0	350,000	0	350,000
4 - Technical skills training grant program - SFRF	2021-23	0	5,000,000	0	5,000,000	0	2,430,729	0	2,430,729	0	1,500,000	0	1,500,000
5 - Office of Legal Immigration - (General Fund)	2023-25	2,000,000	0	0	2,000,000	1,672,792	0	0	1,672,792	1,000,000	0	0	1,000,000
6 - Workforce related programs - (General Fund)	2023-25	28,500,000	0	0	28,500,000	17,611,931	0	0	17,611,931	12,000,000	0	0	12,000,000
7 - Tourism destination development initiative program - SIIF	2023-25	0	0	25,000,000	25,000,000	0	0	22,075,903	22,075,903	0	0	15,000,000	15,000,000
8 - Enhanced use lease grant program - SIIF	2023-25	0	0	10,000,000	10,000,000	0	0	9,763,688	9,763,688	0	0	6,500,000	6,500,000
9 - IIJA and IRA weatherization/energy programs (and 3 FTE)	2023-25	0	120,000,000	0	120,000,000	0	117,808,325	0	117,808,325	0	100,000,000	0	100,000,000
10 - Discretionary funds - (General Fund)	2023-25	2,150,000	0	0	2,150,000	0	0	1,659,466	1,659,466	500,000	0	0	500,000
11 - Heating and cooling grant programs	2023-25	0	3,258,084	0	3,258,084	0	805,218	0	805,218	0	700,000	0	700,000
12 - Energy conservation grant program	2023-25	0	14,081,719	0	14,081,719	0	5,206,906	0	5,206,906	0	4,500,000	0	4,500,000
13 - Parks and recreation grant program (operating)	2023-25	0	1,550,000	0	1,550,000	0	1,540,688	0	1,540,688	0	1,400,000	0	1,400,000
14 - State small business credit initiative program	2023-25	0	572,143	0	572,143	0	413,416	0	413,416	0	350,000	0	350,000
Total		**$32,650,000**	**$218,696,122**	**$35,000,000**	**$286,346,122**	**$19,284,723**	**$149,460,644**	**$33,499,057**	**$202,244,424**	**$13,500,000**	**$127,964,554**	**$21,500,000**	**$162,964,554**

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division
Red River Room, State Capitol

SB 2018
2/21/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; and to provide a transfer.

9:44 a.m. Chairman Wanzek opened the meeting.

Members present: Chairman Wanzek, Vice-Chair Dwyer, Senator Burckhard, Senator Erbele, and Senator Sickler.

Discussion Topics:

- Workforce development initiative
- Technical skills training

9:50 a.m. Levi Kinnischtzke, LC Senior Fiscal Analyst, supplied budget information.

9:53 a.m. Renae Bloms, OMB Analyst, supplied budget information.

9:59 a.m. Chairman Wanzek closed the meeting.

Carol Thompson, Committee Clerk

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division
Red River Room, State Capitol

SB 2018
2/21/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; and to provide a transfer.

3:36 p.m. Chairman Wanzek opened the meeting.

Members present: Chairman Wanzek, Vice-Chair Dwyer, Senator Burckhard, Senator Erbele, and Senator Sickler.

Discussion Topics:

- Weatherization Federal funds
- Development Fund
- Review of all amendments
- Total funds from State Investment and Improvement Fund (SIIF)

3:41 p.m. Levi Kinnischtzke, LC Senior Fiscal Analyst, supplied budget information and submitted testimony #38334 and #38335.

4:03 p.m. Senator Dwyer moved to adopt the amendment 25.0185.01002, testimony #38334.

4:03 p.m. Senator Burckhard seconded the motion.

Senators	Vote
Senator Terry M. Wanzek	Y
Senator Randy A. Burckhard	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Jonathan Sickler	Y

Motion passed 5-0-0

4:04 p.m. Senator Sickler moved a Do Pass as Amended.
4:04 p.m. Senator Erbele seconded the motion.

Senators	Vote
Senator Terry M. Wanzek	Y
Senator Randy A. Burckhard	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Jonathan Sickler	Y

Motion passed 5-0-0

Senator Dwyer will carry the bill.

4:05 p.m. Chairman Wanzek closed the meeting.

Carol Thompson, Committee Clerk

25.0185.01002
Title.
Fiscal No. 1

Prepared by the Legislative Council staff for Senate Appropriations - Government Operations Division Committee
February 21, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2018

Introduced by

Appropriations Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; ~~and~~to create and enact a new section to chapter 54-60 of the North Dakota Century Code, relating to department of commerce grant reporting requirements; to amend and reenact section 54-60-31 of the North Dakota Century Code, relating to changing the name of the office of legal immigration to the office of global talent; to provide for a transfer; to provide an exemption; and to provide for a legislative management report.

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 other funds derived from special funds and federal funds, 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:

	Base Level	Adjustments or Enhancements	Appropriation
~~Salaries and wages~~	~~$15,785,306~~	~~$0~~	~~$15,785,306~~
~~Operating expenses~~	~~19,462,643~~	~~0~~	~~19,462,643~~
~~Grants~~	~~47,636,118~~	~~0~~	~~47,636,118~~
~~Discretionary funds~~	~~2,150,000~~	~~0~~	~~2,150,000~~

~~Partner programs~~	~~907,920~~	~~0~~	~~907,920~~
~~Entrepreneurship grants and vouchers~~	~~948,467~~	~~0~~	~~948,467~~
~~Total all funds~~	~~$86,890,454~~	~~$0~~	~~$86,890,454~~
~~Less other funds~~	~~53,344,371~~	~~0~~	~~53,344,371~~
~~Total general fund~~	~~$33,546,083~~	~~$0~~	~~$33,546,083~~
~~Full-time equivalent positions~~	~~62.80~~	~~0.00~~	~~62.80~~
Salaries and wages	$15,785,306	$1,723,056	$17,508,362
New and vacant FTE pool	0	582,600	582,600
Operating expenses	19,462,643	9,210,023	28,672,666
Grants	47,636,118	40,746,197	88,382,315
Discretionary funds	2,150,000	0	2,150,000
Workforce programs	0	8,000,000	8,000,000
Partner programs	907,920	0	907,920
Entrepreneurship grants and vouchers	948,467	759,044	1,707,511
Total all funds	$86,890,454	$61,020,920	$147,911,374
Less other funds	53,344,371	52,870,336	106,214,707
Total general fund	$33,546,083	$8,150,584	$41,696,667
Full-time equivalent positions	62.80	(1.00)	61.80

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

One-Time Funding Description	General Fund	Other Funds	Total
Temporary salaries	$50,000	$103,590	$153,590
Tourism marketing awareness	0	7,000,000	7,000,000
Operation intern	2,000,000	0	2,000,000
Office of global talent	1,000,000	0	1,000,000
Tourism destination development grants	0	20,000,000	20,000,000
Beyond visual line of sight uncrewed			

aircraft system program	0	10,000,000	10,000,000
Enhanced use lease grant	0	5,000,000	5,000,000
Autonomous agriculture grants	0	5,000,000	5,000,000
Base enhancement grants	0	1,000,000	1,000,000
Tribally controlled community college grants	750,000	0	750,000
Entrepreneurship grants and vouchers	759,044	0	759,044
Regional workforce impact program grants	0	5,000,000	5,000,000
Technical skills training grants	2,000,000	0	2,000,000
Total	$6,559,044	$53,103,590	$59,662,634

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The department of commerce may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. TRANSFER - INTERNSHIP FUND. The office of management and budget shall transfer ~~$1,006,896~~$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 5. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO LEGACY INVESTMENT FOR TECHNOLOGY FUND. The office of management and budget shall transfer the sum of $5,000,000 from the strategic investment and improvements fund to the legacy investment for technology fund for the purpose of providing legacy investment technology loans, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 6. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO NORTH DAKOTA DEVELOPMENT FUND. The office of management and budget shall transfer the sum of $30,000,000 from the strategic investment and improvements fund to the North Dakota development fund for programs under chapter 10-30.5, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 7. RURAL HEALTH CARE GRANT PROGRAM - MATCHING FUNDS REQUIREMENT. The grants line item in section 1 of this Act includes $444,000 from the

general fund for providing matching funds to an organization assisting in the recruitment, distribution, and supply, and enhancing the quality and efficiency of personnel providing health services in rural areas of the state. The department of commerce may spend the funds appropriated in this section only to the extent the organization has secured matching funds from nonstate sources on a dollar-for-dollar basis.

SECTION 8. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The other funds line item in section 1 of this Act includes the sum of $53,000,000 from the strategic investment and improvements fund, of which:

1. $7,000,000 is for tourism marketing awareness, including $150,000 for supporting the continuation of the North Dakota state magazine with the current publisher of the magazine;
2. $20,000,000 is for tourism destination development grants;
3. $10,000,000 is for the beyond visual line of sight uncrewed aircraft system program;
4. $5,000,000 is for the enhanced use lease grant program;
5. $5,000,000 is for autonomous agriculture grants, which may be provided for autonomous trucking grants;
6. $1,000,000 is for providing base enhancement grants to communities with an air force base or air national guard facilities, including $600,000 to eligible organizations in Minot, $250,000 to eligible organizations in Grand Forks, and $150,000 to eligible organizations in Fargo; and
7. $5,000,000 is for regional workforce impact program grants.

SECTION 9. TRIBALLY CONTROLLED COMMUNITY COLLEGE GRANTS - LEGISLATIVE MANAGEMENT REPORT. The grants line item in section 1 of this Act includes $750,000 from the general fund for the purpose of providing workforce development grants to a tribally controlled community college in the Turtle Mountain area. To be eligible for a grant under this section, a tribally controlled community college shall partner with at least one high school in the state for programs under section 54-60.2-02. During the 2025-26 interim, a tribally controlled community college receiving funding under this program shall report to the department of commerce by August 1, 2026, regarding the use of grant funds and the department of commerce shall provide a report to the legislative management by October 1, 2026, regarding the use of grant funds.

SECTION 10. DISCRETIONARY FUNDS - NATIVE AMERICAN SMALL BUSINESS GRANT. The discretionary funds line item in section 1 of this Act includes $2,150,000 from the general fund, of which $600,000 is designated for a grant to support an organization dedicated to assisting Native American small businesses in North Dakota.

SECTION 11. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Reporting requirements - Budget Section - Grant programs.

The department shall compile a report regarding grant programs administered by the department, excluding federally funded programs, to be provided semiannually to the budget section. The report must include the following for each grant program:

1. The purpose of the grant program;
2. Funding history;
3. The number of days the grant application period was open to applicants;
4. The name of each grant recipient and the amount of each grant award; and
5. The distribution date of grant funds or the anticipated distribution date of grant funds.

SECTION 12. AMENDMENT. Section 54-60-31 of the North Dakota Century Code is amended and reenacted as follows:

54-60-31. Office of ~~legal immigration~~global talent - Duties.

There is created an office of ~~legal immigration~~global talent within the department of commerce. Employees of the office of ~~legal immigration~~global talent report to the commissioner. The office of ~~legal immigration~~global talent:

1. Shall develop and implement a statewide strategy to support businesses in recruiting and retaining foreign labor, including immigrants already in the United States and integration of immigrants into the state to promote economic opportunities for immigrant communities.
2. Shall advise and make recommendations to the governor, legislative assembly, and state agencies regarding immigrant integration and foreign labor issues.
3. Shall develop a pilot program to support businesses pursuing or employing legal immigrants and to support communities to develop immigration integration plans and activities.

4. May contract with other state agencies to develop and administer programs or services related to immigration integration and access to basic needs that promote entrance and movement throughout the workforce.
5. May contract with an organization with expertise related to the goals of the office of ~~legal immigration~~global talent.

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

1. The sum of $3,000,000 appropriated from federal COVID-19 funds for the community development block grant program in section 1 of chapter 27 of the 2021 Session Laws and continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws.
2. The sum of $56,234,176 appropriated from federal COVID-19 funds for the state small business credit initiative program in section 2 of chapter 28 of the 2021 Session Laws and continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws.
3. The sum of $15,000,000 appropriated from the federal State Fiscal Recovery Fund for the workforce development incentive grant program in subsection 38 of section 1 of chapter 550 of the 2021 Special Session Session Laws and continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws.
4. The sum of $5,000,000 appropriated from the federal State Fiscal Recovery Fund for the technical skills training grant program in subsection 39 of section 1 of chapter 550 of the 2021 Special Session Session Laws and continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws.
5. The sum of $28,500,000 appropriated from the general fund for workforce programs, of which $12,000,000 was for workforce talent attraction initiative operating expenses, $12,500,000 was for workforce investment program grants, $2,000,000 was for technical skills training grants, and $2,000,000 was for new Americans workforce development and training grants, in section 1 of chapter 18 of the 2023 Session Laws.

6. The sum of $25,000,000 appropriated from the strategic investment and improvements fund for the tourism destination development initiative in section 1 of chapter 18 of the 2023 Session Laws.
7. 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 the 2023 Session Laws.
8. The sum of $120,000,000 appropriated from federal funds for weatherization and energy assistance programs in section 1 of chapter 18 of the 2023 Session Laws.
9. 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.
10. The sum of $3,258,084 appropriated from federal funds for heating, furnace, and cooling assistance grants in section 1 of chapter 18 of the 2023 Session Laws.
11. The sum of $14,081,719 appropriated from federal funds for energy conservation assistance grants in section 1 of chapter 18 of the 2023 Session Laws.
12. The sum of $1,550,000 appropriated from federal funds for the parks and recreation program in section 1 of chapter 18 of the 2023 Session Laws.
13. The sum of $572,143 appropriated from federal funds for the state small business credit initiative program in section 1 of chapter 18 of the 2023 Session Laws.
14. The sum of $2,000,000 appropriated from the general fund for the office of legal immigration in section 1 of chapter 639 of the 2023 Special Session Session Laws.

Bill No. 2018 Fiscal No. 1 25.0185.01002s 02/21/2025

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2018 - Department of Commerce - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	$15,785,306	$1,723,056	$17,508,362
New and vacant FTE pool		582,600	582,600
Operating expenses	19,462,643	9,210,023	28,672,666
Grants	47,636,118	40,746,197	88,382,315
Discretionary funds	2,150,000		2,150,000
Workforce programs		8,000,000	8,000,000
Entrepreneurship grants and vouchers	948,467	759,044	1,707,511
Partner programs	907,920		907,920
Total all funds	$86,890,454	$61,020,920	$147,911,374
Less estimated income	53,344,371	52,870,336	106,214,707
General fund	$33,546,083	$8,150,584	$41,696,667
FTE	62.80	(1.00)	61.80

Department 601 - Department of Commerce - Detail of Senate Changes

	Adds Funding for Base Payroll Changes[1]	Adds Funding for the Cost to Continue Salaries[2]	Adds Funding for Salary and Benefit Increases[3]	Adds Funding to Replace 2023-25 New and Vacant FTE Pool[4]	Transfers Funding for 2025-27 New and Vacant FTE Pool[5]	Removes FTE Position[6]
Salaries and wages	$150,231	$284,024	$1,031,972	$1,069,307	($832,285)	($189,286)
New and vacant FTE pool					582,600	
Operating expenses						(10,000)
Grants						
Discretionary funds						
Workforce programs						
Entrepreneurship grants and vouchers						
Partner programs						
Total all funds	$150,231	$284,024	$1,031,972	$1,069,307	($249,685)	($199,286)
Less estimated income	82,578	45,544	205,662	102,571	(51,422)	0
General fund	$67,653	$238,480	$826,310	$966,736	($198,263)	($199,286)
FTE	0.00	0.00	0.00	0.00	0.00	(1.00)

	Adjusts Base Level Funding[7]	Adds One-Time Funding for Temporary Salaries[8]	Adds One-Time Funding for Operating and Grants[9]	Total Senate Changes
Salaries and wages	$55,503	$153,590		$1,723,056
New and vacant FTE pool				582,600
Operating expenses	370,023		$8,850,000	9,210,023
Grants	(1,153,803)		41,900,000	40,746,197
Discretionary funds				
Workforce programs			8,000,000	8,000,000
Entrepreneurship grants and vouchers			759,044	759,044
Partner programs				
Total all funds	($728,277)	$153,590	$59,509,044	$61,020,920
Less estimated income	(618,187)	103,590	53,000,000	52,870,336
General fund	($110,090)	$50,000	$6,509,044	$8,150,584
FTE	0.00	0.00	0.00	(1.00)

[1] Funding is added for base payroll changes.

[2] Funding is added for the cost to continue salary increases.

[3] The following funding is added for 2025-27 biennium salary adjustments of 3 percent on July 1, 2025, and 3 percent on July 1, 2026, and increases in health insurance premiums from $1,643 to $1,893 per month:

	General Fund	Other Funds	Total
Salary increase	$531,691	$127,953	$659,644
Health insurance increase	294,619	77,709	372,328
Total	$826,310	$205,662	$1,031,972

[4] Funding is added to replace 2023-25 biennium new and vacant FTE pool funding as follows:

	General Fund	Other Funds	Total
New FTE positions	$405,880	$0	$405,880
Vacant FTE positions	560,856	102,571	663,427
Total	$966,736	$102,571	$1,069,307

[5] Funding of $832,285 for estimated savings from vacant FTE positions is removed and funding of $582,600 is added for a 2025-27 new and vacant FTE pool line item as follows:

	General Fund	Other Funds	Total
New FTE positions	$0	$0	$0
Vacant FTE positions	(660,878)	(171,407)	(832,285)
Total	($660,878)	($171,407)	($832,285)
Funding pool line item	462,615	119,985	582,600
Net savings	($198,263)	($51,422)	($249,685)

[6] Funding of $199,286 from the general fund and 1 undesignated FTE position is removed.

[7] Base level funding is adjusted as follows:

	General Fund	Other Funds	Total
Adds federal funding for temporary salaries and operating expenses to maintain building codes	$0	$98,583	$98,583
Adds funding for information technology increases, including $38,467 from federal funds and $16,199 from special funds	0	54,666	54,666
Adjusts base level funding for operating expenses, including a $26,853 increase from federal funds and a $16,199 reduction from special funds	(21,481)	10,654	(10,827)
Adds federal funding for AmeriCorps program operating expenses	0	290,000	290,000
Reduces ongoing funding for the operation intern program	(6,896)	0	(6,896)
Removes funding for the continuum of care program and the state apprenticeship program, including funding from federal funds	(81,713)	(1,097,157)	(1,178,870)
Adds federal funding for AmeriCorps and weatherization grant programs	0	3,132,157	3,132,157
Reduces federal funding for the community development block grant program and the community services block grant program	0	(2,086,940)	(2,086,940)
Removes funding from the uncrewed aircraft system (UAS) fund for UAS program grants. The department has continuing appropriation authority from the UAS fund.	0	(1,020,150)	(1,020,150)
Total	($110,090)	($618,187)	($728,277)

[8] One-time funding of $153,590 is added, including $53,590 for temporary staff salaries and an office intern, of which $50,000 is from the general fund and $3,590 is from the economic development fund, and $100,000 from the economic development fund for North Dakota Development Fund temporary salaries.

[9] One-time funding is added as follows:

	General Fund	Strategic Investment and Improvements Fund	Total
Tourism marketing awareness, of which $6,850,000 is for operating expenses and $150,000 is for a grant to support the North Dakota state magazine	$0	$7,000,000	$7,000,000
Operation intern program operating expenses	2,000,000	0	2,000,000
Office of Global Talent, of which $500,000 is for operating expenses and $500,000 is for grants	1,000,000	0	1,000,000
Tourism destination development grants	0	20,000,000	20,000,000
Beyond visual line of sight UAS grants	0	10,000,000	10,000,000
Enhanced use lease grants	0	5,000,000	5,000,000
Autonomous agriculture grants	0	5,000,000	5,000,000
Base enhancement grants	0	1,000,000	1,000,000
Tribally controlled community college grants	750,000	0	750,000
Entrepreneurship grants and vouchers program	759,044	0	759,044
Regional workforce impact program grants	0	5,000,000	5,000,000
Technical skills training grants	2,000,000	0	2,000,000
Total	$6,509,044	$53,000,000	$59,509,044

Senate Bill No. 2018 - Other Changes - Senate Action

This amendment also adds and adjusts sections to:

- Provide for the use of funding in the new and vacant FTE pool line item.
- Provide for a transfer from the general fund to the internship fund.
- Provide a $5,000,000 transfer from SIIF to the legacy investment for technology fund (LIFT).
- Identify funding for a rural health care grant program
- Provide a $30,000,000 transfer from SIIF to the North Dakota Development Fund.
- Identify $53,000,000 appropriated in Section 1 from SIIF, including $7,000,000 for tourism marketing awareness, $20,000,000 for tourism destination development grants, $10,000,000 for the beyond visual line of sight UAS program, $5,000,000 for the enhanced use lease grant program, $5,000,000 for autonomous agriculture grants, $1,000,000 is for base enhancement grants, and $5,000,000 is for regional workforce impact program grants. Of the $7,000,000 for tourism marketing awareness, $150,000 is designated for the continuation of the North Dakota state magazine with the current publisher of the magazine. Of the $1,000,000 for base enhancement grants, $600,000 is for eligible organizations in Minot, $250,000 is for eligible organizations in Grand Forks, and $150,000 is for eligible organizations in Fargo. The $5,000,000 provided autonomous agriculture grants may be provided for autonomous trucking activities.
- Identify $750,000 from the general fund for a grant to a tribally controlled community college in the Turtle Mountain area.
- To identify of the $2,150,000 appropriated from the general fund for discretionary funds, $600,000 is designated for a grant to support an organization dedicated to assisting Native American small businesses in North Dakota.
- Create a new section to Chapter 54-60 to require the Department of Commerce to report to the Budget Section semiannually regarding grants administered by the department, excluding federally funded programs.
- Amend Section 54-60-31 to change the name of the Office of Legal Immigration to the Office of Global Talent.
- Provide 14 exemptions allowing the Department of Commerce to continue funding appropriated in prior bienniums into the 2025-27 biennium.

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

SB 2018
2/24/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; and to provide a transfer.

8:27 a.m. Chairman Bekkedahl opened the hearing.

Members Present: Chairman Bekkedahl, Vice-Chairman Erbele, and Senators Burckhard, Cleary, Conley, Davison, Dever, Dwyer, Magrum, Mathern, Schaible, Sickler, Sorvaag, Thomas, Wanzek.
Members Absent: Senator Meyer.

Discussion Topics:

- Major Program Adjustments to Base Budget
- Tourism Destination Grants
- Office of Legal Immigration to Office of Global Talent Name Change
- Office of Global Talent Awareness and Engagement
- End Date Progress Reports for Projects
- Grand Sky
- Grant and Loan Award Process
- Loan Success Rate
- Development Fund Project Maximum

8:30 a.m. Senator Dwyer introduced the bill and submitted testimony #38358, #38359 and #38360.

8:57 a.m. Senator Dwyer moved amendment LC 25.0185.01002.

8:57 a.m. Senator Wanzek seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y
Senator Sean Cleary	Y
Senator Cole Conley	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	Y
Senator Tim Mathern	Y
Senator Scott Meyer	A
Senator Donald Schaible	Y
Senator Jonathan Sickler	Y

Senator Ronald Sorvaag	Y
Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	Y

Motion Passed 15-0-1.

8:58 a.m. Katie Ralston Howe, ND Dept. of Commerce Workforce Development Director, testified as neutral.

9:16 a.m. Rich Garman, ND Dept. of Commerce Economic Development and Finance Director, testified as neutral.

9:26 a.m. Senator Dwyer moved a Do Pass as Amended.

9:26 a.m. Senator Wanzek seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y
Senator Sean Cleary	Y
Senator Cole Conley	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	N
Senator Tim Mathern	Y
Senator Scott Meyer	A
Senator Donald Schaible	Y
Senator Jonathan Sickler	Y
Senator Ronald Sorvaag	Y
Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	Y

Motion Passed 14-1-1.

Senator Dwyer will carry the bill.

9:27 a.m. Chairman Bekkedahl closed the hearing.

Elizabeth Reiten, Committee Clerk

2/24/25
1 of 10

25.0185.01002
Title.02000
Fiscal No. 1

Prepared by the Legislative Council staff for Senate Appropriations - Government Operations Division Committee
February 21, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2018

Introduced by

Appropriations Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; ~~and~~to create and enact a new section to chapter 54-60 of the North Dakota Century Code, relating to department of commerce grant reporting requirements; to amend and reenact section 54-60-31 of the North Dakota Century Code, relating to changing the name of the office of legal immigration to the office of global talent; to provide for a transfer; to provide an exemption; and to provide for a legislative management report.

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 other funds derived from special funds and federal funds, 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:

	Base Level	Adjustments or Enhancements	Appropriation
~~Salaries and wages~~	~~$15,785,306~~	~~$0~~	~~$15,785,306~~
~~Operating expenses~~	~~19,462,643~~	~~0~~	~~19,462,643~~
~~Grants~~	~~47,636,118~~	~~0~~	~~47,636,118~~
~~Discretionary funds~~	~~2,150,000~~	~~0~~	~~2,150,000~~

~~Partner programs~~	~~907,920~~	~~0~~	~~907,920~~
~~Entrepreneurship grants and vouchers~~	~~948,467~~	~~0~~	~~948,467~~
~~Total all funds~~	~~$86,890,454~~	~~$0~~	~~$86,890,454~~
~~Less other funds~~	~~53,344,371~~	~~0~~	~~53,344,371~~
~~Total general fund~~	~~$33,546,083~~	~~$0~~	~~$33,546,083~~
~~Full-time equivalent positions~~	~~62.80~~	~~0.00~~	~~62.80~~
Salaries and wages	$15,785,306	$1,723,056	$17,508,362
New and vacant FTE pool	0	582,600	582,600
Operating expenses	19,462,643	9,210,023	28,672,666
Grants	47,636,118	40,746,197	88,382,315
Discretionary funds	2,150,000	0	2,150,000
Workforce programs	0	8,000,000	8,000,000
Partner programs	907,920	0	907,920
Entrepreneurship grants and vouchers	948,467	759,044	1,707,511
Total all funds	$86,890,454	$61,020,920	$147,911,374
Less other funds	53,344,371	52,870,336	106,214,707
Total general fund	$33,546,083	$8,150,584	$41,696,667
Full-time equivalent positions	62.80	(1.00)	61.80

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

One-Time Funding Description	General Fund	Other Funds	Total
Temporary salaries	$50,000	$103,590	$153,590
Tourism marketing awareness	0	7,000,000	7,000,000
Operation intern	2,000,000	0	2,000,000
Office of global talent	1,000,000	0	1,000,000
Tourism destination development grants	0	20,000,000	20,000,000
Beyond visual line of sight uncrewed			

aircraft system program	0	10,000,000	10,000,000
Enhanced use lease grant	0	5,000,000	5,000,000
Autonomous agriculture grants	0	5,000,000	5,000,000
Base enhancement grants	0	1,000,000	1,000,000
Tribally controlled community college grants	750,000	0	750,000
Entrepreneurship grants and vouchers	759,044	0	759,044
Regional workforce impact program grants	0	5,000,000	5,000,000
Technical skills training grants	2,000,000	0	2,000,000
Total	$6,559,044	$53,103,590	$59,662,634

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The department of commerce may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. TRANSFER - INTERNSHIP FUND. The office of management and budget shall transfer ~~$1,006,896~~$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 5. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO LEGACY INVESTMENT FOR TECHNOLOGY FUND. The office of management and budget shall transfer the sum of $5,000,000 from the strategic investment and improvements fund to the legacy investment for technology fund for the purpose of providing legacy investment technology loans, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 6. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO NORTH DAKOTA DEVELOPMENT FUND. The office of management and budget shall transfer the sum of $30,000,000 from the strategic investment and improvements fund to the North Dakota development fund for programs under chapter 10-30.5, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 7. RURAL HEALTH CARE GRANT PROGRAM - MATCHING FUNDS REQUIREMENT. The grants line item in section 1 of this Act includes $444,000 from the

general fund for providing matching funds to an organization assisting in the recruitment, distribution, and supply, and enhancing the quality and efficiency of personnel providing health services in rural areas of the state. The department of commerce may spend the funds appropriated in this section only to the extent the organization has secured matching funds from nonstate sources on a dollar-for-dollar basis.

SECTION 8. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The other funds line item in section 1 of this Act includes the sum of $53,000,000 from the strategic investment and improvements fund, of which:

1. $7,000,000 is for tourism marketing awareness, including $150,000 for supporting the continuation of the North Dakota state magazine with the current publisher of the magazine;
2. $20,000,000 is for tourism destination development grants;
3. $10,000,000 is for the beyond visual line of sight uncrewed aircraft system program;
4. $5,000,000 is for the enhanced use lease grant program;
5. $5,000,000 is for autonomous agriculture grants, which may be provided for autonomous trucking grants;
6. $1,000,000 is for providing base enhancement grants to communities with an air force base or air national guard facilities, including $600,000 to eligible organizations in Minot, $250,000 to eligible organizations in Grand Forks, and $150,000 to eligible organizations in Fargo; and
7. $5,000,000 is for regional workforce impact program grants.

SECTION 9. TRIBALLY CONTROLLED COMMUNITY COLLEGE GRANTS - LEGISLATIVE MANAGEMENT REPORT. The grants line item in section 1 of this Act includes $750,000 from the general fund for the purpose of providing workforce development grants to a tribally controlled community college in the Turtle Mountain area. To be eligible for a grant under this section, a tribally controlled community college shall partner with at least one high school in the state for programs under section 54-60.2-02. During the 2025-26 interim, a tribally controlled community college receiving funding under this program shall report to the department of commerce by August 1, 2026, regarding the use of grant funds and the department of commerce shall provide a report to the legislative management by October 1, 2026, regarding the use of grant funds.

SECTION 10. DISCRETIONARY FUNDS - NATIVE AMERICAN SMALL BUSINESS GRANT. The discretionary funds line item in section 1 of this Act includes $2,150,000 from the general fund, of which $600,000 is designated for a grant to support an organization dedicated to assisting Native American small businesses in North Dakota.

SECTION 11. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Reporting requirements - Budget section - Grant programs.

The department shall compile a report regarding grant programs administered by the department, excluding federally funded programs, to be provided semiannually to the budget section. The report must include the following for each grant program:

1. The purpose of the grant program;
2. Funding history;
3. The number of days the grant application was open to applicants;
4. The name of each grant recipient and the amount of each grant award; and
5. The distribution date of grant funds or the anticipated distribution date of grant funds.

SECTION 12. AMENDMENT. Section 54-60-31 of the North Dakota Century Code is amended and reenacted as follows:

54-60-31. Office of ~~legal immigration~~global talent - Duties.

There is created an office of ~~legal immigration~~global talent within the department of commerce. Employees of the office of ~~legal immigration~~global talent report to the commissioner. The office of ~~legal immigration~~global talent:

1. Shall develop and implement a statewide strategy to support businesses in recruiting and retaining foreign labor, including immigrants already in the United States and integration of immigrants into the state to promote economic opportunities for immigrant communities.
2. Shall advise and make recommendations to the governor, legislative assembly, and state agencies regarding immigrant integration and foreign labor issues.
3. Shall develop a pilot program to support businesses pursuing or employing legal immigrants and to support communities to develop immigration integration plans and activities.

4. May contract with other state agencies to develop and administer programs or services related to immigration integration and access to basic needs that promote entrance and movement throughout the workforce.
5. May contract with an organization with expertise related to the goals of the office of ~~legal immigration~~global talent.

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

1. The sum of $3,000,000 appropriated from federal COVID-19 funds for the community development block grant program in section 1 of chapter 27 of the 2021 Session Laws and continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws.
2. The sum of $56,234,176 appropriated from federal COVID-19 funds for the state small business credit initiative program in section 2 of chapter 28 of the 2021 Session Laws and continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws.
3. The sum of $15,000,000 appropriated from the federal state fiscal recovery fund for the workforce development incentive grant program in subsection 38 of section 1 of chapter 550 of the 2021 Special Session Session Laws and continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws.
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5. The sum of $28,500,000 appropriated from the general fund for workforce programs, of which $12,000,000 was for workforce talent attraction initiative operating expenses, $12,500,000 was for workforce investment program grants, $2,000,000 was for technical skills training grants, and $2,000,000 was for new Americans workforce development and training grants, in section 1 of chapter 18 of the 2023 Session Laws.

6. The sum of $25,000,000 appropriated from the strategic investment and improvements fund for the tourism destination development initiative in section 1 of chapter 18 of the 2023 Session Laws.
7. 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 the 2023 Session Laws.
8. The sum of $120,000,000 appropriated from federal funds for weatherization and energy assistance programs in section 1 of chapter 18 of the 2023 Session Laws.
9. 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.
10. The sum of $3,258,084 appropriated from federal funds for heating, furnace, and cooling assistance grants in section 1 of chapter 18 of the 2023 Session Laws.
11. The sum of $14,081,719 appropriated from federal funds for energy conservation assistance grants in section 1 of chapter 18 of the 2023 Session Laws.
12. The sum of $1,550,000 appropriated from federal funds for the parks and recreation program in section 1 of chapter 18 of the 2023 Session Laws.
13. The sum of $572,143 appropriated from federal funds for the state small business credit initiative program in section 1 of chapter 18 of the 2023 Session Laws.
14. The sum of $2,000,000 appropriated from the general fund for the office of legal immigration in section 1 of chapter 639 of the 2023 Special Session Session Laws.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2018 - Department of Commerce - Senate Action

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Grants	47,636,118	40,746,197	88,382,315
Discretionary funds	2,150,000		2,150,000
Workforce programs		8,000,000	8,000,000
Entrepreneurship grants and vouchers	948,467	759,044	1,707,511
Partner programs	907,920		907,920
Total all funds	$86,890,454	$61,020,920	$147,911,374
Less estimated income	53,344,371	52,870,336	106,214,707
General fund	$33,546,083	$8,150,584	$41,696,667
FTE	62.80	(1.00)	61.80

Department 601 - Department of Commerce - Detail of Senate Changes

	Adds Funding for Base Payroll Changes[1]	Adds Funding for the Cost to Continue Salaries[2]	Adds Funding for Salary and Benefit Increases[3]	Adds Funding to Replace 2023-25 New and Vacant FTE Pool[4]	Transfers Funding for 2025-27 New and Vacant FTE Pool[5]	Removes FTE Position[6]
Salaries and wages	$150,231	$284,024	$1,031,972	$1,069,307	($832,285)	($189,286)
New and vacant FTE pool					582,600	
Operating expenses						(10,000)
Grants						
Discretionary funds						
Workforce programs						
Entrepreneurship grants and vouchers						
Partner programs						
Total all funds	$150,231	$284,024	$1,031,972	$1,069,307	($249,685)	($199,286)
Less estimated income	82,578	45,544	205,662	102,571	(51,422)	0
General fund	$67,653	$238,480	$826,310	$966,736	($198,263)	($199,286)
FTE	0.00	0.00	0.00	0.00	0.00	(1.00)

	Adjusts Base Level Funding[7]	Adds One-Time Funding for Temporary Salaries[8]	Adds One-Time Funding for Operating and Grants[9]	Total Senate Changes
Salaries and wages	$55,503	$153,590		$1,723,056
New and vacant FTE pool				582,600
Operating expenses	370,023		$8,850,000	9,210,023
Grants	(1,153,803)		41,900,000	40,746,197
Discretionary funds				
Workforce programs			8,000,000	8,000,000
Entrepreneurship grants and vouchers			759,044	759,044
Partner programs				
Total all funds	($728,277)	$153,590	$59,509,044	$61,020,920
Less estimated income	(618,187)	103,590	53,000,000	52,870,336
General fund	($110,090)	$50,000	$6,509,044	$8,150,584
FTE	0.00	0.00	0.00	(1.00)

[1] Funding is added for base payroll changes.

[2] Funding is added for the cost to continue salary increases.

[3] The following funding is added for 2025-27 biennium salary adjustments of 3 percent on July 1, 2025, and 3 percent on July 1, 2026, and increases in health insurance premiums from $1,643 to $1,893 per month:

	General Fund	Other Funds	Total
Salary increase	$531,691	$127,953	$659,644
Health insurance increase	294,619	77,709	372,328
Total	$826,310	$205,662	$1,031,972

[4] Funding is added to replace 2023-25 biennium new and vacant FTE pool funding as follows:

	General Fund	Other Funds	Total
New FTE positions	$405,880	$0	$405,880
Vacant FTE positions	560,856	102,571	663,427
Total	$966,736	$102,571	$1,069,307

[5] Funding of $832,285 for estimated savings from vacant FTE positions is removed and funding of $582,600 is added for a 2025-27 new and vacant FTE pool line item as follows:

	General Fund	Other Funds	Total
New FTE positions	$0	$0	$0
Vacant FTE positions	(660,878)	(171,407)	(832,285)
Total	($660,878)	($171,407)	($832,285)
Funding pool line item	462,615	119,985	582,600
Net savings	($198,263)	($51,422)	($249,685)

[6] Funding of $199,286 from the general fund and 1 undesignated FTE position is removed.

[7] Base level funding is adjusted as follows:

	General Fund	Other Funds	Total
Adds federal funding for temporary salaries and operating expenses to maintain building codes	$0	$98,583	$98,583
Adds funding for information technology increases, including $38,467 from federal funds and $16,199 from special funds	0	54,666	54,666
Adjusts base level funding for operating expenses, including a $26,853 increase from federal funds and a $16,199 reduction from special funds	(21,481)	10,654	(10,827)
Adds federal funding for AmeriCorps program operating expenses	0	290,000	290,000
Reduces ongoing funding for the operation intern program	(6,896)	0	(6,896)
Removes funding for the continuum of care program and the state apprenticeship program, including funding from federal funds	(81,713)	(1,097,157)	(1,178,870)
Adds federal funding for AmeriCorps and weatherization grant programs	0	3,132,157	3,132,157
Reduces federal funding for the community development block grant program and the community services block grant program	0	(2,086,940)	(2,086,940)
Removes funding from the uncrewed aircraft system (UAS) fund for UAS program grants. The department has continuing appropriation authority from the UAS fund.	0	(1,020,150)	(1,020,150)
Total	($110,090)	($618,187)	($728,277)

[8] One-time funding of $153,590 is added, including $53,590 for temporary staff salaries and an office intern, of which $50,000 is from the general fund and $3,590 is from the economic development fund, and $100,000 from the economic development fund for North Dakota Development Fund temporary salaries.

[9] One-time funding is added as follows:

	General Fund	Strategic Investment and Improvements Fund	Total
Tourism marketing awareness, of which $6,850,000 is for operating expenses and $150,000 is for a grant to support the North Dakota state magazine	$0	$7,000,000	$7,000,000
Operation intern program operating expenses	2,000,000	0	2,000,000
Office of Global Talent, of which $500,000 is for operating expenses and $500,000 is for grants	1,000,000	0	1,000,000
Tourism destination development grants	0	20,000,000	20,000,000
Beyond visual line of sight UAS grants	0	10,000,000	10,000,000
Enhanced use lease grants	0	5,000,000	5,000,000
Autonomous agriculture grants	0	5,000,000	5,000,000
Base enhancement grants	0	1,000,000	1,000,000
Tribally controlled community college grants	750,000	0	750,000
Entrepreneurship grants and vouchers program	759,044	0	759,044
Regional workforce impact program grants	0	5,000,000	5,000,000
Technical skills training grants	2,000,000	0	2,000,000
Total	$6,509,044	$53,000,000	$59,509,044

Senate Bill No. 2018 - Other Changes - Senate Action

This amendment also adds and adjusts sections to:

- Provide for the use of funding in the new and vacant FTE pool line item.
- Provide for a transfer from the general fund to the internship fund.
- Provide a $5,000,000 transfer from SIIF to the legacy investment for technology fund (LIFT).
- Identify funding for a rural health care grant program
- Provide a $30,000,000 transfer from SIIF to the North Dakota Development Fund.
- Identify $53,000,000 appropriated in Section 1 from SIIF, including $7,000,000 for tourism marketing awareness, $20,000,000 for tourism destination development grants, $10,000,000 for the beyond visual line of sight UAS program, $5,000,000 for the enhanced use lease grant program, $5,000,000 for autonomous agriculture grants, $1,000,000 is for base enhancement grants, and $5,000,000 is for regional workforce impact program grants. Of the $7,000,000 for tourism marketing awareness, $150,000 is designated for the continuation of the North Dakota state magazine with the current publisher of the magazine. Of the $1,000,000 for base enhancement grants, $600,000 is for eligible organizations in Minot, $250,000 is for eligible organizations in Grand Forks, and $150,000 is for eligible organizations in Fargo. The $5,000,000 provided autonomous agriculture grants may be provided for autonomous trucking activities.
- Identify $750,000 from the general fund for a grant to a tribally controlled community college in the Turtle Mountain area.
- To identify of the $2,150,000 appropriated from the general fund for discretionary funds, $600,000 is designated for a grant to support an organization dedicated to assisting Native American small businesses in North Dakota.
- Create a new section to Chapter 54-60 to require the Department of Commerce to report to the Budget Section semiannually regarding grants administered by the department, excluding federally funded programs.
- Amend Section 54-60-31 to change the name of the Office of Legal Immigration to the Office of Global Talent.
- Provide 14 exemptions allowing the Department of Commerce to continue funding appropriated in prior bienniums into the 2025-27 biennium.

REPORT OF STANDING COMMITTEE
SB 2018

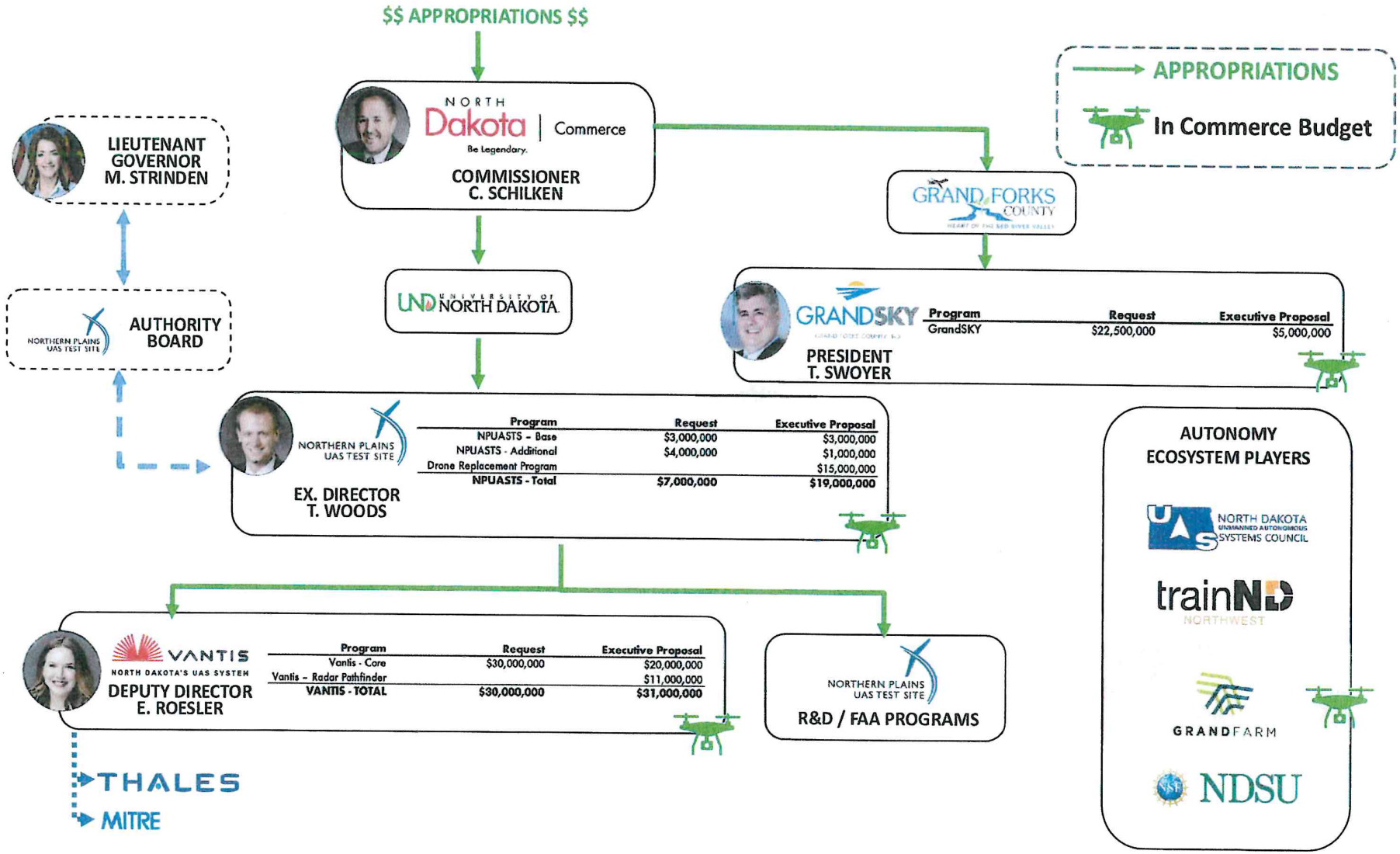
Appropriations Committee (Sen. Bekkedahl, Chairman) recommends **AMENDMENTS (25.0185.01002)** and when so amended, recommends **DO PASS** (14 YEAS, 1 NAY, 1 ABSENT OR EXCUSED AND NOT VOTING). SB 2018 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

2-24-25
Dwyer
SB 2018

2.24.2022 Department of Commerce Major Program Adjustments to Base Budget	Burgum	Armstrong	Senate	Difference from Armstrong
Tourism marketing awareness	$5,000,000	$5,000,000	$7,000,000	$2,000,000
Find the good life	10,000,000	5,000,000	-	(5,000,000)
Tourism destination development grants	30,000,000	15,000,000	20,000,000	5,000,000
250th great American state fair event	5,000,000	-	-	-
Operation intern	2,000,000	2,000,000	2,000,000	-
Office of Global Talent (Office of Legal Immigration)	3,450,000	2,000,000	1,000,000	(1,000,000)
Community property improvement grants	2,600,000	5,000,000	-	(5,000,000)
UAS grants (Test Site)	1,000,000	1,000,000	-	(1,000,000)
Beyond visual light of sight UAS (Vantis)	20,000,000	20,000,000	10,000,000	(10,000,000)
Enhanced use lease grant (Grand Sky)	5,000,000	5,000,000	5,000,000	-
Autonomous agriculture grants (Grand Farm)	10,000,000	10,000,000	5,000,000	(5,000,000)
Base enhancement grants	-	-	1,000,000	1,000,000
Tribally controlled community colleges (Turtle Mountain)	-	-	750,000	750,000
Native American small business grant (discretionary funds)	-	-	600,000	600,000
Entrepreneurship grants and vouchers - general fund only	1,259,044	1,259,044	759,044	(500,000)
Regional workforce impact program (RWIP) grants	12,500,000	10,000,000	5,000,000	(5,000,000)
Technical skills training grants	2,000,000	2,000,000	2,000,000	-
North Dakota Development Fund (transfer section)	50,000,000	50,000,000	30,000,000	(20,000,000)
LIFT (transfer section)	10,000,000	10,000,000	5,000,000	(5,000,000)
Senate Bill No. 2018 Total	**$169,809,044**	**$143,259,044**	**$95,109,044**	**($48,150,000)**
General Fund	39,809,044	8,259,044	7,109,044	(1,150,000)
SIIF	130,000,000	135,000,000	88,000,000	(47,000,000)
Major Other Appropriation Bills Acted on by the Senate				
State radar data pathfinder (HB 1038)	$11,000,000	$11,000,000	$11,000,000	$0
Uncrewed aerial vehicle replacement (HB 1038)	15,000,000	15,000,000	-	(15,000,000)
Rural community endowment fund (SB 2097)	-	-	5,000,000	5,000,000
Housing assistance grant programs (SB 2225)	30,150,000	50,000,000	50,000,000	-
Rural grocery store sustainability grants (SB 2228)	-	-	1,000,000	1,000,000
Theodore Roosevelt National Park working group (SB 2331)	-	-	49,500	49,500
Rural catalyst grants (SB 2390)	-	-	5,000,000	5,000,000
Major Other Appropriation Bills Total	**$56,150,000**	**$76,000,000**	**$72,049,500**	**($3,950,500)**
General Fund	-	-	6,049,500	6,049,500
SIIF	56,150,000	76,000,000	66,000,000	(10,000,000)
Total All Selected Bills	**$225,959,044**	**$219,259,044**	**$167,158,544**	**($52,100,500)**
General Fund	39,809,044	8,259,044	13,158,544	4,899,500
SIIF	186,150,000	211,000,000	154,000,000	(57,000,000)
Change in FTE Positions	2.00	2.00	(1.00)	(3.00)

2-24-25
Duyer
SB 2018

#38359



NORTH Dakota | Commerce

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Entrepreneurship Grants and Vouchers Program

Amount Appropriated 23-25 Biennium –

$740,956 General Funds & $207,511 Special Fund Authority

Funding provided to Entrepreneur Centers to conduct the following: Participate in and facilitate the Innovate ND program with the goal of 1. Grow the entrepreneurial ecosystem in North Dakota to enhance economic development and economic diversity in the state. 2. Educate and assist participants on the lean business model canvas, value proposition, and customer identification. 3. Assist participants to validate their product and market by tracking metrics such as investment, sales, or customer interviews. 4. To support the development of new, innovative businesses with clear potential for primary sector certification.

Contract Amount	Administrators of program - Entrepreneur Centers
$ 100,000.00	ND Women's Business Center
$ 100,000.00	UND Center for Innovation
$ 100,000.00	NDSU RTP
$ 50,000.00	Jamestown Regional Entrepreneur Center

Total = $350,000

Voucher Recipients:

1. Vouchers shall be used for efforts to advance the Innovate ND participant's business or business idea. 2. Eligible expenses include, but are not limited to: marketing, legal advice, travel (only hotel and airfare), prototype development, and financial services

2. Voucher payments are issued in both phases of Innovate ND. Phase 1 – Vouchers are up to $7,500 Phase 2 – Vouchers are up to $15,000

Bench7 Inc.
Xtra Apparel Co LLC
Prescient Healthcare AI
Reach Right - $7,500
Event Conex - $22,500
Zegacy LLC - $22,500
Complete Creamer - $22,250
Dwel (Dwella Contracting LLC) - $7,500
Thin Air Surfaces, LLC - $22,500

Wunup
Chipp.AI - $22,500
Kirkwall, LLC - $22,500
Trimyxs - $22,451
Educational Enterprises
Total Request from Innovate Recipients = $172,201

Legacy Investment for Technology (LIFT) Loan Fund

Companies Awarded Since Inception

Biennium	Company	Industry	Location	Awarded*	g	Comments	Project
2019-21	Access Point Technologies EP, Inc.	Healthcare	Fargo	$1,000,000	Existing		Medical devices such as catheters and systems for treating cardiac arrhythmias.
2019-21	Airtonomy, Inc.	UAS	Grand Forks	$1,000,000	Startup		A SaaS company that provides push-button-easy drone inspections and autonomous, AI-powered data analysis.
2019-21	Appareo Systems LLC	Ag Technology	Fargo	$2,500,000	Existing	Company Exit	Funding of Precision Chemical Application Project for precision agriculture.
2019-21	Bushel, Inc.	Ag Technology	Fargo	$1,000,000	Existing		Connect the grain industry through digital infrastructure (Bushel Connect).
2019-21	Checkable Medical	Healthcare	Fargo	$600,000	Startup		End-to-end platform that allows consumers to test their symptoms at home and get a treatment plan without having to go to the doctor.
2019-21	FarmQA	Ag Technology	Fargo	$1,000,000	Existing		Real-time monitoring of acreage
2019-21	First-I (KSI Video)	UAS	Grand Forks	$850,000	Startup		A drone in a box system.
2019-21	Genesis Feed Technologies LLC	Ag Technology	Fargo	$300,000	Startup	Funds Returned	Platform for soybean industry to assist ingredient buyers with real-time ingredient value and quality.
2019-21	Golden Path Solutions	Advanced Computing & Data Mgr	Fargo	$180,000	Startup		Technology platform that connects employers and students using school partnerships and tuition reimbursement to get the right student with the right education for future employers.
2019-21	Harvest Profit	Ag Technology	West Fargo	$425,000	Startup	Funds Returned Company Exit	Farm management software focused on cost and profit tracking.
2019-21	HubEdge	Advanced Computing & Data Mgr	Grand Forks	$500,000	Startup		Software to help airlines and airports optimize and efficiently manage ground operations including gate assignments and aircraft parking.
2019-21	Infinite Leap	Healthcare	Fargo	$1,000,000	Existing	Company Exit	Internet of Things (IoT) technology for healthcare providers.
2019-21	Krampade	Healthcare	Grand Forks	$500,000	Startup		Manufacture high potassium performance drink mixes to prevent cramping and aid in enhancing performance during and recovery after exercise.
2019-21	Leveridge	Ag Technology	Fargo	$800,000	Startup		Commercialization of the agronomy, grain, patronage and scale software for ag industry.
2019-21	Mobile Recon Systems	UAS	Grand Forks	$500,000	Startup		UAS focusing on functional flexibility with higher payloads than most small UAS devices can handle.
2019-21	Omnibyte Technologies	Advanced Computing & Data Mgr	Fargo	$340,000	Existing		Provide technology mobile applications for technical services for field service orgianizations.
2019-21	Prototype Garage LLC	Ag Technology	Fargo	$500,000	Existing		Harvester and waste processing equipment for ag industry.
2019-21	Signum LLC	Advanced Computing & Data Mgr	Richardton	$250,000	Startup		Internet of Things (IoT) solution for remote monitoring of assets and processes with custom devices, connectivity, and analysis tools.

Legacy Investment for Technology (LIFT) Loan Fund
Companies Awarded Since Inception

Biennium	Company	Industry	Location	Awarded*	g	Comments	Project
2019-21	Tailorie, Inc.	Advanced Computing & Data Mgr	Grand Forks	$750,000	Startup		with brands relevent to what's important to the consumer.
2019-21	Three Farm Daughters	Value Added Ag	Grand Forks	$500,000	Startup		Food company making high fiber pasta
2019-21	TracFrac	Advanced Computing & Data Mgr	Bismarck	$500,000	Startup		A monitoring platform for oil and natural gas well activity.
2021-23	701x	Ag Technology	Fargo	$750,000	Startup		GPS enabled eartag for herds
2021-23	Access Point Technologies EP, Inc.	Healthcare	Fargo	$750,000	Existing		Medical devices such as catheters and systems for treating cardiac arrhythmias.
2021-23	Advest Marketing	Advanced Computing & Data Mgr	Fargo	$500,000	Startup		A tool that creates and grades video ads based on conversion rates using AI
2021-23	Airial Robotics	UAS	Grand Forks	$500,000	Startup		UAS platform developed to fly longer, further, faster and carry more payload.
2021-23	Airtonomy	UAS	Grand Forks	$1,000,000	Existing		A SaaS company that provides push-button-easy drone inspections and autonomous, AI-powered data analysis.
2021-23	Be More Colorful	Advanced Computing & Data Mgr	Fargo	$500,000	Existing		Virtual reality workforce development solution - a pilot program with Career and Tech Education engaging k12 districts.
2021-23	Checkable Medical	Healthcare	Fargo	$500,000	Startup		End-to-end platform that allows consumers to test their symptoms at home and get a treatment plan without having to go to the doctor.
2021-23	Corvent Medical	Healthcare	Fargo	$1,000,000	Startup		A mechanical ventilator capable of being used in a various environments from hospital or transport.
2021-23	Dakota Energy Systems	Energy	Grand Forks	$500,000	Startup		Hydro electric power system using pressurized flow in pipes
2021-23	Elinor Coatings	Other	Fargo	$750,000	Existing		Solutions for corrosion and surface protection - chromate free primers for aluminum, steel, and multi-metal applications
2021-23	Fenworks	Advanced Computing & Data Mgr	Grand Forks	$500,000	Startup		A software platform to host esports for k-12 schools
2021-23	First-I LLC	UAS	Grand Forks	$150,000	Startup		A drone in a box system.
2021-23	FlowCore Systems	Energy	Williston	$750,000	Existing		Chemical injection automation company with precise fluid measurement technology in the oil and gas industry
2021-23	Imricor Medical Systems	Healthcare	Fargo	$1,500,000	Existing		MRI compatible cardiac ablation catheter manufacturing facility in ND
2021-23	Lincoln Therapeutics	Healthcare	Grand Forks	$2,000,000	Startup		Developing intranasal spray pharmaceutical products to be used for emergency and military
2021-23	Maison Safiyaa	Advanced Computing & Data Mgr	Fargo	$1,000,000	Startup		Vertically integrated, made to order, global luxury womens wear brand
2021-23	Mobile Recon Systems	UAS	Grand Forks	$400,000	Startup		UAS focusing on functional flexibility with higher payloads than most small UAS devices can handle.

Legacy Investment for Technology (LIFT) Loan Fund

Companies Awarded Since Inception

Biennium	Company	Industry	Location	Awarded*	g	Comments	Project
2021-23	Prototype Garage LLC	Other	Fargo	$600,000	Existing		expansion of cutting-edge processing and recycling waste process equipment
2021-23	SafetySpect	Healthcare	Grand Forks	$1,250,000	Startup		Technology decontaminates invisible organic residues and biological or viral threats to safeguard soldiers in foreign contamination threats.
2021-23	Tailorie, Inc.	Advanced Computing & Data Mgr	Grand Forks	$250,000	Startup		Social discovery platform connecting consumers with brands relevent to what's important to the
2021-23	TERRACOH Development	Value Added Energy	Bismarck	$748,790	Existing		CO2 sequestration below ground
2021-23	Thaea	Advanced Computing & Data Mgr	Fargo	$250,000	Startup		Specializes in network management software that allows users to grow and manage their networks.
2021-23	TheraTec	Healthcare	Fargo	$1,000,000	Startup		Medical SaaS for musculoskeletal rehabilitation.
2021-23	TruWeather Solutions	UAS	Grand Forks	$250,000	Existing		Develop and commercialize UAS weather products.
2021-23	Vigilant Aerospace	UAS	Grand Forks	$500,000	Existing	Funds Returned	UAS focused on detect and avoid software
2021-23	WeClean Local	Advanced Computing & Data Mgr	Bismarck	$500,000	Startup		A tech-based cleaning service
2023-25	Protosthetics	Healthcare	Fargo	$250,000	Startup		The Galileo program is a suite of hardware (3D printing devices), software and services for the orthotic and protosthetic clinics to make medical devices on-site
2023-25	Bushel, Inc.	Ag Technology	Fargo	$1,000,000	Existing		AgTech Company developing software (Bushel Passport) to integrate the Bushel mobile app data with the Bushel Farm Account
2023-25	Three Farm Daughters	Value Added AG	Grand Forks	$500,000	Existing		Food company making high fiber pasta
2023-25	PaveWise	Advanced Computing & Data Mgr	Bismarck	$250,000	Startup		Asphalt paving app to help contractors proactively improve quality control
2023-25	MAC Company	Other	West Fargo	$1,000,000	Startup		SwingSteer loader with better visibility and low ground disturbance.
2023-25	Vetnexus	Advanced Computing & Data Mgr	Fargo	$200,000	Startup		Software SaaS company for veterinary care clinics
2023-25	Trimyxs	Other	Fargo	$282,600	Startup		Attachment to a push lawnmower to trim while
2023-25	ThermaSolutions	Healthcare	Fargo	$250,000	Startup		Technology to create an environmentally friendly green Ethylene Oxide sterilizaiton plant in ND
2023-25	Fenworks	Advanced Computing & Data Mgr	Grand Forks	$750,000	Startup		Fenworks furnishes k-12 schools with access to STEM activities such as Drone Racing and Esports in ND, SD, MN, and soon to be WY
2023-25	Uncle Charlie's Gourmet Snacks	Other	Fargo	$200,000	Startup		Uncle Charlie's Gourmet Snacks created uniquely flavored, high-quality snack foods
2023-25	Aigen	Ag Technology	Fargo	$250,000	Startup		Aigen Inc is a agtech startup tackling solve herbicide-resistance weed problem using solar-powered autonomous ground robots that mechanically weed and collect data for growers.
2023-25	RxE2	Healthcare	Fargo	$500,000	Startup		Transform clinical trials industry through IP

Legacy Investment for Technology (LIFT) Loan Fund

Companies Awarded Since Inception

Biennium	Company	Industry	Location	Awarded*	g	Comments	Project
2023-25	ChippAI	Advanced Computing & Data Mgr	Fargo	$400,000	Startup		Building a payment solution for generative AI developers. Allows developers to charge users based on how much they use rather than a monthly subscription.
2023-25	FamGenix	Advanced Computing & Data Mgr	Fargo	$500,000	Existing		A software company that captures family health history information and allows clinicians to access their history for hereditary diseases.
2023-25	BrAIn, Inc	Healthcare	Fargo	$750,000	Startup		Developing a diagnostic platform which combines a high content neuronal imaging platform with an AI algorithm to diagnose neurological diseases.
2023-25	PaveWise	Advanced Computing & Data Mgr	Bismarck	$500,000	Existing		Asphalt paving app to help contractors proactively improve quality control
2023-25	Valence NGS	Energy	Williston	$1,000,000	Existing		Micro flare gas capture facilities for the oil and gas industry.
2023-25	Blue Comply	Energy	Fargo	$250,000	Startup		Wireless IoT Methane Sensing Apparatus used to monitor methane emissions for oil and gas storage tank hatches.
2023-25	Verdethos	Advanced Computing & Data Mgr	Fargo	$750,000	Startup		Ag tech company with a supply chain management platform for sustainability, automation, and traceability of raw materials.
2023-25	BWR Innovations	Energy	Fargo	$750,000	Startup		Fuel cell technology for a renewable energy grid.
2023-25	Corvent Medical	Healthcare	Fargo	$296,500	Startup	One-Time Funding Round	Medical ventilator and digital gateway for real time transfer of data
2023-25	Dynon Avionics	Other	Fargo	$296,500	Existing	One-Time Funding Round	Avionic systems for light aircraft
2023-25	Project Phoenix	Advanced Computing & Data Mgr	Fargo	$100,000	Existing	One-Time Funding Round	Automates the creation of secure and efficient APIs
2023-25	Valor Victoria	Advanced Computing & Data Mgr	West Fargo	$351,000	Existing	One-Time Funding Round	Rail logistics sftware boosting customer efficiency and transparancy

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1. Workforce Investment Grant Program- $12.5M (General)
    i. Funding derived from: General Funds
    ii. Award criteria:
        1. Talent attraction marketing and locally implemented strategies for business, industry, and communities that leverages existing statewide assets like Find the Good Life platform and pipeline to recruit employees nationwide and retain students and recent graduates. - cap of $250,000
        2. Retention - cap of $250,000.00.
        3. Infrastructure investments that directly relate to the proposed workforce solution – cap of $500,000.
        4. Infrastructure investments that expand a childcare center – cap of $500,000. The childcare must be a center and cannot be home-based or in a site that can be repurposed for housing.
        5. Capital investments, capital purchases for new or renovated space to support the applicant's proposed program must be able to show direct influence on the workforce solution- cap of $500,000.
    iii. Round 1
        1. Recipient: City of Alexander
            a. Amount: $500,000
            b. Funding Used For: Building a new childcare facility to fit approximately 70 children.
        2. Recipient: Divide County EDC
            a. Amount: $72,000
            b. Funding Used For: develop a marketing campaign to attract new residents and workers to Divide County.
        3. Recipient: Williams County
            a. Amount: $11,400
            b. Funding Used For: Develop a video series to introduce the community and its offerings, aiming to attract families and talent.
        4. Recipient: Golden Kids Early Learning and Childcare Center
            a. Amount: $215,323
            b. Funding Used For: Renovate and expand their existing. childcare facility to create additional spaces for 3–5-year-olds.

c. This was previously awarded but grantee has decided to move forward no longer with the project. The funds will be reallocated to the region for other projects to utilize.

5. Recipient: Minot Area Chamber EDC
   a. Amount: $250,000
   b. Funding Used For: Promote the Way Finders initiative, a targeted national campaign to attract employees to the Minot area.
6. Recipient: Rugby Convention and Visitors Bureau
   a. Amount: $63,425
   b. Funding Used For: Participate in a documentary series called "My Town" to showcase Rugby and attract new residents and workers.

7. Recipient: Souris Basin Planning Council
   a. Amount: $241,500
   b. Funding Used For: Develop a regional identity and messaging strategy to attract a diverse and skilled workforce.
8. Recipient: St. Therese Little Flower Parish
   a. Amount: $188,028
   b. Funding Used For: Remodel a vacant convent into a childcare facility offering early childhood and Montessori care for up to 25 children.
9. Recipient: StrengthenND
   a. Amount: $250,000
   b. Funding Used For: Support the creation of marketing materials that will leverage and increase engagement for the "Find the Good Life" campaign in region 3.

10. Recipient: Grand Forks Region EDC
    a. Amount: $223,191
    b. Funding Used for: Implement a three-pronged approach to retain talent in the region.
11. Recipient: Grand Forks Region EDC
    a. Amount: $100,000
    b. Funding Used For: Conduct a study on the workforce needs that will drive an action plan and talent attraction strategy implementation of the UAS and manufacturing sectors in region 4.
12. Recipient: Park River Area Schools
    a. Amount: $500,000

b. Funding Used for: Construct a new early learning center.

13. Recipient: Little Miracles Learning Center
    a. Amount: $433,248
    b. Funding Used for: Construct a new childcare building to increase the number of available childcare slots.
14. Recipient: Small Wonders Preschool and Childcare Center
    a. Amount: $500,000
    b. Funding Used for: Relocate and expand their childcare center to a new, more cost-effective location.
    c. This project was using EPIC, but they have now pivoted to purchasing their own building and going privately rather than with the building that was previously owned by EPIC.
15. Recipient: James Valley CTE
    a. Amount: $500,000
    b. Funding Used for: Expand their existing childcare center by renovating an indoor space.
16. Recipient: Valley City Barnes County Development Corporation
    a. Amount: $71,220
    b. Funding Used for: Utilize data to identify target communities for talent attraction.
17. Recipient: Wishek JDA
    a. Amount: $67,450
    b. Funding Used for: Update and remodel the lower level of their community daycare building to expand capacity.
18. Recipient: McKenzie County JDA
    a. Amount: $4,885
    b. Funding Used for: Create a magazine showcasing McKenzie County's lifestyle advantages to attract and retain a skilled workforce.

iv. Round 2

1. Recipient: Learning Adventures Childcare
    a. Amount: $487,000
    b. Funding Used For: Purchase a building and expand childcare capacity by 70 slots.
2. Recipient: Western Region Economic Development
    a. Amount: $40,000
    b. Funding Used For: National digital marketing of regional in-person job fairs.
3. Recipient: El Way Childcare and Learning Center
    a. Amount: $331,216.00

    b. Funding Used For: Build a physical expansion and add 58 childcare spots, including 12 infant spots.
4. Recipient: Walsh County JDA
    a. Amount: $210,764
    b. Funding Used For: Address workforce shortages by attracting new residents through marketing and event.
5. Recipient: Walsh County JDA
    a. Amount: $169,829
    b. Funding Used For: Expand a childcare with an additional 30 slots through a new air handling system.
6. Recipient: GFMEDC
    a. Amount: $250,000
    b. Funding Used For: Marketing campaign that showcases the benefits of living and working in the region, including developing videos, a website, and automated communication.
7. Recipient: GFMEDC
    a. Amount: $250,000
    b. Funding Used For: Marketing campaign that will attract and retain alumni and a broader workforce audience.
8. Recipient: Wyndmere Childcare Center
    a. Amount: $495,478
    b. Funding Used For: Facilitate the construction of a new childcare facility with a capacity of 60 children.
9. Recipient: Buzy Beez Childcare LLC
    a. Amount: $169,000
    b. Funding Used For: Purchase a commercial property and open a new childcare facility with a capacity of 30 children.
10. Recipient: Victory Christian School Childcare
    a. Amount: $500,000
    b. Funding Used For: Childcare expansion to add 48 new childcare slots.
11. Recipient: Bismarck Mandan EDC
    a. Amount: $100,000
    b. Funding Used For: Create video testimonials and drone footage showcasing the area's growth and lifestyle to attract new talent.
12. Recipient: Community Church Childcare
    a. Amount: $428,045
    b. Funding Used For: Phase two of their childcare center project, adding 50 full-time slots.
13. Recipient: The Enrichment Garden

a. Amount: $500,000
b. Funding Used For: Expand their childcare and add 50 full-time slots.
c. This project was originally working with EPIC. Their lease was not with EPIC but was with the current building management company, so they were able to move forward with their project post-EPIC involvement and are on pace with minimal changes.

14. Recipient: Bowman County Development Corporation
    a. Amount: $152,583
    b. Funding Used For: For a talent attraction campaign to fill high-need jobs.
15. Recipient: Roosevelt Custer Regional Council
    a. Amount: $204,430
    b. Funding Used For: Enhance the "Wide Open Wonder" workforce recruitment campaign.

v. Round 3

1. Recipient: Learning Adventures Childcare
    a. Amount: $147,000
    b. Funding Used For: Purchase Stony Creek Location to increase capacity for childcare slots to 85.
2. Recipient: Watford City EDC
    a. Amount: $50,745
    b. Funding Used For: Expand Find Your Future – Watford City across all 10 profiles and increase the monthly spend to reach more individuals.
3. Recipient: Heart of America Medical Center
    a. Amount: $250,000
    b. Funding Used For: Expand the Kids Next Door Daycare Center into the third floor of their building to add 30 childcare slots.
4. Recipient: Ragamuffins Ranch Daycare
    a. Amount: $500,000
    b. Funding Used for: New Build construction for a childcare Center 82that will add 90 childcare slots for the region.
5. Recipient: Devils Lake Area Chamber
    a. Amount: $250,000
    b. Funding Used For: Creating programming that will help to retain students (high school and college) and aligns them with local employment and career opportunities.
6. Recipient: Buffalo Daycare Inc
    a. Amount: $221,274

b. Funding Used For: Build a new facility that will allow for additional 38 childcare slots.

7. Recipient: S&A Erickson LLC
    a. Amount: $464,727.50
    b. Funding Used For: Purchase 2 lots and build a childcare center this would expand the childcare available slots in Washburn by 15 kids.

8. Recipient: University of Mary
    a. Amount: $464,727.50
    b. Funding Used For: Building remodeling required by building and fire code to remodel the University of Mary Butler Center to house a childcare that will add 72 childcare slots
9. Recipient: Richardton Development Company
    a. Amount: $414,086
    b. Funding Used For: Building an affordable, accessible, high-quality childcare that will be built to the specifications needed for a healthy, successful childcare center. The childcare center will allow a director a turnkey building with an affordable monthly fee. This will add 32 childcare slots.

Round 4

1. Recipient: Devils Lake Area Chamber of Commerce
    a. Amount: $240,342
    b. Funding Used For: partner with a marketing and branding agency, strengthening their website and promotional efforts to attract top talent.
2. Recipient: Joyful Beginnings Child Care & Preschool
    a. Amount: $278,342
    b. Funding Used For: construct a 2,400-square-foot facility, creating up to 30 additional child care slots. This expansion will accommodate school-aged children and overflow from the main campus, addressing regional workforce challenges tied to child care shortages.
3. Recipient: New Rockford Are Betterment Corporation
    a. Amount: $165,342
    b. Funding Used For: expand its child care center. Improvements, including an updated fire suppression system, will add capacity for 40–50 families, supporting greater workforce participation.

4. Recipient: SAAF Steps Child Care Center
    a. Amount: $30,975.05
    b. Funding Used for: $30,975.05 to renovate an existing space into a licensed facility for up to 75 children, with updates like transforming the kitchen into an industrial space to meet licensure requirements

Round 5

1.Recipient: Reser LLC
    a. Amount: $22,433
    b. Funding Used For: renovate and expand The Learning Tree child care facility in Minot, adding 20 childcare slots.

2. Recipient: Dickinson Public School District
    a. Amount $500,000
    b. Received $500,000 to construct a child care center with capacity for up to 30 children. Additionally, the facility will offer experience-based learning opportunities to high school students studying early childhood education.

North Dakota Development Fund Projects July 1, 2021 to Current

Company	City	Biennium	Date Invested	NDDF Investment	Program	Funding Type	Sector	Description
Lucit, LLC	Bismarck	21-23	8/1/2021	$600,000	NDDF	Convertible Note	Technology	Software development
701x, Inc	Fargo	21-23	9/15/2021	$500,000	NDDF	Convertible Note	Ag/Technology	Product development and launch
Wee Folk Childcare	Bismarck	21-23	11/15/2021	$100,000	Childcare	Loan	Childcare	Building purchase and improvements
SafelySpect, Inc	Grand Forks	21-23	11/19/2021	$480,000	NDDF	Convertible Note	Medical Device	Working capital to scale operations in North Dakota
Cerlon GLT ND Inc	Trenton	21-23	11/29/2021	$3,000,000	Rural Fund	Convertible Note	Energy	Working capital for FEL2 phase
Academy of Kids	Grand Forks	21-23	1/26/2022	89,000.00	Childcare	Term	Childcare	Building improvements
Hoefer Group	Dunseith	21-23	2/24/2022	2,250,000.00	Rural Fund	LOC	Manufacturing	Inventory, working capital, letter of credit
Airtonomy, Inc	Grand Forks	21-23	3/17/2022	1,000,000.00	NDDF	SAFE	UAS	Working capital to sustain growth in advance of Series A funding
Project Phoenix	Fargo	21-23	4/1/2022	150,000.00	NDDF	Convertible Note	Technology	Commercialization of cloud-based software hosting platform
Checkable Medical, Inc	West Fargo	21-23	4/29/2022	1,000,000.00	NDDF	SAFE	Medical Device	Working capital for product refinement and clinical trials
Crew Properties LLC	Williston	21-23	5/27/2022	100,000.00	Childcare	Term	Childcare	Building purchase
Christ United Child Care, LLC	West Fargo	21-23	6/29/2022	95,000.00	Childcare	Term	Childcare	Working capital
Legacy Childcare, LLC	West Fargo	21-23	7/13/2022	100,000.00	Childcare	Term	Childcare	Building improvements and purchase equipment
Corvent Medical, Inc	Fargo	21-23	8/1/2022	3,000,000.00	NDDF	Revenue Based	Medical Device	Working capital, product certification and commercialization
Chess 7205 2nd, LLC	Williston	21-23	8/5/2022	100,000.00	Childcare	Term	Childcare	Building purchase and improvements
Legacy Childcare, LLC DBA Legacy Childcare 2.0	West Fargo	21-23	8/12/2022	100,000.00	Childcare	Term	Childcare	Building, equipment purchase and working capital
Be More Colorful, LLC	Fargo	21-23	10/31/2022	725,000.00	NDDF	Term	Technology	Working capital for product expansion and commercialization
KMC Enterprises, LLC	Fargo	21-23	1/5/2023	145,000.00	NDDF	Term	Manufacturing	Purchase equipment and inventory, and working capital
Aaron McWilliams dba McStash Mills, LLC	Hillsboro	21-23	2/13/2023	60,000.00	Rural Fund	Term	Manufacturing	Refinance existing NDDF note and equipment purchase
Landtrust, Inc	Fargo	21-23	2/21/2023	600,000.00	NDDF	Term	Technology	Working capital to scale operations in North Dakota
Sheyenne Learning Academy, Inc.	West Fargo	21-23	5/16/2023	50,000.00	Childcare	Term	Childcare	Purchase equipment and working capital
Chapul Farms ND One LLC	Jamestown	21-23	5/22/2023	592,500.00	NDDF	Convertible Note	Agriculture	Working capital for FEL3 phase
Explorer's Academy Horace, LLC	Horace	21-23	6/5/2023	100,000.00	Childcare	Term	Childcare	Working capital
The Gingerbread House Learning Center LLC	West Fargo	21-23	6/30/2023	61,500.00	Childcare	Term	Childcare	Purchase existing daycare business and building
The Gingerbread House Learning Center LLC	West Fargo	21-23	6/30/2023	61,500.00	Childcare	Term	Childcare	Purchase existing daycare business and building
Kids Connection L.L.C.	Fargo	23-25	7/6/2023	100,000.00	Childcare	Term	Childcare	Purchase equipment and working capital
River of Life Church	Fargo	23-25	7/20/2023	10,000.00	Childcare	Term	Childcare	Working capital
CAFF Property	Grand Forks	23-25	8/2/2023	100,000.00	Childcare	Term	Childcare	Building improvements
Colossal Bioscience	Fargo	23-25	9/13/2023	$2,999,999.76	NDDF	Equity	Technology	Working capital
Kleven Properties LLC	Bottineau	23-25	9/11/2023	$300,000	Childcare	Term	Childcare	Building purchase and improvements
Vineyard 2nd Generation, Inc.	Fargo	23-25	9/6/2023	$100,000	Childcare	Term	Childcare	Working capital and purchase equipment
Explorer's Academy Jamestown	Jamestown	23-25	10/17/2023	$100,000	Childcare	Term	Childcare	Building expansion
Explorer's Academy Hillsboro	Hillsboro	23-25	10/17/2023	$100,000	Childcare	Term	Childcare	Building improvements and working capital
Airtonomy, Inc., DBA Thread.One	Grand Forks	23-25	12/11/2023	$500,000	NDDF	LOC	UAS	Working capital to stand up Fargo office and fund accounts receivable
Heilman Properties LLC	Minot	23-25	1/30/2024	$450,000	Childcare	Term	Childcare	Building construction
Sweetlife Land Company	Fargo	23-25	3/20/2024	$655,700	Childcare	Term	Childcare	Building expansion
YMCA of Cass and Clay Counties	Fargo	23-25	3/28/2024	$1,000,000	Childcare	Term	Childcare	Building construction
Landtrust, Inc.	Fargo	23-25	4/26/2024	$1,250,000	NDDF	Equity	Technology	Buyout WonderFund ND investment
Cerlon GLT ND	Trenton	23-25	5/1/2024	$32,000,000	NDDF	Equity	Energy	Working capital for FEL3 phase
Valence Natural Gas Solutions	Williston	23-25	5/10/2024	$3,000,000	NDDF	Term	Energy	Working capital for product commercialization
Blue Bowtie Properties	Bismarck	23-25	5/15/2024	$472,500	Childcare	Term	Childcare	Purchase existing daycare business and building
Early Foundation	Horace	23-25	5/21/2024	$100,000	Childcare	Term	Childcare	Working capital
Vorbeck Materials Corp	Grand Forks	23-25	6/1/2024	$2,000,000	NDDF	Revenue Based	Manufacturing	Working capital to scale operations in North Dakota
Rise Above Childcare Center	Fargo	23-25	6/26/2024	$260,000	Childcare	Term	Childcare	Purchase existing daycare business
St. Monica's Montessori	Fargo	23-25	6/27/2024	$750,000	Childcare	Term	Childcare	Building purchase and expand existing operations
701x Inc.	Fargo	23-25	9/16/2024	$1,062,500	NDDF	Term	Ag/Technology	Working capital to acquire and integrate a complimenting business
Theratec, Inc.	Horace	23-25	9/17/2024	$150,000	NDDF	Term	Technology	Working capital for operations and due diligence fees related to Series A funding
Explorers Academy Jamestown, LLC	Jamestown	23-25	10/2/2024	$296,250	Childcare	Term	Childcare	Building improvements and working capital
Small World Daycare LLC	Dickinson	23-25	10/29/2024	$307,500	Childcare	Term	Childcare	Building construction
Kids 1st Daycare LLC	Surrey	23-25	10/31/2024	$229,250	Childcare	Term	Childcare	Purchase building
Airtonomy, Inc., DBA Thread.One	Grand Forks	23-25	11/5/2024	$1,999,993	NDDF	Equity	UAS	Working capital to sustain growth in advance of Series B funding
Little Miracles Learning Center LLC	Walcott	23-25	11/6/2024	$339,723	Childcare	Term	Childcare	Building expansion
Checkable Medical, Inc	West Fargo	23-25	12/18/2024	$1,000,000	NDDF	SAFE	Medical Device	Working capital for product certification
Shining Lights Children's Program, LLC	Hillsboro	23-25	12/30/2024	$160,000	Childcare	Term	Childcare	Building purchase and expand existing operations
Total				$66,852,916				

NORTH Dakota | Commerce
Be Legendary.

2023-2025
Tourism Destination Development Initiative- $25M (Special)

i. Funding derived from: SIIF
ii. Number of Applicants: 81 applications, $151.5M in funding requests
iii. Number of businesses awarded funding: 14
iv. Award Criteria: Would the new attraction or expansion motivate new trips to North Dakota from non-residents? Is the expansion tied to a defining North Dakota theme or location? Will the project have a lasting impact? Will the project progress toward completion during the 2023-25 biennium?

v. Award Date: 11/6/2023
    1. Recipient: Indian Hills
        a. Amount: $200,000
        b. Funding Used For: Construction Costs
    2. Recipient: Citizen's 33Alley
        a. Amount: $1M
        b. Funding Used For: Construction Costs
    3. Recipient: Bison World
        a. Amount: $3M
        b. Funding Used For: Build out full finance package.
    4. Recipient: Dickinson Museum Center
        a. Amount: $1M
        b. Funding Used For: Expansion costs.
    5. Recipient: Frost Fire Park
        a. Amount: $1.75M
        b. Funding Used For: Building Costs
    6. Recipient: Riverfront Festival Grounds
        a. Amount: $4M
        b. Funding Used For: Building Costs
    7. Recipient: The Scott Moser Hunting and Fishing Lodge and Resort
        a. Amount: $500,000
        b. Funding Used For: Construction Costs
    8. Recipient: The Theodore Roosevelt Residential Library
        a. Amount: $4M
        b. Funding Used For: Construction Costs

9. Recipient: The Turtle Mountain Comprehensive Tourism Plan
    a. Amount: $1.5M
    b. Funding Used For: Construction Costs
10. Recipient: Western Heritage Initiative
    a. Amount: $4M
    b. Funding Used For: Construction Costs
11. Recipient: Woodland Resort
    a. Amount: $1.75M
    b. Funding Used For: Construction Costs
12. Recipient: Bottineau Winter Park
    a. Amount: $1.45M
    b. Funding Used For: Renovation Costs
13. Recipient: Huff Hills
    a. Amount: $650,000
    b. Funding Used For: Renovation & Construction Costs
14. Recipient: Thrill Hills
    a. Amount: $200,000
    b. Funding Used For: Construction Costs

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SLEDDING HILLS

WHY WE FALL FOR
BALANCED ROCKS

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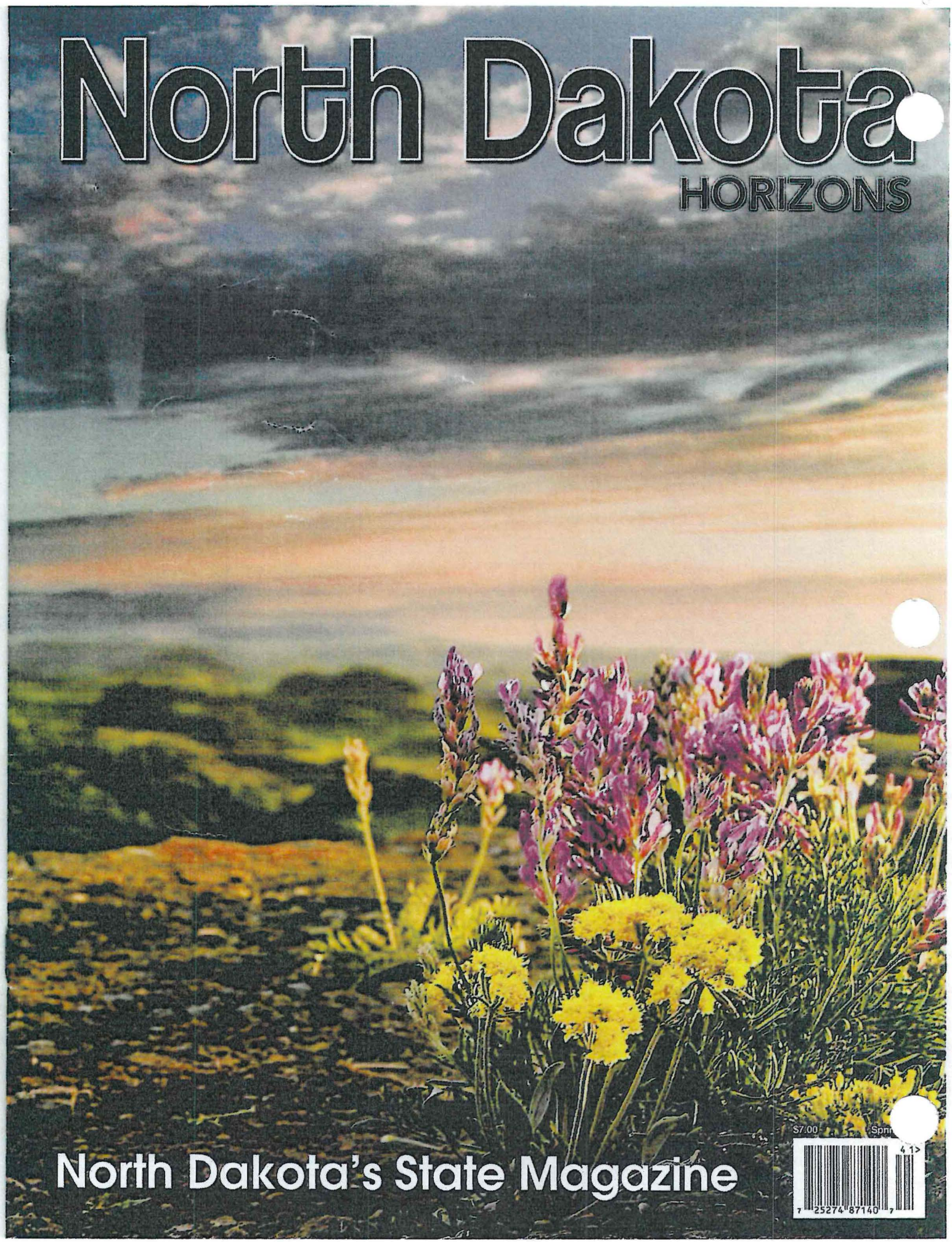

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Title.
Fiscal No. 1

Prepared by the Legislative Council staff for Senate Appropriations - Government Operations Division Committee
February 21, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2018

Introduced by

Appropriations Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; ~~and~~to create and enact a new section to chapter 54-60 of the North Dakota Century Code, relating to department of commerce grant reporting requirements; to amend and reenact section 54-60-31 of the North Dakota Century Code, relating to changing the name of the office of legal immigration to the office of global talent; to provide for a transfer; to provide an exemption; and to provide for a legislative management report.

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 other funds derived from special funds and federal funds, 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:

	Base Level	Adjustments or Enhancements	Appropriation
~~Salaries and wages~~	~~$15,785,306~~	~~$0~~	~~$15,785,306~~
~~Operating expenses~~	~~19,462,643~~	~~0~~	~~19,462,643~~
~~Grants~~	~~47,636,118~~	~~0~~	~~47,636,118~~
~~Discretionary funds~~	~~2,150,000~~	~~0~~	~~2,150,000~~

~~Partner programs~~	~~907,920~~	~~0~~	~~907,920~~
~~Entrepreneurship grants and vouchers~~	~~948,467~~	~~0~~	~~948,467~~
~~Total all funds~~	~~$86,890,454~~	~~$0~~	~~$86,890,454~~
~~Less other funds~~	~~53,344,371~~	~~0~~	~~53,344,371~~
~~Total general fund~~	~~$33,546,083~~	~~$0~~	~~$33,546,083~~
~~Full-time equivalent positions~~	~~62.80~~	~~0.00~~	~~62.80~~
Salaries and wages	$15,785,306	$1,723,056	$17,508,362
New and vacant FTE pool	0	582,600	582,600
Operating expenses	19,462,643	9,210,023	28,672,666
Grants	47,636,118	40,746,197	88,382,315
Discretionary funds	2,150,000	0	2,150,000
Workforce programs	0	8,000,000	8,000,000
Partner programs	907,920	0	907,920
Entrepreneurship grants and vouchers	948,467	759,044	1,707,511
Total all funds	$86,890,454	$61,020,920	$147,911,374
Less other funds	53,344,371	52,870,336	106,214,707
Total general fund	$33,546,083	$8,150,584	$41,696,667
Full-time equivalent positions	62.80	(1.00)	61.80

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

One-Time Funding Description	General Fund	Other Funds	Total
Temporary salaries	$50,000	$103,590	$153,590
Tourism marketing awareness	0	7,000,000	7,000,000
Operation intern	2,000,000	0	2,000,000
Office of global talent	1,000,000	0	1,000,000
Tourism destination development grants	0	20,000,000	20,000,000
Beyond visual line of sight uncrewed			

aircraft system program	0	10,000,000	10,000,000
Enhanced use lease grant	0	5,000,000	5,000,000
Autonomous agriculture grants	0	5,000,000	5,000,000
Base enhancement grants	0	1,000,000	1,000,000
Tribally controlled community college grants	750,000	0	750,000
Entrepreneurship grants and vouchers	759,044	0	759,044
Regional workforce impact program grants	0	5,000,000	5,000,000
Technical skills training grants	2,000,000	0	2,000,000
Total	$6,559,044	$53,103,590	$59,662,634

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The department of commerce may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. TRANSFER - INTERNSHIP FUND. The office of management and budget shall transfer ~~$1,006,896~~$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 5. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO LEGACY INVESTMENT FOR TECHNOLOGY FUND. The office of management and budget shall transfer the sum of $5,000,000 from the strategic investment and improvements fund to the legacy investment for technology fund for the purpose of providing legacy investment technology loans, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 6. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO NORTH DAKOTA DEVELOPMENT FUND. The office of management and budget shall transfer the sum of $30,000,000 from the strategic investment and improvements fund to the North Dakota development fund for programs under chapter 10-30.5, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 7. RURAL HEALTH CARE GRANT PROGRAM - MATCHING FUNDS REQUIREMENT. The grants line item in section 1 of this Act includes $444,000 from the

general fund for providing matching funds to an organization assisting in the recruitment, distribution, and supply, and enhancing the quality and efficiency of personnel providing health services in rural areas of the state. The department of commerce may spend the funds appropriated in this section only to the extent the organization has secured matching funds from nonstate sources on a dollar-for-dollar basis.

SECTION 8. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The other funds line item in section 1 of this Act includes the sum of $53,000,000 from the strategic investment and improvements fund, of which:

1. $7,000,000 is for tourism marketing awareness, including $150,000 for supporting the continuation of the North Dakota state magazine with the current publisher of the magazine;
2. $20,000,000 is for tourism destination development grants;
3. $10,000,000 is for the beyond visual line of sight uncrewed aircraft system program;
4. $5,000,000 is for the enhanced use lease grant program;
5. $5,000,000 is for autonomous agriculture grants, which may be provided for autonomous trucking grants;
6. $1,000,000 is for providing base enhancement grants to communities with an air force base or air national guard facilities, including $600,000 to eligible organizations in Minot, $250,000 to eligible organizations in Grand Forks, and $150,000 to eligible organizations in Fargo; and
7. $5,000,000 is for regional workforce impact program grants.

SECTION 9. TRIBALLY CONTROLLED COMMUNITY COLLEGE GRANTS - LEGISLATIVE MANAGEMENT REPORT. The grants line item in section 1 of this Act includes $750,000 from the general fund for the purpose of providing workforce development grants to a tribally controlled community college in the Turtle Mountain area. To be eligible for a grant under this section, a tribally controlled community college shall partner with at least one high school in the state for programs under section 54-60.2-02. During the 2025-26 interim, a tribally controlled community college receiving funding under this program shall report to the department of commerce by August 1, 2026, regarding the use of grant funds and the department of commerce shall provide a report to the legislative management by October 1, 2026, regarding the use of grant funds.

SECTION 10. DISCRETIONARY FUNDS - NATIVE AMERICAN SMALL BUSINESS GRANT. The discretionary funds line item in section 1 of this Act includes $2,150,000 from the general fund, of which $600,000 is designated for a grant to support an organization dedicated to assisting Native American small businesses in North Dakota.

SECTION 11. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Reporting requirements - Budget Section - Grant programs.

The department shall compile a report regarding grant programs administered by the department, excluding federally funded programs, to be provided semiannually to the budget section. The report must include the following for each grant program:

1. The purpose of the grant program;
2. Funding history;
3. The number of days the grant application period was open to applicants;
4. The name of each grant recipient and the amount of each grant award; and
5. The distribution date of grant funds or the anticipated distribution date of grant funds.

SECTION 12. AMENDMENT. Section 54-60-31 of the North Dakota Century Code is amended and reenacted as follows:

54-60-31. Office of ~~legal immigration~~global talent - Duties.

There is created an office of ~~legal immigration~~global talent within the department of commerce. Employees of the office of ~~legal immigration~~global talent report to the commissioner. The office of ~~legal immigration~~global talent:

1. Shall develop and implement a statewide strategy to support businesses in recruiting and retaining foreign labor, including immigrants already in the United States and integration of immigrants into the state to promote economic opportunities for immigrant communities.
2. Shall advise and make recommendations to the governor, legislative assembly, and state agencies regarding immigrant integration and foreign labor issues.
3. Shall develop a pilot program to support businesses pursuing or employing legal immigrants and to support communities to develop immigration integration plans and activities.

4. May contract with other state agencies to develop and administer programs or services related to immigration integration and access to basic needs that promote entrance and movement throughout the workforce.
5. May contract with an organization with expertise related to the goals of the office of ~~legal immigration~~global talent.

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

1. The sum of $3,000,000 appropriated from federal COVID-19 funds for the community development block grant program in section 1 of chapter 27 of the 2021 Session Laws and continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws.
2. The sum of $56,234,176 appropriated from federal COVID-19 funds for the state small business credit initiative program in section 2 of chapter 28 of the 2021 Session Laws and continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws.
3. The sum of $15,000,000 appropriated from the federal State Fiscal Recovery Fund for the workforce development incentive grant program in subsection 38 of section 1 of chapter 550 of the 2021 Special Session Session Laws and continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws.
4. The sum of $5,000,000 appropriated from the federal State Fiscal Recovery Fund for the technical skills training grant program in subsection 39 of section 1 of chapter 550 of the 2021 Special Session Session Laws and continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws.
5. The sum of $28,500,000 appropriated from the general fund for workforce programs, of which $12,000,000 was for workforce talent attraction initiative operating expenses, $12,500,000 was for workforce investment program grants, $2,000,000 was for technical skills training grants, and $2,000,000 was for new Americans workforce development and training grants, in section 1 of chapter 18 of the 2023 Session Laws.

6. The sum of $25,000,000 appropriated from the strategic investment and improvements fund for the tourism destination development initiative in section 1 of chapter 18 of the 2023 Session Laws.
7. 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 the 2023 Session Laws.
8. The sum of $120,000,000 appropriated from federal funds for weatherization and energy assistance programs in section 1 of chapter 18 of the 2023 Session Laws.
9. 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.
10. The sum of $3,258,084 appropriated from federal funds for heating, furnace, and cooling assistance grants in section 1 of chapter 18 of the 2023 Session Laws.
11. The sum of $14,081,719 appropriated from federal funds for energy conservation assistance grants in section 1 of chapter 18 of the 2023 Session Laws.
12. The sum of $1,550,000 appropriated from federal funds for the parks and recreation program in section 1 of chapter 18 of the 2023 Session Laws.
13. The sum of $572,143 appropriated from federal funds for the state small business credit initiative program in section 1 of chapter 18 of the 2023 Session Laws.
14. The sum of $2,000,000 appropriated from the general fund for the office of legal immigration in section 1 of chapter 639 of the 2023 Special Session Session Laws.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2018 - Department of Commerce - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	$15,785,306	$1,723,056	$17,508,362
New and vacant FTE pool		582,600	582,600
Operating expenses	19,462,643	9,210,023	28,672,666
Grants	47,636,118	40,746,197	88,382,315
Discretionary funds	2,150,000		2,150,000
Workforce programs		8,000,000	8,000,000
Entrepreneurship grants and vouchers	948,467	759,044	1,707,511
Partner programs	907,920		907,920
Total all funds	$86,890,454	$61,020,920	$147,911,374
Less estimated income	53,344,371	52,870,336	106,214,707
General fund	$33,546,083	$8,150,584	$41,696,667
FTE	62.80	(1.00)	61.80

Department 601 - Department of Commerce - Detail of Senate Changes

	Adds Funding for Base Payroll Changes[1]	Adds Funding for the Cost to Continue Salaries[2]	Adds Funding for Salary and Benefit Increases[3]	Adds Funding to Replace 2023-25 New and Vacant FTE Pool[4]	Transfers Funding for 2025-27 New and Vacant FTE Pool[5]	Removes FTE Position[6]
Salaries and wages	$150,231	$284,024	$1,031,972	$1,069,307	($832,285)	($189,286)
New and vacant FTE pool					582,600	
Operating expenses						(10,000)
Grants						
Discretionary funds						
Workforce programs						
Entrepreneurship grants and vouchers						
Partner programs						
Total all funds	$150,231	$284,024	$1,031,972	$1,069,307	($249,685)	($199,286)
Less estimated income	82,578	45,544	205,662	102,571	(51,422)	0
General fund	$67,653	$238,480	$826,310	$966,736	($198,263)	($199,286)
FTE	0.00	0.00	0.00	0.00	0.00	(1.00)

	Adjusts Base Level Funding[7]	Adds One-Time Funding for Temporary Salaries[8]	Adds One-Time Funding for Operating and Grants[9]	Total Senate Changes
Salaries and wages	$55,503	$153,590		$1,723,056
New and vacant FTE pool				582,600
Operating expenses	370,023		$8,850,000	9,210,023
Grants	(1,153,803)		41,900,000	40,746,197
Discretionary funds				
Workforce programs			8,000,000	8,000,000
Entrepreneurship grants and vouchers			759,044	759,044
Partner programs				
Total all funds	($728,277)	$153,590	$59,509,044	$61,020,920
Less estimated income	(618,187)	103,590	53,000,000	52,870,336
General fund	($110,090)	$50,000	$6,509,044	$8,150,584
FTE	0.00	0.00	0.00	(1.00)

[1] Funding is added for base payroll changes.

[2] Funding is added for the cost to continue salary increases.

[3] The following funding is added for 2025-27 biennium salary adjustments of 3 percent on July 1, 2025, and 3 percent on July 1, 2026, and increases in health insurance premiums from $1,643 to $1,893 per month:

	General Fund	Other Funds	Total
Salary increase	$531,691	$127,953	$659,644
Health insurance increase	294,619	77,709	372,328
Total	$826,310	$205,662	$1,031,972

[4] Funding is added to replace 2023-25 biennium new and vacant FTE pool funding as follows:

	General Fund	Other Funds	Total
New FTE positions	$405,880	$0	$405,880
Vacant FTE positions	560,856	102,571	663,427
Total	$966,736	$102,571	$1,069,307

[5] Funding of $832,285 for estimated savings from vacant FTE positions is removed and funding of $582,600 is added for a 2025-27 new and vacant FTE pool line item as follows:

	General Fund	Other Funds	Total
New FTE positions	$0	$0	$0
Vacant FTE positions	(660,878)	(171,407)	(832,285)
Total	($660,878)	($171,407)	($832,285)
Funding pool line item	462,615	119,985	582,600
Net savings	($198,263)	($51,422)	($249,685)

[6] Funding of $199,286 from the general fund and 1 undesignated FTE position is removed.

[7] Base level funding is adjusted as follows:

	General Fund	Other Funds	Total
Adds federal funding for temporary salaries and operating expenses to maintain building codes	$0	$98,583	$98,583
Adds funding for information technology increases, including $38,467 from federal funds and $16,199 from special funds	0	54,666	54,666
Adjusts base level funding for operating expenses, including a $26,853 increase from federal funds and a $16,199 reduction from special funds	(21,481)	10,654	(10,827)
Adds federal funding for AmeriCorps program operating expenses	0	290,000	290,000
Reduces ongoing funding for the operation intern program	(6,896)	0	(6,896)
Removes funding for the continuum of care program and the state apprenticeship program, including funding from federal funds	(81,713)	(1,097,157)	(1,178,870)
Adds federal funding for AmeriCorps and weatherization grant programs	0	3,132,157	3,132,157
Reduces federal funding for the community development block grant program and the community services block grant program	0	(2,086,940)	(2,086,940)
Removes funding from the uncrewed aircraft system (UAS) fund for UAS program grants. The department has continuing appropriation authority from the UAS fund.	0	(1,020,150)	(1,020,150)
Total	($110,090)	($618,187)	($728,277)

[8] One-time funding of $153,590 is added, including $53,590 for temporary staff salaries and an office intern, of which $50,000 is from the general fund and $3,590 is from the economic development fund, and $100,000 from the economic development fund for North Dakota Development Fund temporary salaries.

[9] One-time funding is added as follows:

	General Fund	Strategic Investment and Improvements Fund	Total
Tourism marketing awareness, of which $6,850,000 is for operating expenses and $150,000 is for a grant to support the North Dakota state magazine	$0	$7,000,000	$7,000,000
Operation intern program operating expenses	2,000,000	0	2,000,000
Office of Global Talent, of which $500,000 is for operating expenses and $500,000 is for grants	1,000,000	0	1,000,000
Tourism destination development grants	0	20,000,000	20,000,000
Beyond visual line of sight UAS grants	0	10,000,000	10,000,000
Enhanced use lease grants	0	5,000,000	5,000,000
Autonomous agriculture grants	0	5,000,000	5,000,000
Base enhancement grants	0	1,000,000	1,000,000
Tribally controlled community college grants	750,000	0	750,000
Entrepreneurship grants and vouchers program	759,044	0	759,044
Regional workforce impact program grants	0	5,000,000	5,000,000
Technical skills training grants	2,000,000	0	2,000,000
Total	$6,509,044	$53,000,000	$59,509,044

Senate Bill No. 2018 - Other Changes - Senate Action

This amendment also adds and adjusts sections to:

- Provide for the use of funding in the new and vacant FTE pool line item.
- Provide for a transfer from the general fund to the internship fund.
- Provide a $5,000,000 transfer from SIIF to the legacy investment for technology fund (LIFT).
- Identify funding for a rural health care grant program
- Provide a $30,000,000 transfer from SIIF to the North Dakota Development Fund.
- Identify $53,000,000 appropriated in Section 1 from SIIF, including $7,000,000 for tourism marketing awareness, $20,000,000 for tourism destination development grants, $10,000,000 for the beyond visual line of sight UAS program, $5,000,000 for the enhanced use lease grant program, $5,000,000 for autonomous agriculture grants, $1,000,000 is for base enhancement grants, and $5,000,000 is for regional workforce impact program grants. Of the $7,000,000 for tourism marketing awareness, $150,000 is designated for the continuation of the North Dakota state magazine with the current publisher of the magazine. Of the $1,000,000 for base enhancement grants, $600,000 is for eligible organizations in Minot, $250,000 is for eligible organizations in Grand Forks, and $150,000 is for eligible organizations in Fargo. The $5,000,000 provided autonomous agriculture grants may be provided for autonomous trucking activities.
- Identify $750,000 from the general fund for a grant to a tribally controlled community college in the Turtle Mountain area.
- To identify of the $2,150,000 appropriated from the general fund for discretionary funds, $600,000 is designated for a grant to support an organization dedicated to assisting Native American small businesses in North Dakota.
- Create a new section to Chapter 54-60 to require the Department of Commerce to report to the Budget Section semiannually regarding grants administered by the department, excluding federally funded programs.
- Amend Section 54-60-31 to change the name of the Office of Legal Immigration to the Office of Global Talent.
- Provide 14 exemptions allowing the Department of Commerce to continue funding appropriated in prior bienniums into the 2025-27 biennium.

2025 HOUSE APPROPRIATIONS

SB 2018

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Prairie Room, State Capitol

SB 2018
3/17/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; relating to department of commerce grant reporting requirements; relating to changing the name of the office of legal immigration to the office of global talent; to provide for a transfer; to provide an exemption; and to provide for a legislative management report.

10:49 a.m. Chairman Nathe opened the meeting

Members present: Chairman Nathe, Vice Chairman Swiontek, Representatives Louser, Hanson, Martinson, Richter and Sanford.

Discussion Topics:

- Workforce
- Marketing
- OPT Operational Practical Training
- Office of Global Talent
- Operation Intern
- Technical Skills Training Grant (TSTG)
- AmeriCorps

10:51 a.m. Chris Schilken, Commissioner, North Dakota Department of Commerce, presented testimony in favor #42244.

10:55 a.m. Katie Ralston Howe, Director, Workforce Development, testified in favor.

Additional written testimony:

#41473, #41474, #41496, #41513, #41517, #41518, #41519, #41520, #41522, #41523, #41544, #41579, #41581, #41582, #41583, #41584, #41587, #41598, #41599, #41600, #41601, #41602, #41603, #41606, #41632, #41668, #41832, #41846, #41888, #41991, #42046, #42053, #42142, #42171, #42179, #42180, #42185, #42187, #42191, #42192, #42195, #42204, #42205, #42207, #42211, #42218, #42243, #42245, #42246, #42247, #42248, #42249, #42250, #42373, #42375, #43690

11:34 a.m. Chairman Nathe adjourned the meeting.

Steven Riehl, Committee Clerk

North Dakota

Travel Alliance Partnership

March 17, 2025

Chairman Nathe and members of the House Appropriations Education and Environment Division:

My name is Scooter Pursley and I am the executive director of the North Dakota Travel Alliance Partnership (TAP). TAP is a coalition of travel industry stakeholders, including convention and visitors bureaus, state attractions, businesses and others who help make tourism the third-largest industry in North Dakota.

I write today to ask for your help with Senate Bill 2018, the North Dakota Commerce Department appropriations bill. As you know, Tourism Division funding is included in SB 2018.

Last session, your committee graciously allocated $25 million for tourism Destination Development Grants. The program proved successful, with many more requests received than there was funding available. This session, SB 2018 comes to you with a reduction of funding to $20 million. TAP respectfully asks you consider amending the bill to at least match last session's $25 million. We know the need is out there and the more funding that is made available, the more we can develop travel and tourism projects to draw visitors the state.

In addition, TAP asks that you consider amending the bill to increase the $7 million appropriated for marketing to $10 million. With the opening in 2026 of the Theodore Roosevelt Presidential Library, all eyes will be on North Dakota as news spreads through this biennium. This increase would allow the Tourism Division to reach markets it is currently is priced out of, thus increasing visitation throughout North Dakota.

Finally, TAP asks you to consider making the appropriation for marketing ongoing funding within the Commerce Department's base budget rather than one-time funding under separate consideration each session.

A Tourism Economics study in 2023 found 25.6 million visitors spent $3.3 billion in North Dakota. That helped support 40,000 jobs and generate $307 million in state and local tax revenue. That number could be expected to rise significantly in the coming years. We have been presented with an opportunity that we can't let pass. We ask that you give the Tourism Division the resources more closely aligned with those in neighboring states and to watch what it can do.

As you are aware, SB 2154 recently passed through both chambers unanimously and awaits only the governor's signature making it a "primary sector" business, like

energy, manufacturing and technology. As such, it should receive the same consideration as other primary sector businesses with adequate funding that will lead to the creation of new wealth through visitation, relocation and workforce development.

TAP respectfully asks for your support for these amendments to SB 2018 to better fund this new primary sector business.

Thank you for your consideration and I am available to answer any questions you may have.

Scooter Pursley | Executive Director
North Dakota Travel Alliance Partnership
701-355-4458
NDtravelalliance.com
spursley@clearwatercommunications.net

March 17, 2025

Rep. Mike Nathe, Chair
House Appropriations – Education & Environment Division
North Dakota House - Via Electronic Mail

Rep. Nathe and Members of the Committee:

I am respectfully requesting that the Committee consider increasing funding in SB 2018 for the Tourism Division's destination marketing efforts. I believe it would be appropriate to amend the current figure of $7,000,000 to $10,000,000. That amount, which translates to five-million dollars ($5,000,000) per year of the biennium, would still leave North Dakota *significantly* below the typical tourism spending of other states. Looking only at our closest neighbors, we are outspent by South Dakota, at more than $25 Million each year, Montana, at $40 Million per year, and Minnesota, at more than $18 Million per year.

We cannot be complacent-- room demand and occupancy rates rebounded sharply after the pandemic but have slipped back in Fargo and across North Dakota in the last couple of months, while Sioux Falls and Rapid City have stayed steady or continued to grow. There is no question that effective marketing works, and the Tourism Division's excellent Marketing Team would be able to invite more people to this beautiful state if they had more funding with which to work. Increased spending is even more important now, as we know that all our marketing—state and local—boosts workforce attraction as well as tourism.

On a separate but equally important note, I am grateful to see the last biennium's successful Destination Development Grant program included in this bill at $20,000,000. I realize asking you to increase it to $40 Million or more is a stretch, but I hope you will consider restoring it to the $25 Million allocated last session. Demand for the program was apparent, as there were more than eighty requests worth more than $150 Million the first time around. The community enhancements that result from this program improve the state's appeal for visitors and potential residents, alike.

Thank you very much for your time and attention. If you have any questions, feel free to contact me by phone (701-365-4567 office, 701-371-9911 mobile) or via email, which is charley@fargomoorhead.org.

Sincerely,

Charley Johnson
President & CEO

Visit Fargo-Moorhead
2001 44th St S Fargo ND 58103
701 • 282 • 3653
www.fargomoorhead.org

devils lake
Chamber • Tourism

Support for RWIP Funding & SB2018 – Strengthening Workforce & Tourism in North Dakota

Chairman Nathe and Members of the House Education and Environment Committee,

My name is Suzie Kenner, and I am the Executive Director for the Devils Lake Chamber of Commerce and the Devils Lake Tourism Division. I am reaching out today to emphasize the critical importance of restoring $10 million in funding for the Regional Workforce Impact Program (RWIP) and to express strong support for SB2018, which provides essential tourism marketing dollars and funding for the Find the Good Life Campaign. Additionally, I urge the legislature to fully restore the Destination Development grant program to $25 million and increase ongoing marketing dollars for North Dakota tourism to $10 million to ensure long-term growth and sustainability for our communities. In smaller communities around North Dakota, like Devils Lake, we wear many hats, and I would like to tell you today just what the Department of Commerce efforts, programs and grant initiatives do for the community of Devils Lake.

RWIP Impact on Devils Lake

Thanks to previous RWIP funding, the Devils Lake Chamber of Commerce and our partners have been able to:

- Recruit & Retain Workforce Talent
  - Developed and distributed a new portal on our website to attract new residents.
  - Hosted job fairs and recruitment events that directly connected local businesses with local students to retain them after high-school or college graduation.
  - Implemented new hire support and community integration efforts to improve long-term retention.
- Support Local Employers
  - Created business resources and training programs to help local employers strengthen their workforce.
  - Addressed specific labor shortages in key industries, including healthcare, education, and tourism.
  - Strengthened career development initiatives in partnership with local stakeholders.
- Enhance Digital Resources for Workforce Attraction
  - Upgraded our website to provide direct one-on-one communication with potential new residents.
  - Expanded online resources to offer detailed relocation information, including housing, job opportunities, and community integration.

SB2018 & the Importance of Tourism & Workforce Attraction

The Find the Good Life Campaign and statewide tourism marketing efforts have been key drivers of workforce recruitment and economic growth in our region. However, without proper funding, we risk losing the momentum that has been built.

devils lake
Chamber • Tourism

To ensure continued success, we urge the legislature to:

- **Restore the Destination Development Grant Program to $25 million** to continue supporting infrastructure and tourism development projects across the state.
- **Increase tourism marketing dollars to $10 million** to keep North Dakota competitive in attracting visitors and future residents.
- **Make tourism marketing funding an ongoing appropriation rather than one-time funding**, ensuring stability and long-term planning for economic growth.

We Ask You to Restore RWIP, Support SB2018 & Strengthen Tourism Investments

With workforce shortages persisting across North Dakota, it is essential that RWIP funding is restored to $10 million to allow communities like Devils Lake to address labor challenges effectively. Likewise, increased and ongoing investment in tourism and workforce attraction through SB2018 is necessary to sustain the momentum we have built.

We urge you to advocate for:

- **Full RWIP funding restoration to $10 million**
- **$25 million in Destination Development grants**
- **$10 million in ongoing tourism marketing funds**

These investments are not just beneficial; they are critical to the long-term success of Devils Lake and North Dakota as a whole**.**

Thank you for your time and leadership on these important issues. I would welcome the opportunity to discuss these efforts further and share specific success stories from our region. Please don't hesitate to reach out.

Sincerely,

Suzie Kenner
Executive Director
Devils Lake Area Chamber of Commerce & Tourism

March 13, 2025

Representative Nathe

Chairman, House Appropriations – Education and Environment Division

North Dakota House of Representatives

Dear Representative Nathe,

I am writing to express my strong support for the Department of Commerce Appropriations Bill, SB 2018, which funds critical economic development programs in North Dakota. As the Founder/Owner of two companies (Home Equity Partner and Zegacy), both of which are past recipient of funding from the Innovate ND Program, I have experienced firsthand how this initiative supports entrepreneurs and fosters business growth in our state.

The business coaching and funding provided through this program have been instrumental in accelerating the growth of my business. Specifically, Innovate ND has helped us through:

- Helping grow Home Equity Partner from $0 in revenue to last year doing $1M in revenue. None of this would be possible without the kickstart

- Helping Zegacy secure its first paying customers.

- Expert Business Coaching – We received invaluable mentorship that guided us through key strategic decisions.

- Strategic Non-Dilutive Funding – The financial support allowed us to develop and refine our business model without sacrificing ownership.

- Networking and Community Engagement – The program connected us with like-minded entrepreneurs, potential investors, and industry leaders, enabling collaboration and growth.

Without this support, it would have been significantly more challenging to refine our product, expand our operations, and create jobs in North Dakota. Programs like Innovate ND not only help individual businesses but also contribute to the state's broader economic development by fostering innovation, job creation, and industry growth.

I urge you to support Innovate ND in SB 2018 to ensure businesses like mine continue to have access to the resources necessary for success. Thank you for your time and consideration. If you would like to discuss my experience further, please feel free to contact me.

Sincerely,

Adam Zach

Founder/Owner

Home Equity Partner / Zegacy

Adam.m.zach@gmail.com

TESTIMONY FROM JAMESTOWN REGIONAL ENTREPRENEUR CENTER IN SUPPORT OF INNOVATE ND PROGRAM WITH ND DEPARTMENT OF COMMERCE

Date: March 13, 2025
RE: SB2018 Commerce Appropriations Bill
Written Testimony by: Katherine Roth, Executive Director, Jamestown Regional Entrepreneur Center, Jamestown, North Dakota

Dear Chairman and committee members,

My name is Katherine Roth. I serve as the Executive Director of the Jamestown Regional Entrepreneur center in Jamestown, North Dakota.

Thank you for the opportunity to submit testimony regarding Commerce Appropriations Bill SB 2018.

The Jamestown Regional Entrepreneur Center was started in order to support the creation and sustainability of small businesses across the nine counties of Barnes, Dickey, Foster, Griggs, LaMoure, Logan, McIntosh, Stutsman, and Wells. The JREC provides customized training and personalized technical small business assistance all focused on empowering community members to successfully launch and grow their businesses.

As the Executive Director of the Jamestown Regional Entrepreneur Center, I provide resources to support North Dakotans of all ages to commercialize their ideas. As well, students and faculty from regional universities, such as the University of Jamestown and Valley City State University, are provided with access to entrepreneurial business coaching and training to support the commercialization of their ideas. Our entrepreneur center's partnership with the North Dakota Department of Commerce strengthens our opportunities to serve small businesses in the south central region of North Dakota. The Innovate ND program, LIFT Fund, and BioND serve as catalysts to support new venture creation, growth, and sustainability in North Dakota.

The current version of SB2018 provides approximately $1.5 million of funding for entrepreneurial grants and vouchers through the Innovate ND program. Restoring the funding level to the originally requested budget of $2 million will assist with expanding the program to increase the number of successful graduates. Innovate ND is a timely and relevant program, which aids innovative entrepreneurs in our state to focus on creating new opportunities in North Dakota. The Innovate ND program also provides grants to entrepreneurial centers that provide coaching and technical assistance to innovators. The Jamestown Regional Entrepreneur Center is one of four that works closely with North Dakota's entrepreneurs. Staff from each center have extensive experience guiding entrepreneurs through the startup, development, and expansion of the new entrepreneurial ventures.

North Dakota entrepreneurs, such as Adam Zach, founder of Zegacy, have successfully graduated from the Innovate ND program having received extensive coaching, mentoring, and guidance. As he continues to pursue resources from within North Dakota's entrepreneurial ecosystem, his progression is well grounded by having had the entrepreneurial training experience within the Innovate ND program through the North Dakota Department of Commerce.

I encourage the committee members to support the originally submitted budgetary request for the Commerce Appropriations Bill SB 2018. It is a privilege to support the innovative entrepreneurs in North Dakota. Thank you for your time and review of this written testimony today.

Sincerely,

Katherine Roth

January 27, 2025

RE: SB 2018 Testimony by James Pladson, CEO and Founder of Reach Right USA

Chairman and Committee Members,

My name is James Pladson, I am the CEO, founder, and inventor of the Reach Right handle, an ergonomic attachment designed to easily fit any long-handled tool. Reach Right's innovative design extends the user's reach and allows them to maintain an upright, natural posture while performing tasks that would otherwise require repetitive bending over to maneuver long handled tools. This award-winning ergonomic solution reduces back strain and increases productivity when using tools such as shovels, rakes, or weed trimmers. Thank you for the opportunity to submit my testimony regarding SB 2018—a program that supports entrepreneurship in North Dakota through funding and mentorship.

As a North Dakota entrepreneur, I had the privilege of being accepted into Phase 1 of the Innovate ND program in October 2024. The mentorship provided through my bi-monthly meetings has been invaluable to the growth and scaling of my business. These sessions connected me to local programs and successful business leaders, allowing me to learn from their experiences.

The Phase 1 funding allowed me to invest in marketing efforts, which has significantly contributed to the growth of my business. With these funds, I was able to generate approximately $60,000 in revenue in December 2024 and nearly $85,000 so far in January 2025. These results highlight how critical this program has been in enabling my business to succeed and grow.

I am now preparing to apply for Phase 2 of the Innovate ND program. If accepted, I am eager to continue learning from my mentors and utilize the additional funding to rebuild my website. A more professional and functional website will allow me to better convert visitors into customers, further strengthening my business's success.

I strongly encourage this committee to support SB 2018 and continue funding Innovate ND. This program provides North Dakota entrepreneurs with a robust support system to help grow and develop their businesses. As I've learned firsthand, entrepreneurship often brings unexpected challenges and expenses. The guidance, resources, and funding offered through Innovate ND have been invaluable, and I would not want to start a business in any other state.

Thank you for your time and consideration of my testimony.

Sincerely,
James Pladson
CEO and Founder, Reach Right USA

Dear Representative Nathe,
Chairman, House Appropriations – Education and Environment Division

I am writing to express my strong support for the Department of Commerce Appropriations bill, SB 2018, which funds critical economic development programs in North Dakota. As the Co-founder & CEO of Homeland Hemp Co., I have directly benefited from the Innovate ND Program, which has been instrumental in getting our company off the ground. Our primary goal as a company, since inception 7 years ago, has been to use locally sourced materials grown in North Dakota (our 'homeland') for our products to create resilient supply chains. After 7 years we reached that goal earlier this year, and it would not have been possible without the help and support we got early on from economic development programs, like InnovateND.

The business coaching and funding provided through this program offered these key benefits:

- Customer engagement: We were able to take the time to define who our customer is, then begin to collect feedback from them over time to see if what we were producing was actually what the market wanted. This is simple hindsight but most businesses don't take the time to connect with customers like we did while involved in this state program.
- Strategic non-dilutive funding: This helped us early on because our company was essentially worth nothing at the start, we couldn't even get a business bank account when we first began! We are now working on raising additional funds through investors who see tangible value in the company, value that has been developed over time and through ND support.

Without this funding to help us get started we would not have made it this far. The industry we operate in is young and growing rapidly in the US. We have had the opportunity to help shape this industry and have significant influence on how it has developed due to the support we have received from the state. Along with this we have been able to create new outlets for our North Dakota farmers.

I urge you to support Innovate ND in SB 2018 to ensure businesses like mine continue to have access to the resources necessary for success. Thank you for your time and consideration. If you would like to discuss my experience further, please feel free to contact me, my information is below.

Sincerely,

Matt Marino
Co-founder & CEO at Homeland Hemp Co.
Cell: 701-426-3796 / Email: matt@homelandhempco.com

2100 15th Street N
Wahpeton, ND 58075
701-671-6060

ThinAIR
High performance support surfaces

January 29, 2025

Dear Senator/Representative,

Thin Air Surfaces expresses our support for Senate Bill 2018. The InnovateND program provided critical support to Thin Air Surfaces that helped position our startup company for an upcoming product launch and entry into the market. As a technical team, we focused on creating a product and assessing how that product would address a problem we were trying to solve for a set of customers. We did not have the marketing or sales background to take the product we created and move through the next steps in the commercialization process. In our interactions with resources provided through the InnovateND program, we were provided guidance and support to understand what we needed to do and the questions we needed to find answers to.

InnovateND has been key to getting us to where we are at today, with sound business coaching and funding that allowed us to keep the business in North Dakota, not having to go outside the State for financial support. Additional elements of the program that were particularly important for us were the discovery process working with prospective customers of our technology and the networking connections that made available to Thin Air Surfaces. We are hopeful that we can be a success story for the InnovateND program to highlight in the years ahead, but even if we are not successful, it will not be for lack of business mentoring and support we received through this program.

I believe there is significant value to be gained by continued funding of InnovateND and feel that voting for Senate Bill 2018 is a strong commitment to fostering innovation and new businesses in North Dakota. I am available to provide any follow-up information if requested.

Sincerely,

Jim Albrecht
President
Thin Air Surfaces
Phone: 701-671-6134
E-mail: jim.albrecht@comdelinc.com

Dear Representative Nathe,

Chairman, House Appropriations – Education and Environment Division

I am writing to inform you that I support the Department of Commerce Appropriations bill, SB 2018, which funds critical economic development programs in North Dakota. As an owner of Appareo, I directly benefited from the Legacy Investment for Technology (LIFT) Program, which was instrumental in Appareo completing key product development work. In the period following the $2.5M lift loan we received, we hired 70 people and significantly grew the company. Appareo paid all $2.5M of the loan back to the state. We also sold the business to AGCO Corporation, bringing a new agricultural equipment manufacturer and Fortune 500 company to North Dakota.

Programs like LIFT help individual businesses and contribute to North Dakota's broader economic development by fostering innovation, job creation, and industry growth.

I would like to ask you to support LIFT in SB 2018 to ensure that businesses like mine continue to have access to the resources necessary for success. Thank you for your time and consideration. If you want to discuss my experience further, please contact me.

Sincerely,

David Batcheller

Former Appareo CEO, AGCO Corporation Site Leader

SIGNUM
www.signumiot.com

Signum, LLC
120 South Ave W
Richardton, ND 58652
(701) 974-5100

March 13, 2025

Dear Representative Nathe, Chairman, House Appropriations – Education and Environment Division

I am writing to express my strong support for the Department of Commerce Appropriations bill, SB 2018, which funds critical economic development programs in North Dakota. As the co-founder of Signum, LLC, I have directly benefited from the Legacy Investment for Technology. The funding provided through this program allowed my company to:

- Hire 20 new employees since first getting our LIFT loan in 2021
- Develop and market our Internet of Things (IoT) platform which we have customized and deployed for several customers
- Partner with a publicly traded Silicon Valley medical device company to provide details of complex surgeries for later review
- Partner with a major construction machinery company to provide telematics for their vehicles

Without this support, it would have been significantly more challenging to develop the electronic hardware and software to provide IoT to our customers. Perhaps the most exciting application of our technology brings data that improves the surgical techniques used to save thousands of lives *per month*. We are proud to be bringing medical device research and manufacturing to the state of ND. The LIFT loan helped at the very beginning of our journey.

I urge you to support LIFT in SB 2018 to ensure businesses like mine continue to have access to the resources necessary for success. Thank you for your time and consideration. If you would like to discuss my experience further, please feel free to contact me at (701) 974-5103.

Sincerely,

Doug Hauck, President
Signum, LLC

Chairman Nathe and members of the committee,

Thank you for considering my testimony. My name is Savanna Hendrickson, and I currently serve as the President of our county Economic Development Council and the President of a community bank that serves two rural communities in North Dakota. I'm writing to express my strong support for the restoration of full funding of $10 million for the Regional Workforce Impact Program (RWIP) as outlined in state commerce budget bill SB 2018.

As someone deeply involved in the economic development and financial well-being of our rural communities, I witness firsthand the challenges we face daily. Issues such as economic development, workforce recruitment, workforce retention, and job creation are persistent and pressing concerns that require substantial support to address effectively. The proposed reduction from $10 million to $5 million would significantly impact the positive momentum and critical initiatives that have been established in North Dakota communities through this program.

Our Economic Development Council has been fortunate to receive two grants through the RWIP program, which have been instrumental in addressing key needs and fostering growth in our county. The first grant enabled us to launch a local CDL training program, providing four individuals with the necessary training and licensing to meet the high demand for commercial drivers in our agricultural area. This initiative not only addressed a critical workforce shortage but also contributed to the overall economic stability of our region. Additionally, the grant supported the rollout of a behavioral health program at our local clinic, which has been vital in improving the well-being of our workforce.

The second grant was allocated to a Talent Attraction Marketing Campaign aimed at increasing awareness of our county and the opportunities it offers. Although this project is still ongoing, we have already observed positive results, including increased interest and inquiries from potential new residents. This campaign would not have been possible without the support of the RWIP program, and its success is crucial for our county's future growth and development.

According to the 2020 census, our county in northwest North Dakota has a population of 2,195. Unlike larger counties with substantial oil or other income, our primary industry is agriculture, and the income generated does not significantly stay within the county. Consequently, funding for initiatives well beyond essential infrastructure is extremely limited. State support through programs like RWIP is essential for our county to remain viable and continue progressing towards sustainable growth.

In conclusion, I urge you to consider the profound impact that the RWIP program has had on North Dakota communities and to restore the funding to the full $10 million request. This investment is critical for the future of North Dakota's workforce and economic development.

Thank you for your attention and consideration.

Savanna Hendrickson

Savanna Hendrickson | dividecountyedc@gmail.com | 701-213-0601

Dear members of the House,

My name is Hannah Whalen, and I am the Recruiting Manager at the University of North Dakota (UND). On behalf of UND, I offer testimony in favor of Senate Bill 2018 and urge the committee to restore the $5 million line item to ND Find the Good Life.

As many of you know, North Dakota faces an ongoing challenge due to our state's low unemployment rate, which makes it difficult at times to find qualified talent to fill open positions. This challenge has made out-of-state recruitment an essential strategy for many businesses and organizations, including UND. The ND Find the Good Life program has been a valuable resource in helping us address this issue, and I want to highlight its success in assisting us with our workforce needs.

Through this program, UND has already successfully hired two full-time employees who have relocated to our state, and we are currently in the process of interviewing an additional candidate through the program. These hires are critical to our continued growth and success as an institution. In addition to our experience, the ND Find the Good Life program has been instrumental in helping relocate a total of 80 employees, and 122 people overall in just 18 months to our great state—a truly remarkable achievement. These numbers speak volumes about the program's effectiveness in connecting out-of-state talent with employers here in North Dakota.

The success of this program, especially during its start-up phase, demonstrates its immense value to the state. By facilitating connections between communities, employers, and qualified individuals outside our state, the ND Find the Good Life program has proven to be a critical tool in our efforts to attract talent to North Dakota. It is not just a recruitment program; it's a workforce and community development initiative that supports our state's long-term economic growth and sustainability.

At a time when finding qualified candidates is becoming more competitive, the ability to rely on a state-supported initiative that addresses our specific workforce challenges is invaluable. If we are to continue to thrive as a state, it is crucial that we invest in programs like ND Find the Good Life.

Thank you for your time and consideration.

Sincerely,
Hannah Whalen

Recruiting Manager

University of North Dakota

CHILDCARE INTENSIVES FALL 2024

PARTNERSHIP RECAP REPORT

PROGRAM PARTNERSHIP BETWEEN

CHILD CARE AWARE OF NORTH DAKOTA AND
NORTH DAKOTA WOMEN'S BUSINESS CENTER

EXECUTIVE SUMMARY

CHILDCARE INTENSIVES FALL 2024

INTRODUCTION

The Childcare Intensives (C-II) program represents a collaborative initiative between the North Dakota Women's Business Center (NDWBC) and Child Care Aware of North Dakota (CCA of ND), designed to deliver comprehensive business education and foster connections within the childcare sector across North Dakota. The Fall 2024 group marked the third iteration of this initiative, commencing in August and concluding in November. The course included curated curriculum, subject matter experts, peer-to-peer learning, networking opportunities, and one-on-one business coaching.

This class convened with 12 childcare providers, comprising 42% Directors and 58% Owners, hailing from seven out of the eight regions within North Dakota. Notably, most participants were from region five. The diverse attendee base represented various child care structures, including centers, groups, and in-home setups. Business tenure among participants spanned from less than one year to over a decade. 50% of providers list no employees.

This report encapsulates the insights, achievements, and collaborative endeavors of the Fall 2024 group, reflecting the commitment of child care professionals to enhance their business acumen and contribute to the vitality of early childhood education across the state.

CLIENTS SERVED BY ND REGION

GOALS & OBJECTIVES

CULTIVATING ENTREPRENEURIAL VISION

Define personal and business motivations, establish core values, set strategic goals, and address operational challenges to build a clear path to success.

ENHANCING OPERATIONAL EXCELLENCE

Gain skills to optimize operations, improve efficiency, manage risks, and strengthen financial literacy for sustainable growth.

EMPOWERING LEADERSHIP & STRATEGIC PLANNING

Develop strategic plans, lead effectively, build strong teams, and create a resilient business culture.

FOSTERING COLLABORATION & RESOURCE SHARING

Build a network of child care business owners to exchange best practices, share resources, and leverage collective expertise.

BROUGHT TO YOU BY A PARTNERSHIP BETWEEN

Child Care Aware® OF NORTH DAKOTA

NORTH DAKOTA Women's Business CENTER

C-II FALL 2024 SYNOPSIS

The C-II Fall 2024 group, though smaller in size, fostered a strong sense of community and collaboration among participants. Peer-to-peer learning emerged as a central strength of the program, with members emphasizing the value of sharing insights and experiences within a structured curriculum. This dynamic enabled discussions that extended beyond child and parent interactions to encompass business-oriented topics, providing a well-rounded perspective for participants on topics that they stated would not have previously been discussed with other individuals.

Key learning highlights included developing business savvy process and project ideas, crafting welcome packages, refining hiring practices, and addressing shared challenges. Additionally, many participants reported gaining confidence and practical strategies to enhance their professional practices. A remarkable 100% of attendees expressed plans to maintain connections with at least one peer beyond the course, underscoring the lasting impact of their shared experience.

When it came to networking and peer-to-peer connection, a decrease was observed in the number of participants utilizing pre-class networking time. Survey feedback indicated while participants desired more opportunities to connect with peers, they preferred a structured approach to these interactions. Conversely, there was a notable increase in the use of the GroupMe texting application, which facilitated vibrant discussions on both business and non-business topics, highlighting its effectiveness as a networking tool.

Although it is only required to meet with a business coach once during the program. Four individuals scheduled additional coaching sessions to continue discussions. General topics discussed during coaching sessions for this group included:

- Preparing for business growth.
- Advice on connecting to the community.
- Managing difficult parent interactions.
- Refining hiring practices.

When asked how the program could improve, participants provided constructive feedback, suggesting:

- Separating license types during the financial segment to better address varied needs.
- Building more structured networking opportunities within the curriculum.
- Incorporating grant writing and management into the program content.

100% expressed plans to maintain connections with at least one peer beyond the course.

The transition to utilizing SharePoint for information dissemination and participant organization was successful, significantly improving accessibility and engagement compared to the prior email-based system.

Looking ahead, attendees identified several actionable goals inspired by their participation, including expanding their businesses, setting and achieving clear goals, deepening their financial acumen, and staying organized. Additionally, **82% of participants expected an increase in profit** based on their participation in this course. This group exemplified the power of connection and mutual support in professional development, with participants leaving motivated to apply their learnings and continue growing in their child care endeavors.

NDWBC is a 501c3 funded in part through a cooperative agreement with the U.S. Small Business Administration and by state funding from the North Dakota Department of Commerce. Information provided in this report is for reference purposes only. Any decisions made based on its contents are the sole responsibility of the entity, not NDWBC.

NORTH DAKOTA Women's Business CENTER
www.NDWBC.com
info@ctbnd.com
701-223-0707

DISCLAIMER This report is confidential and intended solely for internal use between the North Dakota Women's Business Center (NDWBC) and Child Care Aware of North Dakota (CCA of ND). Its purpose is to provide insights into the childcare business industry and offer support and guidance to individuals involved in owning and/or operating childcare entities. The information contained in this report is privileged and should only be shared with entities directly associated with the two organizations. Any alterations or adaptations of this report should be coordinated with the NDWBC Childcare Intensives Team.

THE IMPORTANCE OF CHILD CARE INVESTMENT

The COVID-19 pandemic highlighted the critical role of childcare in the U.S. economy, exposing vulnerabilities from decades of underinvestment. The sector faced immense pressure, leading to closures and increased strain on families. As we move toward economic recovery, building a robust infrastructure is essential for supporting families, strengthening businesses, and driving economic growth for the industry.

Child care is foundational to the U.S. and North Dakota economies, enabling parents to work or pursue education, which fosters financial stability. Without adequate child care, families struggle: parents may leave the workforce, reducing household income and risking the loss of homes or vehicles. Businesses face worker shortages, leading to reduced services or closures, which further impacts schools, healthcare facilities, and local economies.

In North Dakota, 45,000 households have children under age five, with 75% of these households having all parents in the workforce. Inadequate child care creates barriers for tens of thousands of workers, limiting workforce participation and economic growth. Investing in child care yields significant benefits: it reduces out-of-pocket costs for families, increases local spending, stabilizes businesses by reducing employee turnover, and boosts labor force participation, especially among mothers often forced to leave jobs due to limited child care options.

A comprehensive child care system supports parents' mental well-being, enabling greater productivity at work, while also preventing negative economic cycles in communities. One key investment area is enhancing the business skills of child care providers. The **North Dakota Women's Business Center's Childcare Intensives** (C-II) program addresses this by equipping providers with essential knowledge to establish, grow, and sustain their operations while connecting them to resources across North Dakota.

NDWBC CHILDCARE INTENSIVES

These virtual courses serve as a platform for child care providers to learn, connect, and collaborate as they enhance their business acumen and proficiency in their industry.

PROGRAM BENEFITS

- Best Practices from Industry Experts
- Personalized Feedback from Certified Business Coaches
- Connections with Like-Minded Providers
- Tools to Overcome Internal and External Barriers
- Increased Understanding and Commitment to Financials

BROUGHT TO YOU BY A PARTNERSHIP BETWEEN

ChildCare Aware® OF NORTH DAKOTA

NORTH DAKOTA Women's Business CENTER

PROGRAM OVERVIEW & IMPROVEMENTS

SESSION 1: YOU & YOUR BUSINESS

Understanding who you are as a child care provider, identifying your motivations, and the challenges you are facing provides an outlook on how you will run your business. You will learn about the tools the NDWBC has to help you navigate your journey during and after the program. Session objectives:

- Indicate core values
- Create timely goals
- Formulate business pain points
- Identify NDWBC resources

SESSION 2: UNDERSTANDING YOUR MARKET

Finding the right solution to the problem you are trying to solve is important for business success. You will explore who your customers are and why almost every decision you make should be based on feedback and data gathered from customers. Session objectives:

- Create a customer profile
- Understand market research components
- Complete market research
- Identify poor survey questions

SESSION 3: FOUNDATIONS & OPERATIONS

Identifying your BAIL team and how they can help establish a strong business foundation is a key first step. Utilizing your BAIL team as your child care business matures is a strategic one. Understanding the role operations management plays in your daily success. Ensuring your methods are efficient, documented, and flexible will help you build your foundation. BONUS: Efficient time management is essential as a small business owner; reflect and learn how you can improve yours. Session objectives:

- Understand the importance of operating an efficient small business
- Identify processes to improve
- Learn about available resources to improve processes

SESSION 4: ESTABLISHING YOUR TEAM

Hiring the right people for your team can be challenging. Getting them to stay can be even more so. Learn how to navigate the hiring process and how benefits may help you increase your applicant pool. Session objectives:

- Calculate employee cost/benefit
- Evaluate current benefits packages
- Recognize ideal benefit providers
- Identify ways to recruit new talent

SESSION 5: LEADING YOUR BUSINESS

Before you hire the right candidate there are a variety of things to consider including your HR processes, your leadership/work style, and how you will continue to motivate your employees. Session objectives:

- Identify business risk types

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- Identify key HR practices
- Recognize the three (3) parts of the Performance Management Process
- Define work communication style
- Analyze approach to leadership and communication

SESSION 6: YOUR IMAGE & MESSAGE

Understanding the message you are presenting to your customers is important when getting them to know, like, and trust you. Explore how your brand goes beyond marketing. Session objectives:

- Explain business brand
- Identify different marketing best practices
- Identify public relations best practices
- Recognize key considerations for navigating crucial conversations

SESSION 7: FINANCIAL FOUNDATIONS

Identifying the costs to start and run a business is key to ensuring your cash flow will support your day-to-day and future needs. Analyzing your costs and customer base will help you develop and improve your pricing strategy. Session objectives:

- Examine differences of CPAs, bookkeepers, and accountants
- Classify variable costs, fixed costs, and capital expenses
- Compare current accounting processes with best practices
- Discover variable pricing strategies

SESSION 8: FINANCIAL MANAGEMENT

It is important that you understand how cash flow works and how to use it to make decisions in your business. Externally, financial projections help convince lenders and investers that your business will be profitable. Internally, accurate forcasting enables you to budget appropriately, benchmark milestones, and plan for financial freedom. Session objectives:

- Identify basic financial documents used to record business assets/liabilities, revenues/costs, and cash flow
- Recognize key areas of importance in relation to small business taxes
- Describe key concepts in the budgeting process
- Understand best practices when building a budget

SESSION 9: FINANCIAL STRATEGY

Once you are comfortable with analyzing and anticipating your business finances it is important to identify your next steps. Whether you are asking for funding or diving into succession planning it is important to work with professionals to help you lay out the right financial path for your business. Session objectives:

- Identify preparation measures for business crisis situations
- Determine next steps for building a retirement plan
- Review available funding opportunities
- Demonstrate an understanding of pitch best practices

SESSION 10: PLANNING FOR THE FUTURE

Setting goals to meet your objectives allows you to strategize for success. Networking with like-minded business owners can open opportunities for collaboration and partnerships. Utilizing your voice to advocate for the needs of yourself and your business can help pave the way for new opportunities in the future. Session objectives:

- Identify steps to the strategic planning process
- Analyze current business
- Develop an initial strategic plan
- Recognize the four pillars of stress management

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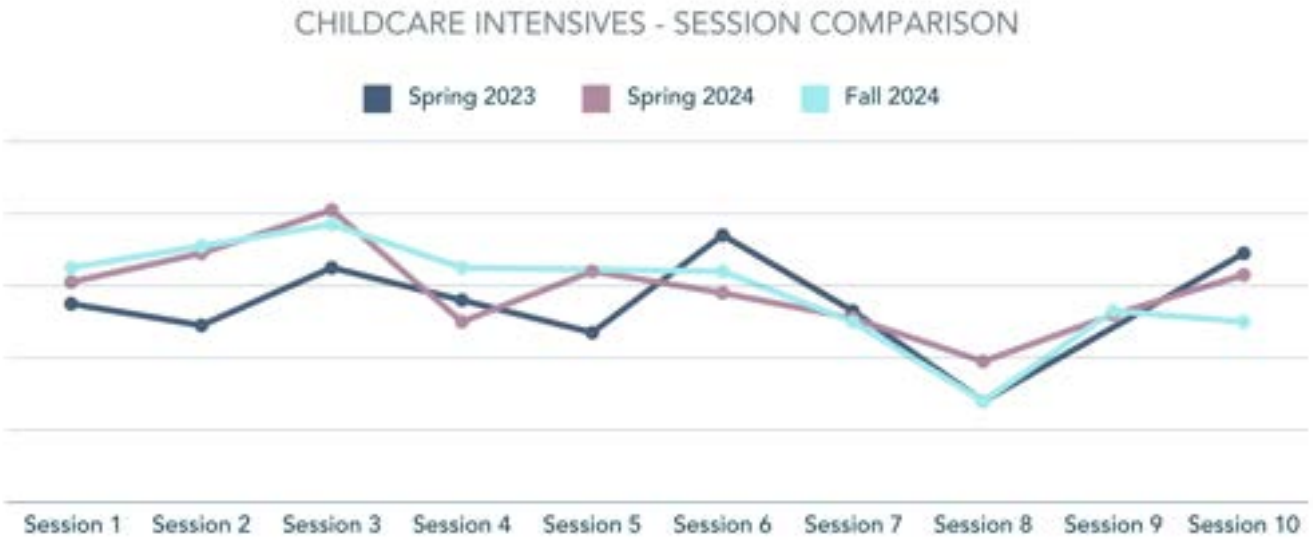
Class Comparison

The comparison of classes one (Spring 2023), two (Spring 2024), and three (Fall 2024) highlights the evolving dynamics of class size, diversity, and participant engagement in the program. Class one, with its small size of 12 participants in the 10-week program and five in the workshop, allowed for deep connections and interaction but faced challenges like groupthink and limited diversity in perspectives. Class two expanded in size to foster more diverse discussions, which enriched the understanding of North Dakota's child care industry. However, this larger size sometimes caused participants to feel disconnected, and facilitators struggled to maintain personal connections, resulting in an 86% retention rate.

Class three reverted to a smaller group of 12 participants, achieving a 100% retention rate and demonstrating the benefits of an intimate setting for fostering engagement and meaningful discussions. Learning trends in this group were slightly elevated compared to previous classes, likely due to the increased opportunities for individualized interaction. However, the diversity of license types among participants revealed a new challenge: the need for tailored content to meet specific licensing needs, which had not been as prominent in earlier classes.

Overall, the program's evolution underscores the importance of balancing class size, diversity, and tailored content to optimize outcomes. Smaller classes consistently promoted deeper engagement and retention, while participant feedback informed program adjustments, such as enhanced technical support and post-program resources. Moving forward, an ideal class size of around 25 participants, combined with license-specific content, may balance diversity and personalization, meeting participants' varied needs while maintaining strong engagement and learning outcomes.



*Content from Session 9 was not offered for the Spring 2023 class. This graph denotes the knowledge increase in key objective areas from each session offered for the different C-II classes.

FIGURE A

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Program Improvements

NDWBC has implemented several improvements to elevate the C-II Fall 2024 class, providing participants with greater value and a more streamlined experience. Below are key improvements made during this course:

- **Developed Pre-Session Homework**: this resource was developed to help participants and facilitators prepare for the program. This improvement matters because it allows facilitators to test and familiarize participants with the course platforms, ensuring a smoother learning experience. It also provides participants with an opportunity to reflect on their goals and expectations for the program, helping them approach the sessions with clear intentions. Additionally, by tracking homework submissions, facilitators can gauge participant engagement and readiness, offering valuable insights into how actively participants will contribute to and benefit from the program.
- **Mandatory SharePoint Site**: originally introduced for the Spring 2024 class, the SharePoint site is now a required resource. The centralized hub serves as a comprehensive resource for participants, housing session announcements, recaps, speaker contact details, and essential materials such as guidebooks, handouts, and pre-work videos. By consolidating this information in one location, the hub streamlines communication, making the program more efficient and easily accessible, ensuring participants have everything they need to stay informed and engaged throughout the course.
- **Enhanced Business Coaching Communication & Processes**: enhanced to ensure participants received the necessary support to meet program requirements. Coaching appointments were scheduled in advance to provide structured guidance, while a comprehensive coaching audit was conducted to track participant progress. Individual outreach was also performed to engage participants who had not yet scheduled their sessions, ensuring they fulfilled the coaching requirement for program graduation and maximized the value of their experience.
- **Real-Time Customized Curriculum**: session content was customized in real-time based on participant feedback to better meet their needs and enhance engagement. Adjustments included offering breakout sessions tailored to individual preferences and incorporating new activities such as the **Proud Train** exercise, along with additional group discussions organized by child care license type or randomized groups. In tandem with these customizations, program surveys were expanded to gather more comprehensive feedback from both participants and stakeholders. Updates were made to intake, pre-session, post-session, and final surveys, with the goal of collecting actionable insights to continuously improve future session content and overall program structure.
- **Expanded the Part-Time Project Manager Contractor Role**: to further streamline program operations, the project manager contractor's role was expanded to include additional facilitation duties, with the goal of preparing them to become a primary facilitator for the program. While they have already been responsible for key tasks such as program coordination, managing homework submissions, handling participant communication, and assisting with session facilitation, this expanded role provides them with hands-on experience leading sessions. This transition is designed to enhance their facilitation skills, improve overall program efficiency, and ensure a seamless and engaging experience for participants.

These improvements reflect NDWBC's commitment to continually enhancing the C-II program, ensuring it remains relevant, engaging, and impactful for child care providers across North Dakota.

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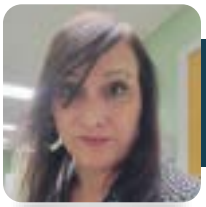
Speaker Overview



SESSION 1
ANGIE BARBER, ADVENTURE ACADEMY, LLC

Angie's kickoff message for the group emphasized the importance of embracing the tools and resources provided by the program for business growth. She encouraged participants to stay open-minded, learn from peers and experts, and use these tools to overcome future challenges. Angie praised Verla from Child Care Aware of North Dakota for her support and urged the group to build strong connections and reflect on their growth. Through personal stories, she reinforced the power of passion, collaboration, and leading with heart, reminding participants that their businesses deserve the same care and investment as their "babies."

SESSION 3
DUSTIN IHRY, IHRY INSURANCE

Dustin provided a comprehensive overview of the key insurance coverages every child care business should consider. He emphasized the critical importance of general liability insurance to protect against negligence, such as slip-and-fall incidents, and discussed property insurance for buildings and business assets. Additionally, he covered specific coverages like corporal punishment and abuse/molestation protections. Dustin highlighted how factors like prior claims and building age influence rates and underscored the necessity of robust coverage to safeguard child care operations.

91% Knowledgable in Subject Matter

91% Engaged with Participants

91% Answered Questions

64% Simplified the Subject Matter

SESSION 3
TANYA LEE, TANYA LEE LLC

Tanya shared tips to help child care providers maximize time management techniques. She emphasized the importance of organizing physical and digital spaces to reduce stress and boost focus. Setting clear goals, tracking peak productivity times, and aligning tasks accordingly can enhance efficiency. By assessing strengths, outsourcing tasks, and using the Eisenhower Decision Matrix, child care providers can prioritize effectively and focus on growing their business.

73% Knowledgable in Subject Matter

91% Engaged with Participants

91% Answered Questions

73% Simplified the Subject Matter

SESSION 4
ANDREW JONES, IHRY INSURANCE

Andrew highlighted a range of insurance options, including dental and vision plans with customizable coverage and large networks. He discussed supplemental insurance options like accident, critical illness, and cancer policies, which pay benefits directly to policyholders for expenses like medical bills and household costs. Short-term disability, or "paycheck insurance," provides income if an illness or injury prevents work. He emphasized the importance of life insurance to protect dependents and ease financial stress after a loss.

50% Knowledgable in Subject Matter

33% Engaged with Participants

25% Answered Questions

25% Simplified the Subject Matter

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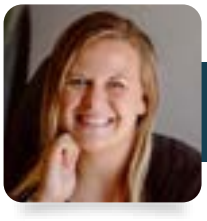
SESSION 5
JODI BRUNS, NDSU EXTENSION

Jodi discussed Crucial Conversations, focusing on building trust, managing discomfort, and promoting productive communication. She emphasized keeping commitments, maintaining relationships, and encouraging open dialogue. Strategies like active listening, using "I" messages, and asking open-ended questions help reduce conflict. Jodi also highlighted facing discomfort, offering solutions, taking breaks, and practicing gratitude and self-control to improve communication skills.



SESSION 6
JADE SCHERR, HEXAHIVE

Jade shared marketing and PR strategies for child care providers, emphasizing hiring mission-aligned employees and engaging families by showcasing child care value. She recommended a well-designed website with essential details and SEO strategies like "child care near me." Optimizing Google Business with reviews builds credibility, and professional responses to negative feedback foster trust. Jade also suggested referral incentives and obtaining waivers before posting children's photos to ensure privacy.

100% Knowledgable in Subject Matter

75% Engaged with Participants

92% Answered Questions

83% Simplified the Subject Matter

SESSION 8
MELISSA MIRANDA, STEP-BY-STEP

Melissa taught how to read key financial documents, including the balance sheet, income statement, and cash flow statement, to assess financial health. She covered essential expense categories like staffing, occupancy, and operational costs, and discussed legal and tax considerations, recommending the right legal entity for tax purposes and the use of payroll software for LLCs taxed as S-Corps. She outlined best practices in financial management, such as weekly transaction updates, monthly reconciliations, and annual tax planning to ensure financial stability for child care businesses.

82% Knowledgable in Subject Matter

36% Engaged with Participants

36% Answered Questions

36% Simplified the Subject Matter

SESSION 8
MARK WAGNER, NDWBC

Mark introduced a Childcare Budget Excel Workbook designed for childcare providers to forecast revenue and categorize expenses, such as payroll and occupancy. The workbook includes a Calculations Sheet for tracking licensed slots, enrollment, and closures to adjust revenue projections. He offered to customize the tool for each facility, helping providers make data-driven decisions and ensure accurate financial planning.

100% Knowledgable in Subject Matter

45% Engaged with Participants

45% Answered Questions

64% Simplified the Subject Matter

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SESSION 9
AMANDA BREWINGTON, FIRST CHILDREN'S FINANCE

Amanda Brewington from First Children's Finance shared insights on nontraditional loans for child care, emphasizing the importance of planning ahead, tracking finances, and understanding the loan process. With slim margins, she advised saving where possible and consulting lenders before funds are needed. Amanda highlighted the need for accurate tax filings, careful expense tracking, and establishing a solid business plan.

100% Knowledgable in Subject Matter

58% Engaged with Participants

75% Answered Questions

75% Simplified the Subject Matter

SESSION 9
VANESSA MARTELL, EDWARD JONES

Vanessa emphasized partnering with financial planners for long-term business success. She highlighted the importance of building a retirement plan, setting up SEP IRAs for tax-efficient savings, and preparing for unexpected expenses with emergency funds and insurance. Vanessa also discussed the benefits of key person insurance, which protects a business from financial loss due to the illness or death of a key individual. These strategies help business owners secure their financial future and ensure stability for their businesses.

100% Knowledgable in Subject Matter

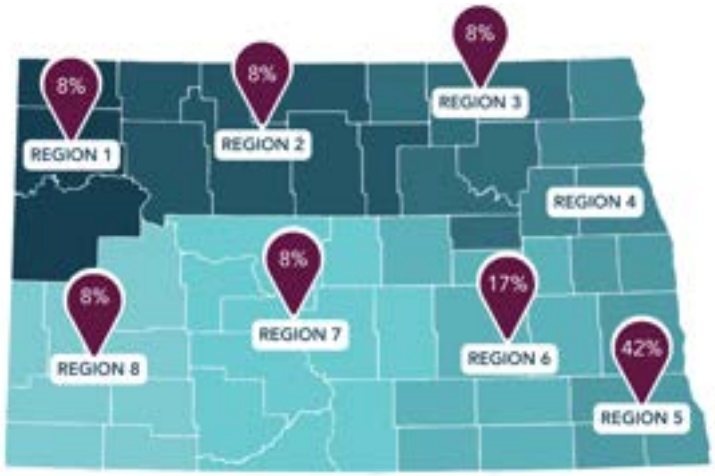
67% Engaged with Participants

67% Answered Questions

67% Simplified the Subject Matter

PARTICIPANT OVERVIEW

The following participant data has been pulled from the North Dakota Women's Business Center (NDWBC)'s data collection systems on November 27, 2024. There were a total of 12 graduates for the C-II Fall 2024 class. **FIGURE B** denotes which North Dakota state region (as defined by the **ND Department of Commerce**) each participant is located; **FIGURE C** shows how many owners vs directors in this class.



CLIENTS SERVED BY ND REGION

FIGURE B

OWNERS VS DIRECTORS

FIGURE C

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FIGURE D provides an overview of the different child care license types with definitions provided by Child Care Aware of North Dakota; **FIGURE E** indicates how many employees each participant's business has; and **FIGURE F** denotes the level of experience for how many years in business each participant has been in.

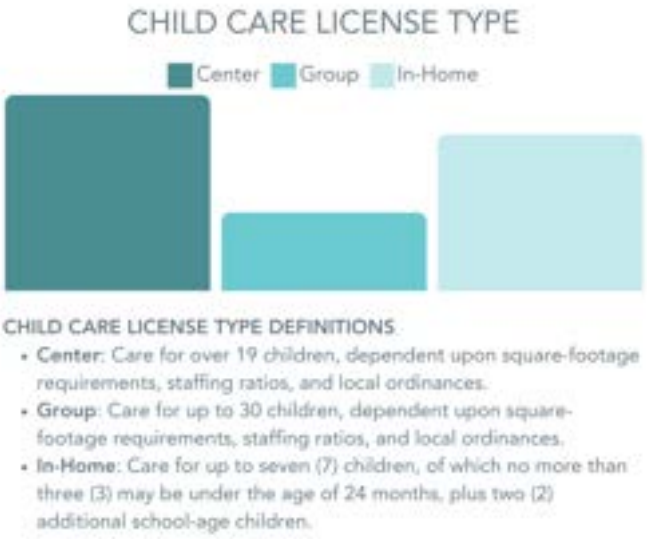

FIGURE D

FIGURE E

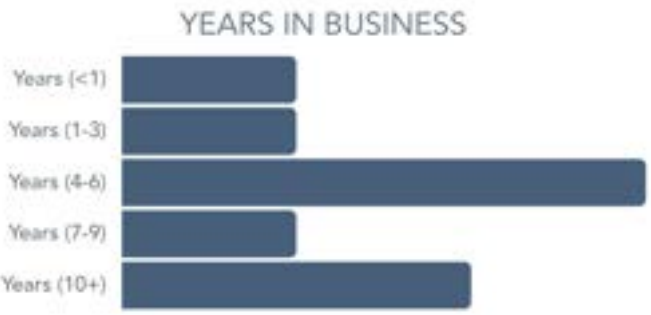

FIGURE F

During the Leadership Segment, individuals were asked to complete the True Color test to help them identify their primary and secondary true color results. The C-II Fall 2024 class over majority combination resulted in primary (gold) and secondary (blue) as shown in **FIGURE G**.

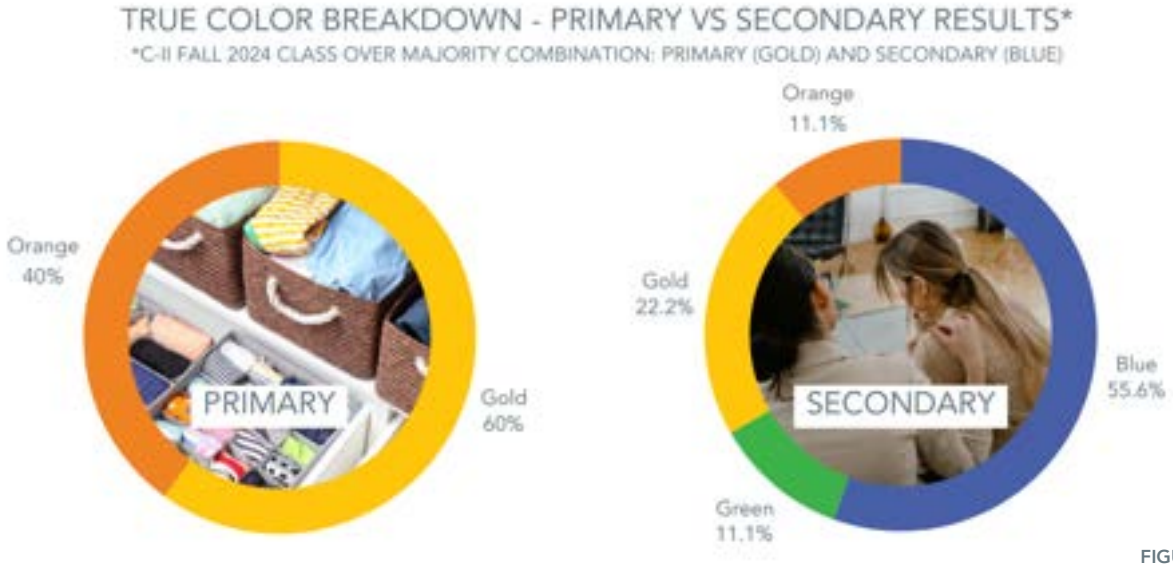

FIGURE G

CLASS ANALYTICS

The following information for the C-II Fall 2024 class was gathered from NDWBC's data collection systems as of November 27, 2024. Data was collected at multiple stages: through the intake application at the program's start, pre- and post-session surveys during the program, and the final survey at its conclusion. Collecting feedback throughout the participants' journey provides stakeholders with valuable insights, allowing them to evaluate the program's effectiveness and identify areas for improvement at various stages of the class.

31%	57%	100%	82%	82%	88%
INCREASE IN BUSINESS ACUMEN	AVG SESSION LEARNING IMPROVEMENT	PLAN TO STAY CONNECTED WITH OTHERS	PREFER PRE-SESSION NETWORKING	EXPECT REV. GROWTH FROM PROGRAM INSIGHTS	LIKELY TO RECOMMEND THE PROGRAM

To better understand how participants initially funded their businesses, the final survey asked them to select all applicable funding sources, as illustrated in **FIGURE H**. **FIGURE I** compares participants' comfort levels in explaining their financials to a lending institution before and after completing the program.

FIGURE H

FIGURE I

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FIGURE J illustrates participant feedback on the C-II Fall 2024 class sessions. The chart below highlights the sessions participants would choose to extend and those deemed most impactful. The plum line represents the average increase in understanding for each session, with Session 3, focused on Foundations & Operations, showing the highest increase at 77%.

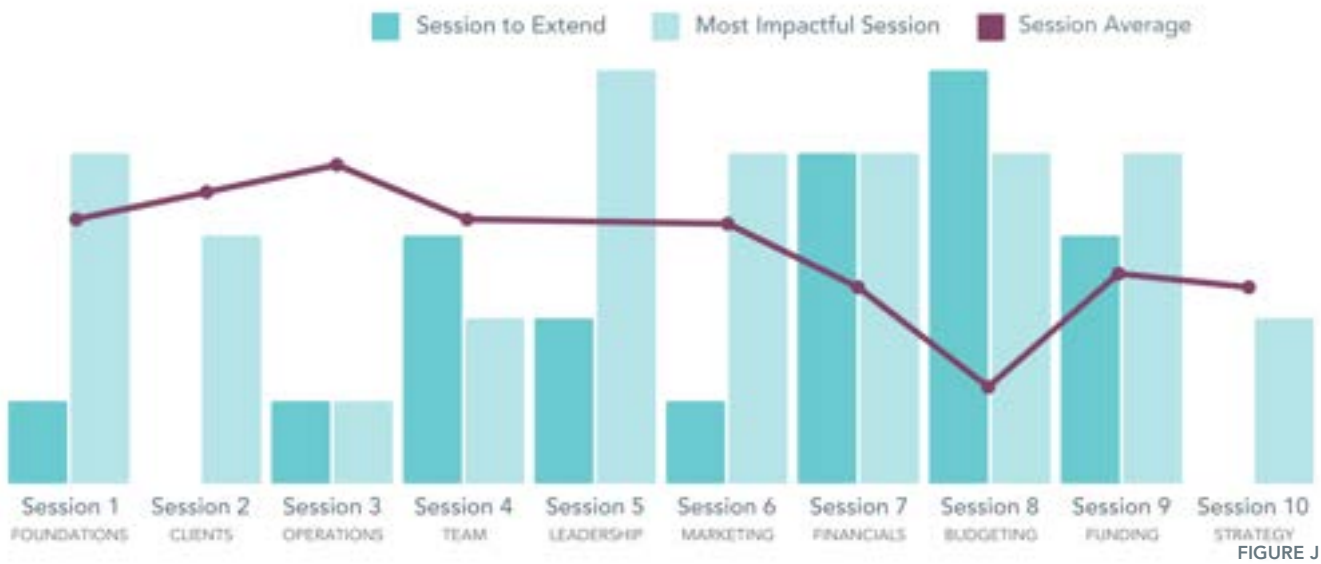

FIGURE J

Individuals were asked what topic they would choose if they could add any session.*

*Three (3) individuals responded with 'unsure' or 'NA' values.

- Advocating for needs with legislation.
- Something more kid/parent related.
- Taxes.
- More staff sessions.
- Maybe more specific talks for family providers vs groups vs centers. A cohort for just family, etc.
- I can't think of anything off the top of my head right now.
- A tax specialist with a good knowledge of child care who could answer the questions on what can be deducted and help to give answer on what to look for in a new CPA.
- I love more info or a class on how to find and apply for grants. The Funding Friday info is good, but I've only seen 1 grant opportunity there that I could apply for.
- Separate session for centers vs home or group.

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As a facilitator, our goal is to engage the group to help them feel welcome, heard, and connected while delivering content. We asked our participants to rank how they felt in each of these areas as we progressed through the program using a likert scale as shown in **FIGURE K**.

FIGURE K

Feedback from Participants

- Elizabeth has great energy and fun to listen to
- I loved Elizabeth. She was fun while staying professional. She was very knowledgeable on the topics she spoke on and was sure to include everyone.
- Awesome! Really liked Elizabeth. Wished she could have been here for the last session.
- Rockstar!! Elizabeth always had great examples and is a very direct communicator.
- Elizabeth is extremely knowledgeable and motivating. She feels approachable, someone that I would be comfortable being vulnerable with while asking questions. I would not be nervous to ask questions.
- SO Amazing! Elizabeth's energy is so upbeat it's hard to not participate, but she does a great job making sure everyone is participating and gaining from the class.
- Rochelle has been very respectful and has great humor
- Rochelle is very well spoken and knowledgeable. She is articulate and great with time management and keeping everyone on task.
- Rochelle is good at keeping the team interested and interactive.
- Rochelle has kept me interested and wanting to learn more. She seems very knowledgeable and seems like she would be someone to reach out to with challenging situations.
- Awesome! Rochelle's great at letting us chat about relevant topics as a team but still keeps us on track.

NDWBC FACILITATORS & SUPPORT

Comments pulled from the final survey where individuals were encouraged to provide feedback for NDWBC's facilitators, Rochelle Villa and Elizabeth Phares Oren, and for NDWBC's Technical Support, Tanya Lee.

- Tanya's very patient when we ask the same questions. LOL!
- Tanya is very quick to respond and provided a lot of valuable links/ information throughout the program.
- Tanya is quiet... but AWESOME. She was very quick to supply info and answer questions.
- Tanya has been a gift. She reaches out and touches base and makes you feel like she has a genuine interest in you.
- Great! Tanya's resources that she shares in chat are always helpful.

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Check-In Questions Asked During the Program

Throughout the program, participants were asked twice to reflect on what they had learned from another participant, the average amount of time spent on homework (**FIGURE L**), and whether they had engaged in the networking opportunities (**FIGURE M**). These questions were collected after the Leadership & Image segment, which marks the midpoint of the class, and again in the final survey at the end of the program.

LEARNED FROM ANOTHER PARTICIPANT

MIDWAY EVALUATION

- Chatgpt.
- Organization.
- Lots of things shared from other participants such as adds, staffing, etc.
- About certain grants.
- Management can make such a difference in our work ethic.
- Hiring ideas.
- I have learned a few new tips about having staff take on responsibility.
- You are not the only [one who] goes through certain situations. There were times a center gal said something and I could relate to the same thing even though I am an in-home.
- A point system for staff attendance challenges.
- We all need resources, and I think the "cohort" model helps build the structure of support.
- How we can use "trust" not just in terms of you trust me, but we both trust professional "A" let's follow their advice.

FINAL EVALUATION

- Friendship.
- To be brave [and] make a welcome package for new families.
- Advertising options.
- Advertising advice.
- None
- I need more education to go ahead with my goals.
- Different hiring opportunities.
- NA
- Don't be afraid to ask a question... everyone wants you to learn and succeed.
- That we all experience similar challenges.
- I learned a lot from them all during the financial literacy courses - I don't yet own the business, so it's nice to see what other business owners and child care providers have questions so that I can be prepared for similar scenarios in the future.

FIGURE L

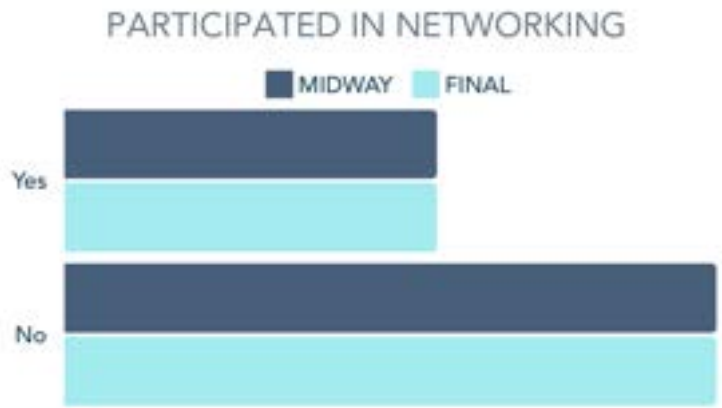

FIGURE M

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Takeaways & Action Items

During the final survey participants were asked to share their key takeaways and the actions they plan to take as a result of their participation in the program.

Confidence.

Look into buying a new location.

Stay focused on finances.

Adding benefits.

Open a larger daycare.

Look into financial planning and budgetting better.

I plan to own/operate my own center in the future.

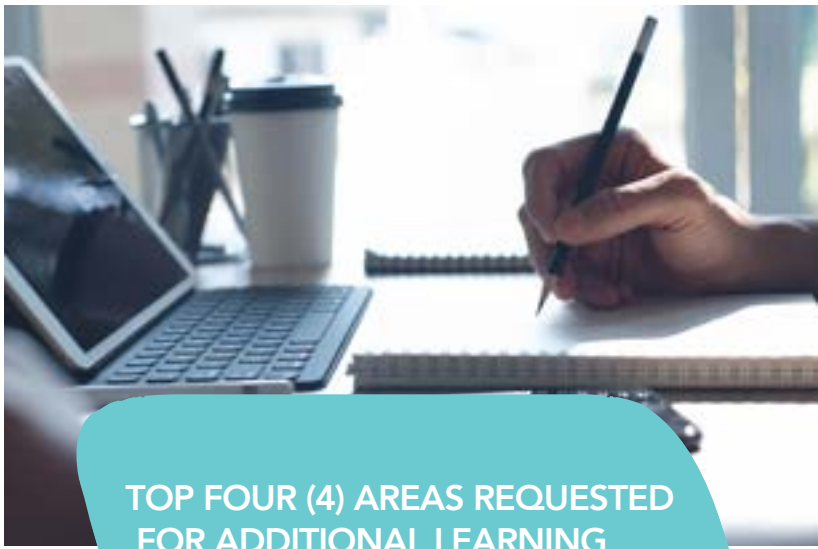
Wow... there are so many things. The goal setting was probably the most actionable, and I will definitely be setting goals.

Get a better understanding of our financials.

Stay organized! I saw how important a strong workflow is to stay on top of the business and [to] prepare for issues in the future.

Participants were asked how they anticipated their business revenue would be impacted by the insights gained from the program. **82% expect an increase in revenue**, while 18% anticipate no change. When asked to explain their responses, participants shared the following reasons.

- Limited availability.
- I'm charging more.
- Be more mindful of my expenses and income.
- By adding things taken from this training I feel I can benefit my business.
- It gave me a boost to want to do more.
- I will be changing my program to be more online with industry standards.
- I've gained more knowledge and learned some new techniques for hiring, budgeting, and marketing.
- It [is] hard, I am not a center.
- By improving the current state of the business and having a plan/goals.
- I am inspired to set goals and work towards them as opposed to just moving along.
- I learned relevant skills to organize & maintain business development and revenue.



TOP FOUR (4) AREAS REQUESTED FOR ADDITIONAL LEARNING

1. Grant Writing
2. Budgeting
3. Conflict Management
4. Leadership Skills

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Recommendations & Improvements

Participants were asked how the program could be better tailored to the child care industry, as well as how it could be enhanced for individuals with similar experience levels. Here are their suggestions:

INDUSTRY IMPROVEMENTS*

*Four (4) individuals responded with 'unsure' or 'N/A' values.

- In-person.
- I think it was great.
- Add more about record keeping, what we can deduct?
- Let trainings be selective if including all kinds of child care programs.
- More information suited to home child care. A lit was for employees which not everyone has.
- Break it into groups so you are with more owners [who] have the same/similar licenses so you can dive deeper into those specific needs. (ex: center vs. home) That way it can be a little more tailored.
- At least one or two weeks pertaining solely to either a family/group or center.

EXPERIENCE LEVEL IMPROVEMENTS*

*Five (5) individuals responded with 'unsure' or 'N/A' values.

- Less topics so [we] can get deeper.
- Add more record keeping regarding finances.
- Make sure tools needed are uploaded for participating members a few days prior to class.
- A little more in depth detail would be nice. A lot of it was a refresher for me. I also think more collaborative time for discussion among peers would be nice.
- Truly I think this is just where I need to be. [It is] enough information to learn from without overwhelming.
- I consider myself a beginner so it would be nice to have levels or maybe mini-intensives for some topics.

Individuals were given the opportunity to share additional comments.

- Thank you for everything.
- Great variety.
- This was a great program and I really enjoyed it. I loved that I was able to connect not only with other ladies from the NDWBC but also other providers across the state.
- Everyone was great... speakers were appropriate for the topics covered.
- I truly am pleased with what I have learned and also inspired to dig in deeper in several areas.
- So thankful for this resource & everything that you have done and continue to provide for people in this field.

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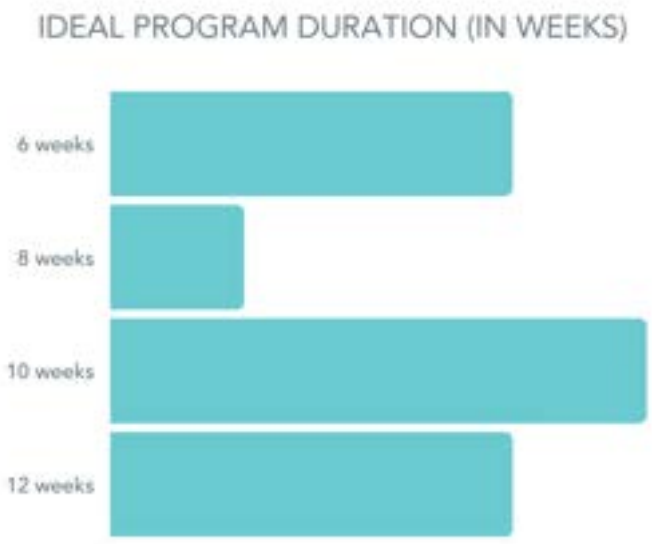

FIGURE H

FIGURE I

FIGURE I

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Client Testimonials

PARTICPANT TESTIMONIALS

- "In starting this class I wasn't really sure what to expect. Through the classes I enjoyed exploring and learning more about a wide range of subjects. We discussed our personalities and took a color assessment quiz to determine what color we are which was a pretty true reflection of my personality. We covered taxes, saving for the future, budgeting, business insurance and so much more. The moderators were inclusive and listened to our feedback. Thank you for this opportunity!" - **Sue Mueller, Dakota Rising Stars Daycare**
- "This was a great program and I really enjoyed it. I loved that I was able to connect not only with other ladies from the NDWBC but also other providers across the state." - **2024 Participant**
- "So thankful for this resource & everything that you have done and continue to provide for people in this field." - **2024 Participant**

PARTICIPANT SPOTLIGHT

RONJA
CORUM
Puddle Jumpers Daycare

"I've started my in-home daycare almost 6 years ago. I saw the need for childcare in my community and also had the wish to stay at home with my children. I felt the need to use my knowledge and passion to help children grow to the best of their abilities.

When it comes to my business I am particularly proud of the relationships I was allowed to build with the children in my care, their parents and even grandparents. Family Childcare is more than just a job and your clients always end up becoming part of your family. And this is something I'm very proud of but at the same time I'm also very thankful for this privilege. For the future I hope to grow my business, expand and provide quality childcare for many years to come.

When I first heard of NDWBC I was excited to be part of their cohort. It seemed like a great benefit for me and my business. I could already tell during the first few sessions that the cohort was much more than I expected. On top of the knowledge and tools that were given to me and my group which already exceeded my expectations. We also started building a community. A community that connected on a deep level. We could relate to each other through the highs and the lows that childcare brings with it. All the women in the cohort were amazing, brave and inspiring. And I feel honored that I got to be part of it."

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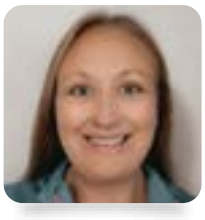
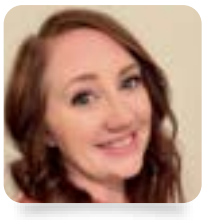
Participant Headshots

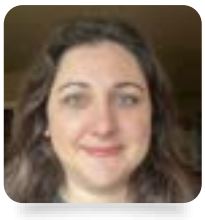
Individuals who partcipated in the C-II Fall 2024 class were asked to submit their headshot; note: it was not a mandatory requirement to graduate the class.



ASHLEY ESCOBEDO
Ashley Jayne's Daycare



ASHLEY FEATHERSTON
Little Scholars Learning Center



CAROLYN FREER
Luv'N Care Daycare

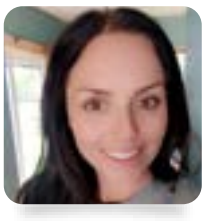
CATHY DUSSIK
ABC Sandcastle

KATELYN BREWER
ABC Sandcastle

KRISSY WOLD
Legacy Childcare, LLC

NICOLE HOLEN
Bright Minds LLC

RONJA CORUM
Puddle Jumpers Daycare



SAVANA NYSTROM
Mindy's Clubhouse

STACEY PIECHOWSKI
Stacey Piechowski Business

SUE MUELLER
Dakota Rising Stars Daycare

VICKY DIEDE
Victoria Diede Daycare

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NORTH DAKOTA
Women's Business
CENTER

The leading voice, resource, and partner for women business owners. We are dedicated to amplifying the economic voice of our clients through advocacy and access to critical resources. With a statewide presence, we offer in-person and virtual business coaching, technical training, and intensive development courses to women business owners.

FUNDING FRIDAYS

Follow us on Fridays to see unique funding opportunities in the market for small business owners.

DISCOVER YOUR ELIGIBILITY TODAY

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Services + Programs
FOR WOMEN BUSINESS OWNERS

BUSINESS COACHING + TECHNICAL TRAINING

Access free and confidential coaching for entrepreneurs and owners at any stage of business. Schedule a session.

VIRTUAL INTENSIVES COURSES

Our virtual courses include financial training and skill building to equip owners to make informed business decisions.

WOMEN-OWNED STATE CERTIFICATION

Certify with NDWBC's fast and simple woman-owned business state certification to access new opportunities and contacts.

STRONG WOMEN, STRONG CONNECTIONS

Attend our statewide networking events with facilitated community building, and authentic discussions about business ownership.

THE WOMEN'S BUSINESS SUMMIT

Annually, this summit experience accelerates business growth and deepens connections through hands-on training and networking.

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Child Care Aware® OF NORTH DAKOTA

How Can Child Care Aware® of ND Help You?

Parents & Families
Providing resources to help families find & make an informed decision when choosing child care

Start Child Care
Support in opening, running, or expanding a child care business

Building Quality
Coaching established child care programs through professional development opportunities, business management tools, & curriculum

Health & Safety
Assisting child care providers to create and maintain a safe & healthy environment by providing resources, technical assistance, & training

Contact Us

1-800-997-8515

cca.info@k12.nd.us

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Get Help Here

About Us

Child Care Aware® of North Dakota is an information hub for current and prospective child care providers and offers parents customized referrals to licensed child care options. We work to build the capacity of child care in North Dakota and ensure that children have the opportunity to play and learn in a safe and healthy environment.

Child Care Aware® of North Dakota is a strategic initiative of the South East Education Cooperative.

#41582

NORTH DAKOTA Women's Business CENTER

ANONYMOUS FUNDING SURVEY
2024-2025 Q1 CUMULATIVE REPORT
OCTOBER 1 - JANUARY 1

787 WOMEN RESPONDED

72 % NEEDING IMMEDIATE FUNDING

64 % NEEDING LESS THAN $50,000

60 % HAVE A BUSINESS PLAN

WHAT HOLDS YOU BACK FROM SEEKING TRADITIONAL FUNDING?

I feel I am too early in my business journey to ask for a loan from the bank but I need help funding my branding services to get my business off the ground and give me the confidence to move forward.

YOUR BIGGEST CONCERN WHEN YOU THINK ABOUT BUILDING YOUR NET WORTH?

Not spreading myself too thin.

I would like to have more available cash.

I don't have the best personal credit score as I have put all my personal funding into my business.

That I won't make the impact with my clients that I would have wanted and that the money will have gone to unnecessary expenses instead of keeping the big picture in mind.

Using older equipment and is proving unreliablible.

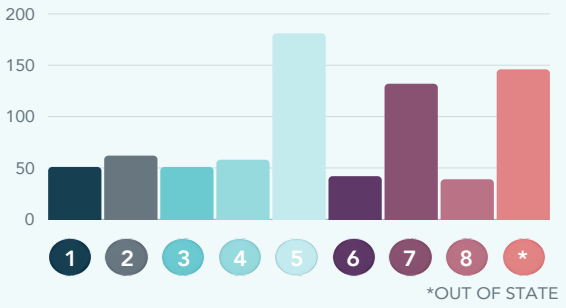
OTHER INSIGHTS

I have never had to access capital, but have grown the business already and in order to grow and diversify my services I need better computers, software, training, equipment.

[My business] has grown faster than I ever imagined, with our first-year goals already being surpassed in just six months. It's been such an exciting journey, but as a new business, getting traditional financing can still be tricky without a solid credit history or track record.

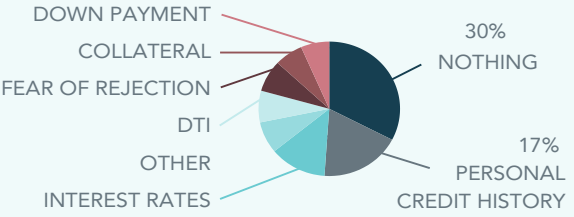
TOP 4 REASONS WOMEN SEEK FUNDING

NORTH DAKOTA REGIONS



*OUT OF STATE

BARRIERS TO TRADITIONAL FINANCING



FUNDING OUTLOOK

QUARTERLY REPORT

2024-2025 Q1 YEAR REPORT

OCTOBER 1 - DECEMBER 31

NORTH DAKOTA
Women's Business
CENTER

AMPLIFYING THE IMPACT OF WOMEN BUSINESS OWNERS THROUGH ADVOCACY AND ACCESS TO CRITICAL RESOURCES

Thank You!

OUR ANNUAL PARTNERS

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North Dakota Commerce — Be Legendary.™

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SUPPORT OWNERS ON GIVING HEARTS DAY

FEBRUARY 13, 2025

This year, with your help we intend to raise $25,000 to train and resource owners as we celebrate our 25th anniversary. This increase will further strengthen small businesses and communities statewide. We are looking for Small Business Heroes to help owners thrive in 2025.

DONATE NOW

ABOUT ND WOMEN'S BUSINESS CENTER

The North Dakota Women's Business Center (NDWBC), the SBA's 2024 Center of Excellence in Region 8, is the leading voice, resource, and partner for women business owners. With team members located across the state, NDWBC is accessible to the state's women-owned businesses. Through free services and paid programs, NDWBC offers in-person and virtual one-on-one business coaching services, group trainings and courses, and networking events, to build a foundation that will enhance the economic impact of women business owners.

QUARTER 1-4

IMPACT

COACHING + GUIDANCE	UPSKILLING + CONNECTING	ADVOCATING + AMPLIFYING
72 # CLIENTS COACHED	**22** # OF TRAININGS AND EVENTS	**32** BUSINESSES SPOTLIGHTED
122 COACHING HOURS LOGGED	**134** CLIENTS TRAINED	**68** WOMEN-OWNED CERTIFIED
353 IMPRESSIONS MADE	**238** HOURS TRAINED	**13** # OF FUNDING SOURCES SHARED

NDWBC'S ROADMAP OF SUCCESS

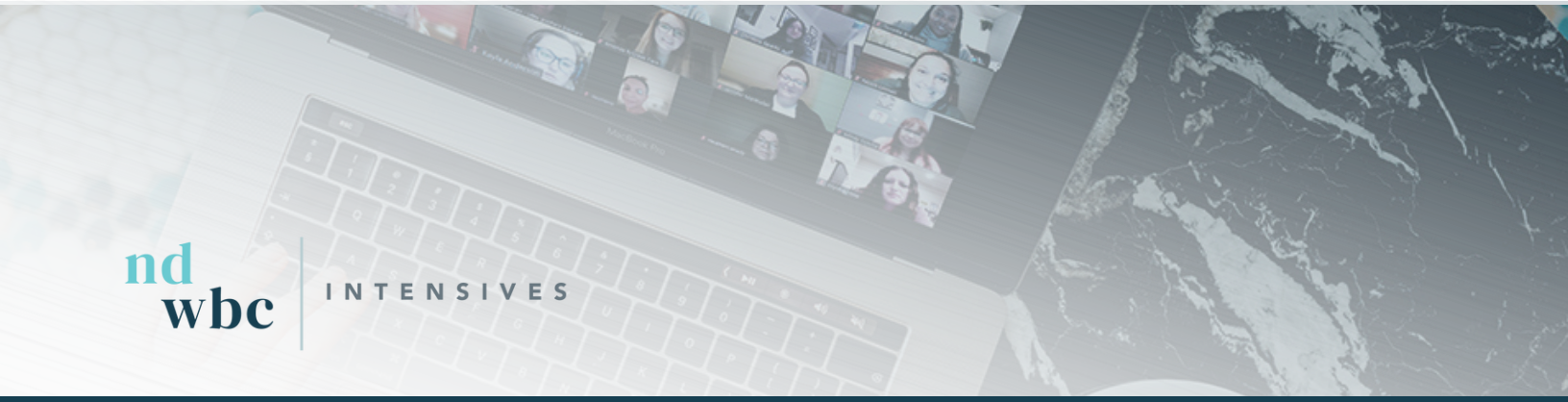
1. Business Accountability - With the right education and training, our clients get tools and resources to move their businesses goals forward in a genuine relationship with our trusted coaches.

2. Impactful Connections - Business owners can't do it all and they don't go it alone. By expanding their networks, clients have honest conversations without the competition and build the confidence to bet on themselves.

3. Enhanced Credibility - Our clients can leverage their position with certifications and recognition as they build their brands and expand their reach while building on viable businesses.

Q1 HIGHLIGHT REEL

UPLEVELING BUSINESS ACCOUNTABILITY



nd wbc | INTENSIVES

100% INCREASED KNOWLEDGE | **2 VIRTUAL PROGRAMS** | **6 LEADERSHIP GRADUATES** | **12 CHILDCARE GRADUATES**

In the Fall, we conducted two Intensive Courses. The first, the Childcare Intensive, was delivered in partnership with Child Care Aware of ND and included business owners and directors from various childcare businesses as part of a statewide initiative to enhance childcare in the state. The second, the Business Leadership Intensive, welcomed participants from multiple industries. Both courses focus on developing essential skills, connecting with subject matter experts, peer-to-peer learning, and building supportive networks to promote professional growth and collaboration.

"I could already tell during the first few sessions that the cohort was much more than I expected. On top of the knowledge and tools that were given to me and my group which already exceeded my expectations. we also started building a community."

Ronja Corum, Owner of Puddle Jumpers Daycare

INNOVATE ND

This quarter, **Innovate ND** program supported two businesses. **Hand-Off** successfully completed Phase 2 and is preparing to transition out of the program. They asked to continue with NDWBC's coaching and mentoring services. **Bench 7**, a new Innovate ND client, has developed an AI-assisted program to help dentists interpret dental X-rays. Currently in Phase 1, they have approval from the FDA and are preparing to present for Phase 2 funding in January 2025. These milestones reflect the ongoing impact and growth of Innovate ND in fostering innovation and business development.

INTRODUCTION TO CHILDCARE EVENT

12 TRAINED

NDWBC developed content for a collaborative event offering "Intro to Childcare Businesses" training for New Americans in Fargo. The training covered the responsibilities, challenges, and rewards of running a childcare business, included networking opportunities, and featured translators for accessibility. Other partners included Child Care Aware of ND, New Roots Midwest, the Immigrant Development Center, and the New American Consortium.

> ***I learned a lot of valuable information... and all my questions were answered.***

BUSINESS BUILDERS WORKSHOPS

3 TRAININGS 32 TRAINED

Business Builders Workshops bring entrepreneurs and industry specialists together to answer real questions that small businesses face. These free events are presented as a collaborative effort of SBA resource partners including NDWBC, SBDC, SCORE, and VBOC.

NEW! OPEN OFFICE HOURS

Clients can now dialog with NDWBC's business coaches on the First Friday of every month from 9:00 AM - 11:00 AM. These introductory sessions increase access to our services, enabling business owners to get quick answers, find programs and resources, or ease into a coaching relationship.

IMPACTFUL CONNECTIONS

STRONG WOMEN MEET IN VELVA

27 ATTENDEES

5 SPONSORS

The event in Velva served as a platform to empower women in business by providing them with opportunities to share their stories, build meaningful relationships, and inspire others in their professional and personal lives. Both Missy Rohrbeck and Taylor Mattingley exemplified resilience, creativity, and dedication in their respective journeys, leaving attendees inspired and motivated to pursue their own goals.

> ***"Meeting passionate business women from the rural community!***

NEW! COMMUNITY CHAPTERS

NDWBC is thrilled to announce the launch of our first Strong Women, Strong Connections Community Chapter on January 10. This program extension offers women the ability to connect, share insights, and develop their ownership mindset in a supportive environment.

Our first community is being headed up by Sandi Luck's team at Bully Brew Coffee Co. in Grand Forks. Join in at the ND Coffee Roastery from 11 AM to 12 PM.

We are laying the foundations for scaling this program across North Dakota's rural communities.

ENHANCED CREDIBILITY

REGIONAL FOOD BUSINESS PARTNERSHIP

NDWBC is proud to partner and serve as the statewide evaluator for the North Central region (Region 5), which includes North Dakota, South Dakota, and Minnesota.

In October, our Director of Client Success traveled to Washington, D.C., to present at the USDA National Food Business Center Conference, sharing valuable insights on Region 5's initiatives and innovative approaches to stabilize and enhance its local food systems.

COMING SOON: *GRANT OPPORTUNITIES*

WOMEN-OWNED BUSINESS CERTIFICATION

68
ACTIVE CWO

9
NEW + RENEWALS

Women business owners capitalize on their status as a Certified Women-Owned Business to expand their reach, gain recognition, and access contracts to take their business to the next level.

FACEBOOK

6.3k
Facebook Fans

66k
Facebook Reach

INSTAGRAM

1.1k
Instagram Followers

1k
Instagram Reach

WEBSITE

7.7k
Website Visits

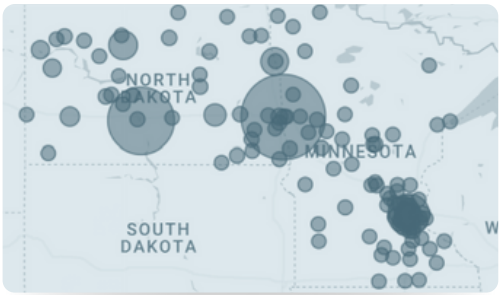
4k
Funding Searches

ANONYMOUS FUNDING SURVEY

787 RESPONSES

FREE RESOURCES ACCESSED

447 DOWNLOADS



OPPORTUNITIES

TO CONNECT WITH US

FRIDAYS 1ST
Open Office Hours
VIRTUAL
9 - 11 AM

MAR 10
Day at the Capitol
IN-PERSON
9 AM - 2 PM

APR 29
Women's Business Summit
2 DAYS IN MEDORA, ND

NORTH DAKOTA
Women's Business
CENTER

NDWBC is a 501(c)(3) founded in early 2000 in Bismarck, North Dakota. When the organization was founded, our goal was to develop simplified computer materials for use in rural small businesses and to teach owners to utilize technology as a business tool. Over the last two decades, NDWBC has evolved to provide a variety of programs, trainings, events, and other support services statewide to equip our clients with the tools and opportunities to move forward in business.

North Dakota Women's Business Center
www.NDWBC.com | info@ctbnd.com | 701-223-0707

FOLLOW US ON:

NORTH DAKOTA
Women's Business
CENTER

More Impact

2022-2024 IMPACT REPORT

WOMEN BUSINESS OWNERS DRIVE VIBRANT LOCAL COMMUNITIES AND MAINSTREET BUSINESSES IN ND

NDWBC is the leading voice, resource, and partner for women business owners. We are dedicated to amplifying the economic voice of our clients through advocacy and access to critical resources.
Visit **www.NDWBC.com** to learn more.

SAVE THE DATE

August 21, 2024

Legislative Listening Session

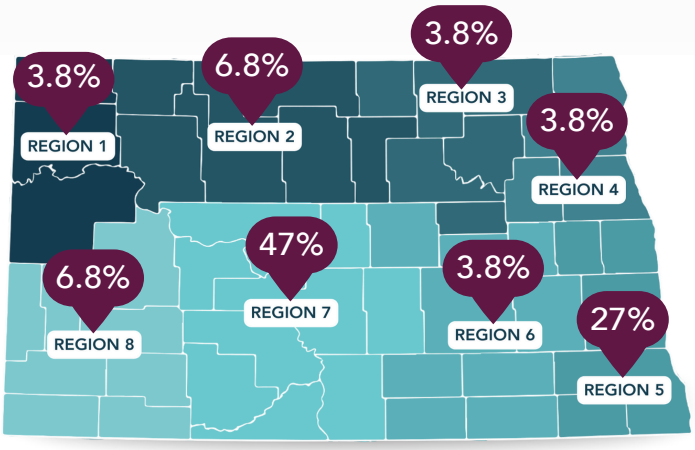
Join us on Zoom at 12 PM CT to learn more about NDWBC initaitives and to hear from clients, women business owners, who are making an impact across the state of ND.

March 10, 2025

Join NDWBC For A Special Day At The Capitol

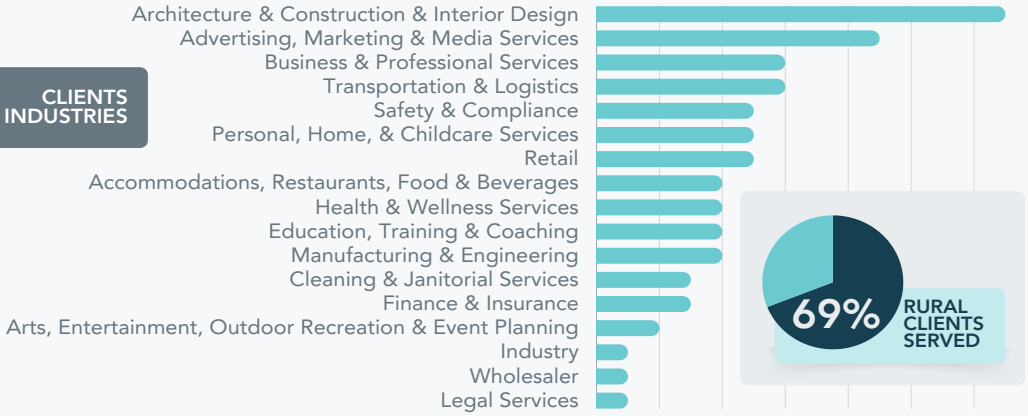
Meet North Dakota's women business owners who are driving strong communities and building Main Street businesses that keep North Dakota thriving.

CLIENT REGIONS



HOW WE IMPACT OWNERS

CLIENTS INDUSTRIES



"NDWBC is a very valuable tool for all entrepreneurs. I have enjoyed all of the education behind their training. I would like to see all childcare providers work with NDWBC in the future for the insights of growing their businesses."

Cindy Kaml Childcare
Childcare Intensives Graduate

EDUCATION FOR WOMEN BUSINESS OWNERS

BUSINESS COACHING

Free and confidential coaching for entrepreneurs and owners at any stage.

- 393 CLIENTS COACHED
- 561 RESOURCE DOWNLOADS
- 2k COACHING HOURS

INTENSIVES COURSES

Our virtual intensives courses offer financial training so owners can make informed business decisions.

- 5 ANNUAL COURSES
- 62 PROGRAM GRADUATES
- 1.7k TRAINING HOURS

STRONG CONNECTIONS

Statewide connections and group discussions and problem-solving on ownership topics.

- 9 STATEWIDE EVENTS
- 28 OWNERS FEATURED
- 948 CONNECTIONS MADE

BUSINESS SUMMIT

Accelerating business growth and connections through training and networking.

- 151 ATTENDED EVENT
- 30 EXPERT SPEAKERS
- 26 TRAINING TOPICS

STATE CERTIFICATION

A fast and simple state certification to increase credibility as owners apply for bids.

- 81 TOTAL CERTIFIED
- 31 NEWLY CERTIFIED
- $16m* ANNUALIZED REVENUES

*self reported

SOLVING OUR STATE'S CHILDCARE NEEDS

Virtual Childcare Intensive Program Offers Comprehensive Support For North Dakota's Childcare Providers Through 12 Strategic Sessions

"I'm proud of the dedication these women have shown through their hard work. They understand their significance as key contributors to the economic foundation of our region, essential for its growth. This group of women is leading the way in childcare in our state, and we consider it a privilege to collaborate with them on their business journey." - NDWBC Client Success Director

- 100 % REPORTED INCREASE IN KNOWLEDGE
- 89 % WOULD RECOMMEND TO A FRIEND
- 80 ON WAITLIST FOR NEXT COURSE
- 49 CHILDCARE PROGRAM GRADUATES
- A JOINT EFFORT WITH ChildCare Aware® OF NORTH DAKOTA

FUNDING PARTNERS

SBA U.S. Small Business Administration · North Dakota Commerce · Bush Foundation · ChildCare Aware® · Otto Bremer Trust · Marathon · Regional FOOD Business Centers North Central

NORTH DAKOTA
Women's Business CENTER

More Impact

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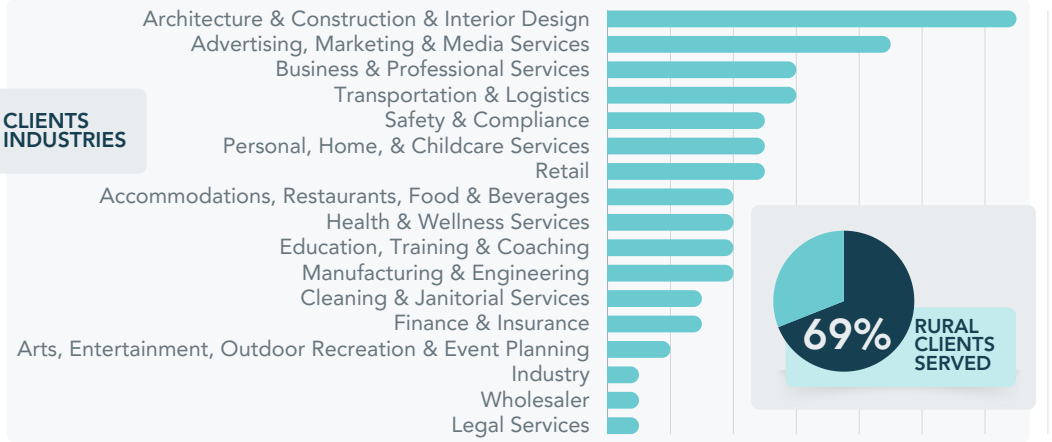

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NDWBC Day At The Capitol

Meet North Dakota's resilient women business owners who are driving strong communities and building Main Street businesses that keep North Dakota thriving.

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CHILDCARE INTENSIVE COURSE

An intense, virtual Childcare course offering comprehensive strategies through 12 classes.

- 100 % INCREASED KNOWLEDGE
- 89 % WOULD REFER
- 80 ON FALL WAITLIST
- 39 COURSE GRADS

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A fast and simple state certification to increase credibility as owners apply for bids.

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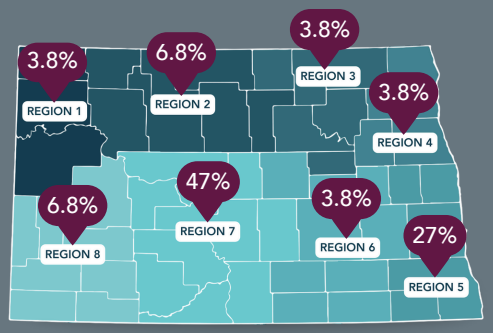

HOW WE MAKE AN IMPACT

"NDWBC is a very valuable tool for all entrepreneurs. I have enjoyed all of the education behind their training. I would like to see all childcare providers work with NDWBC in the future for the insights of growing their businesses."

Cindy Kaml Childcare
Childcare Intensives Graduate

FUNDING PARTNERS

SBA U.S. Small Business Administration | North Dakota Be Legendary. Commerce | Bush Foundation | ChildCare Aware | Otto Bremer Trust | Marathon | Regional Food Business Centers North Central

Testimony of Christy Dauer, Executive Director, North Dakota Women's Business Center

In Support of Funding for NDWBC - SB2018
North Dakota Department of Commerce | 2025-27 Biennium Session

Dear Members of the Legislative Assembly,

My name is Christy Dauer, Executive Director of the North Dakota Women's Business Center (NDWBC). I strongly support continued funding for SB2018, which provides partial funding for two Women's Business Centers. This funding is essential for supporting women business owners with resources identified in listening sessions across North Dakota.

The NDWBC is the leading voice, resource, and partner for women business owners in our state. We are dedicated to amplifying the economic voice of our clients through advocacy and access to critical resources. Our impact over the past biennium has been significant, as highlighted in our Legislative Impact Report.

Key Programs and Impact

Over the past 25 years, the Women's Business Center has provided business resources and technical assistance across North Dakota to include many rural communities and citizens. We have built a large partner and client network across the state which promotes good communication and collaboration with local community leaders for developing programming and minimizing duplication of services. NDWBC's statewide presence and programming reach has increased due to a recognized brand, certified business coaches, and recognition as a go-to trainer and ecosystem partner.

Biennium	Coached	Trained	Outreach
2013-2015	69	5,146	
2015-2017	191	5,687	
2017-2019 A new CRM was implemented to better collect outreach numbers to individuals attending trainings.	233	5,298	
2019-2021	651	3,208	38,935
2021-2023	439	1,879	14,402
2023-2025* **number-to-date*	383	1,581	5,397

Client Support and Coaching

The Women's Business Center offers statewide services and resources designed to help individuals in every phase of the business development and growth process. The one-on-one business advising and technical assistance services are free and confidential, with an emphasis on resources specific to women entrepreneurs

- We have provided free and confidential business coaching to 393 unique clients, totaling over 2,000 coaching hours during the last biennium session. The top three most requested business coaching topics are: business plans/start up assistance, buy/sell a business, and finance/access to capital.
- Our virtual intensive courses have offered financial training to help business owners make informed decisions, with 62 program graduates and 1,700 training hours completed.
- Recognized as the SBA Region 8 Center of Excellence for our best-in-class programming.

Statewide Connections and Events

In addition to our coaching and training services, we place a strong emphasis on fostering connections and providing platforms for business owners to collaborate and share best practices.

- We have organized 9 statewide events, fostering connections and problem-solving among business owners in the current biennium.
- Our Annual Business Summit was moved to Medora, ND and has accelerated business growth through training and networking, with 151 attendees and 30 expert speakers. We look forward to bringing a statewide audience back to Medora in late April.
- The Regional Food Business Centers-North Central (RFBC) updates for the quarter include the redesign of the RFBC technical assistance survey to enhance its effectiveness. Additionally, in October, our office traveled to Washington, D.C., to present at the USDA National Food Business Center conference, where they shared insights on initiatives for Region 5. NDWBC is proud to partner and serve as the statewide evaluator for the North Central Regional Food Business Center (Region 5), which includes North Dakota, South Dakota, and Minnesota.

Childcare Program

In collaboration with Childcare Aware, our childcare program has significantly contributed to the personal and professional growth of Childcare Operators which in turn support both children and their families. By fostering collaboration and mentorship among new and seasoned caregivers, we have created a nurturing environment that promotes the sustainability of the childcare business, including cash flow tools, business acumen, and digital resources to manage the business efficiently.

In addition to our business training, we have established partnerships with local and national organizations, which have helped expand the reach and impact of our program. These collaborations have brought in diverse expertise and resources, benefiting everyone involved.

- We found that childcare is a major barrier to women starting or growing their business. Successful childcare businesses boost the local workforce.
- Our Virtual Childcare Intensive Program launched in collaboration with Childcare Aware has supported North Dakota's childcare providers through 12 strategic sessions addressing the state's childcare needs.
- 100% of participants reported an increase in knowledge, and 100% would recommend the program to a friend.
- Currently there are 80 participants on the waitlist.

Certification and Revenue Growth

We certify women-owned businesses and find opportunities for growth under our partnership agreement. National certification allows ND businesses to pursue federal contracts set aside for women-owned businesses. The U.S. government aims to award 5% of federal contracts to such businesses, which could open up at least $4.5 billion in annual marketplace opportunities.

- We have facilitated state certification for 81 business owners, increasing their opportunities for procurement/bids.
- Our efforts have contributed to an annualized revenue of $16 million for certified businesses, with an average of 40 employees, and 17+ years in business.

Despite these successes, the NDWBC faces a critical juncture. Without the continued funding provided by SB2018, our programming would cease to exist. This would have a devastating impact on the main street businesses who rely on our support to thrive and contribute to the economic foundation of our region.

Our clients, who represent a diverse range of industries including childcare, construction, wholesale, retail, and more, are essential to the growth and vibrancy of North Dakota's communities. The NDWBC's programs directly impact these women to grow their businesses, create jobs, while creating thriving main streets across North Dakota.

In summary, NDWBC provides various programs that fulfill a gap in our state that positively impacts North Dakota's overall economy. Approval of the financial commitment is requested to enable securing federal funds for continuing support and services for women owned businesses throughout North Dakota.

Thank you for your time and consideration.

Sincerely,

Christy Dauer
Executive Director, North Dakota Women's Business Center

NORTH DAKOTA
Women's Business
CENTER

More Impact

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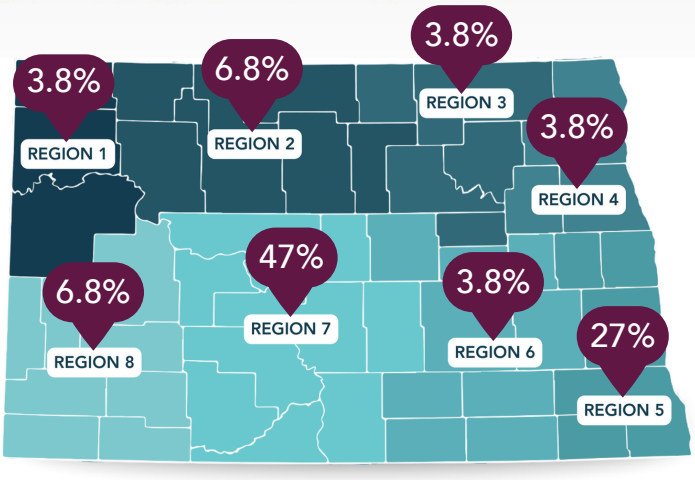

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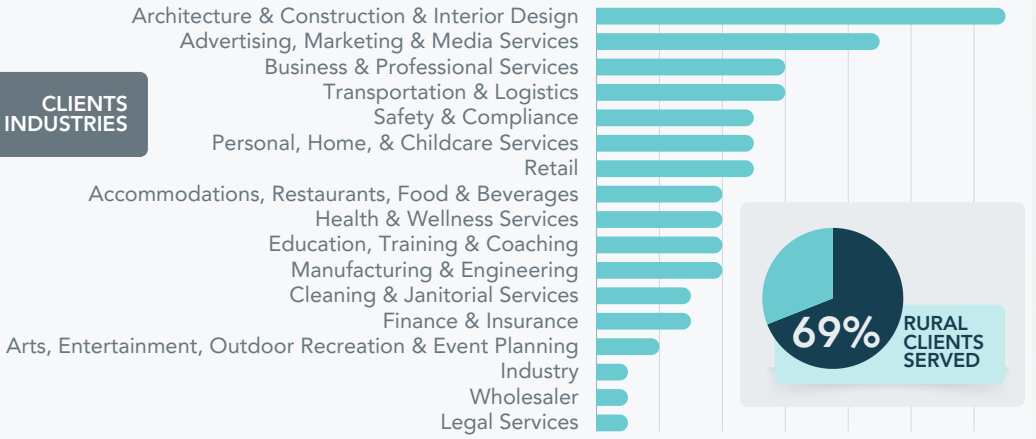

SAVE THE DATE

April 29 - May 1, 2025

Women's Business Summit

Summit is designed to fast-track growth and deepen connections. Summit offers a blend of hands-on training, strategic networking, and unparalleled resource opportunities.

MEET OUR CLIENTS

"NDWBC is a very valuable tool for all entrepreneurs. I have enjoyed all of the education behind their training. I would like to see all childcare providers work with NDWBC in the future for the insights of growing their businesses."

Cindy Kaml Childcare
Childcare Intensives Graduate

"NDWBC has been an excellent resource for our organization to connect, grow, and champion other women-owned businesses."

Paula Klein
Smartt Interior Construction
ND Certified Women-Owned

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SBA U.S. Small Business Administration · North Dakota Commerce · Bush Foundation · ChildCare Aware® · Otto Bremer Trust · Marathon · Regional FOOD Business Centers North Central

Dear Representative Nathe,

Chairman, House Appropriations – Education and Environment Division

I am writing to express my strong support for the Department of Commerce Appropriations bill, SB 2018, which funds critical economic development programs in North Dakota. As the founder of Bench7, a dental software company based out of Bismarck, I have directly benefited from the Innovate ND Program administered through CTB/NDWBC. It has been an overwhelmingly positive experience and instrumental in growing my business.

The business coaching and funding provided through this program offered these key benefits:

· Engagement with customers

· Critical feedback used towards improving our product

· Networking and community engagement including an invitation to speak at Bismarck 1 Million Cups

· Advice regarding funding opportunities

Without this support, it would have been significantly more challenging to make critical decisions regarding the future of my company. Programs like Innovate ND not only help individual businesses but also contribute to North Dakota's broader economic development by fostering innovation, job creation, and industry growth.

I urge you to support Innovate ND in SB 2018 to ensure businesses like mine continue to have access to the resources necessary for success. Thank you for your time and consideration. If you would like to discuss my experience further, please feel free to contact me at john@bench7tech.com.

Sincerely,

Dr. John Persson, DDS

Bench7, Inc.

701-426-4614

Jonathan Melgaard
915 2nd Ave. S #4
Fargo, ND 58103
Jonathan@hand-off.events
(218) 849-5374
Thursday, March 13, 2025

Representative Mark Nathe
Chairman, House Appropriations – Education and Environment Division
North Dakota Legislative Assembly

Dear Representative Nathe,

I am writing to express my strong support for the Department of Commerce Appropriations bill, SB 2018, which funds critical economic development programs in North Dakota. As the Founder & CEO of Hand-Off, an event collaboration platform designed to streamline communication for large-scale event organizers, I have directly benefited from the Innovate ND Program administered through CTB/NDWBC. This program has been instrumental in helping me develop and scale my business.

Beyond financial assistance, the mentors and advisors in the program provided invaluable support and encouragement, connecting me with resources and key contacts across the state. Their guidance helped me navigate the challenges of early-stage growth and gave me the confidence to push forward. The networking opportunities facilitated through Innovate ND have been instrumental in opening doors to partnerships, potential customers, and additional funding opportunities.

Additionally, the strategic funding provided by Innovate ND allowed us to accelerate testing and development of new features, ensuring we could gather real customer feedback early and refine our product to meet industry needs. This jumpstart was crucial in helping Hand-Off establish credibility in a competitive event technology market.

Without this support, launching and scaling Hand-Off would have been significantly more challenging. Programs like Innovate ND not only empower individual businesses but also drive statewide economic development by fostering innovation, job creation, and industry growth.

I urge you to support Innovate ND in SB 2018 to ensure businesses like mine continue to have access to the resources necessary for success. Thank you for your time and consideration. If you would like to discuss my experience further, I would be happy to connect.

Best regards,

Jonathan Melgaard
Founder & CEO, Hand-Off
Jonathan@hand-off.events
(218) 849-5374

Dear Representative Nathe,

Chairman, House Appropriations – Education and Environment Division

I am writing to express my strong support for the Department of Commerce Appropriations bill, SB 2018, which funds critical economic development programs in North Dakota. As the Founder of Xtra Apparel I have directly benefited from the Innovate ND Program administered through CTB/NDWBC, which will be instrumental in growing my business and helping us create the first ever size guide specific to the Down syndrome community.

I am just getting started with the program, and am excited to experience the business coaching and funding provided through this program. It will help in providing these key benefits:

- Customer Research & Engagement
- Expert Business Coaching
- Market Research and Development
- Networking & Community Engagement

Without this support, it would have been significantly more challenging to develop plans for customer research and host events where we can collect measurements and clothing preferences of this born with Down syndrome. Programs like Innovate ND not only help individual businesses but also contribute to North Dakota's broader economic development by fostering innovation, job creation, and industry growth.

I urge you to support Innovate ND in SB 2018 to ensure businesses like mine continue to have access to the resources necessary for success. Thank you for your time and

consideration. If you would like to discuss my experience further, please feel free to contact me at 612-710-9036 or by emailing me at kylevoltin@gmail.com.

Sincerely,

Kyle Voltin

Xtra Apparel

612-710-9036

kylevoltin@gmail.com

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I am writing to express my strong support for the Department of Commerce Appropriations bill, SB 2018, which funds critical economic development programs in North Dakota. As the Owner of Onyx + Ivory, Donut Hole, Boomers Boarding, Ivy League Dog Training & Boarding, and Scoot N Boot Scooters I have directly benefited from NDWBC, which has been instrumental in growing and expanding my businesses and my knowledge.

The business coaching, training, and programs provided through this program offered key benefits such as expert business coaching, strategic non-dilutive funding, networking and community engagement, and relationship building.

Without this support, it would have been significantly more challenging to grow and expand my knowledge, network, and connection to key resources a business needs to thrive. Center's like NDWBC not only help individual businesses but also contribute to North Dakota's broader economic development by fostering innovation, job creation, and industry growth.

I urge you to support NDWBC in SB 2018 to ensure businesses like mine continue to have access to the resources necessary for success. Thank you for your time and consideration. If you would like to discuss my experience further, please feel free to contact me at 701-208-1316.

Sincerely,

Shannon Halvorson

Owner

701-208-1316

s_halvorson@live.com

Dear Representative, Nathe,

I am writing to emphasize the critical role the North Dakota Women's Business Center (NDWBC) plays in supporting our state's small business owners and to request your support for essential funding through SB 2018 to sustain and expand its impact.

I am Patti Shelkey, owner of Country Hillside Designs in Ryder, North Dakota. Over the past few years, I have worked with NDWBC to develop key business skills, strengthen my business foundation, connect with potential clients and collaborators, and expand my impact in my community. Living in rural North Dakota often means limited access to the business education and resources available in larger cities. NDWBC has bridged this gap, making education and networking opportunities accessible for entrepreneurs like me.

Investing in NDWBC ensures that small business owners have access to critical tools such as financial management workshops, hiring guidance, and networking opportunities. Without NDWBC, I would not have been able to grow my business on my own.

With your support, NDWBC can continue to provide these vital services, helping more entrepreneurs turn their visions into sustainable businesses. Thank you for considering this important funding request.

Please feel free to reach out if I can share more about NDWBC's impact.
Warm regards,

Patti Shelkey
Owner, Country Hillside Designs
18000 226th ST SW
Ryder, ND 58779
701-340-7415

Dear Representative Nathe,

Chairman, House Appropriations – Education and Environment Division

I am writing to express my strong support for the Department of Commerce Appropriations bill, SB 2018, which funds critical economic development programs in North Dakota. As the Founder of Full Mood Studio, I have directly benefited from NDWBC, which has been instrumental in growing my business.

The technical assistance, business coaching, training, and programs provided through this program offered these key benefits:

• **Expert Business Coaching**: Working with NDWBC has made my business goals more achievable and manageable. Through monthly coaching sessions, I stay accountable and focused on my initiatives. As a solo business owner, it can be challenging to navigate decisions without a team to brainstorm with, but NDWBC's coaching provides invaluable support. It feels like having a dedicated cheerleader guiding me toward growth and sustainability. Without their expertise, I'd likely still be where I was a year ago in terms of services, skills, and implementation. I'm incredibly grateful to have this resource in my region.

• **Networking and Community Engagement**: NDWBC's events have introduced me to an inspiring community of women-owned businesses, fostering a sense of support and camaraderie. Their networking gatherings are not only welcoming and empowering but also deeply connected to the pulse of our region's entrepreneurial landscape. It's a space where collaboration thrives, and businesses uplift one another, creating opportunities for shared growth.

• **Access to Resources**: NDWBC provides a wealth of knowledge and connections that have been instrumental in my business journey. Whether through one-on-one conversations, their newsletter, or their website, I've found valuable resources that help me navigate challenges—from grant opportunities to business planning. Their team is always ready to assist, offering expert guidance with genuine empathy. Having access to such an extensive and supportive network makes all the difference.

Without this support, it would have been significantly more challenging to get the resources, knowledge, and community support to grow my business. Center's like NDWBC not only help individual businesses but also contribute to North Dakota's broader economic development by fostering innovation, job creation, and industry growth.

I urge you to support NDWBC in SB 2018 to ensure businesses like mine continue to have access to the resources necessary for success. Thank you for your time and

consideration. If you would like to discuss my experience further, please feel free to contact me at chalsey@fullmood.co or 701-261-8624.

Sincerely,

Chalsey Falk

Full Mood Studio

chalsey@fullmood.co

701-261-8624

BLUE COMPLY

1331 32nd Ave S, Suite 2 ◆ Fargo, ND 58103

3/14/2025

Dear Representative Nathe,
Chairman, House Appropriations – Education and Environment Division

We are writing to express our strong support for the Department of Commerce Appropriations bill, SB 2018, which funds critical economic development programs in North Dakota. As the Founders of Blue Rock Solutions, LLC dba Blue Comply, we have directly benefited from the Legacy Investment for Technology (LIFT) Program, which has been instrumental in starting our business.

The funding provided through this program allowed us to:

- Hire new employees and expand our in-house design and development capabilities
- Further develop our existing patented solution
- Team with potential clients on various Pilot Projects to demonstrate our product capabilities
- Leverage other funding sources

Without this support, it would have been significantly more challenging to further advance and develop our technology to the point of field testing and pilot projects. This funding allowed us to accelerate the development and commercialization of our technology. Programs like LIFT not only help individual businesses but also contribute to North Dakota's broader economic development by fostering innovation, job creation, and industry growth.

We urge you to support LIFT in SB 2018 to ensure businesses like ours continue to have access to the resources necessary for success. Thank you for your time and consideration. If you would like to discuss our experience further, please feel free to contact us at 701-347-1250.

Sincerely,

Troy D. Vareberg, PE
President
Blue Comply

Emmy Vareberg, PE
Vice President
Blue Comply

March 14, 2025

Chairman Nathe and members of the House Appropriations Education and Environment Division:

I am Kristi Kasprick, Project Manager for Real. Good. Northeast North Dakota, a Region 4 workforce attraction initiative serving Nelson, Pembina and Walsh Counties. Our initiative, funded by the Regional Workforce Impact Program (RWIP), is significantly aiding employers in recruiting and retaining employees in our rural region.

I write today to speak to the Regional Workforce Impact Program (RWIP) funding included in SB 2018, the North Dakota Commerce appropriations bill. In the original appropriations bill $10 million was earmarked for RWIP Grants. Previously, this program has proven successful, with many more requests received than there was funding available. SB 2018 has been reduced to funding of $5 million. I respectfully ask you to consider amending the bill to at least match the original allocation of $10 million. As someone with direct experience in workforce development in rural areas, full funding is needed.

Real. Good. Northeast North Dakota, which has been funded with RWIP awards of $398,264 and regional matches of $133,500 to the Walsh County Job Development Authority in two rounds of funding, launched in July 2023. It is instrumental in addressing the need for over 1,500 new employees across various industries in our three rural counties. Our brand marketing strategy and action plan targets boomerangs, young families, manufacturing leaders, transitioning military personnel, and small town entrepreneurs.

In 2024-25, enhancements to Real. Good. is aiming to increase awareness of work and lifestyle opportunities in the region, which has been underpromoted to areas outside the immediate region. Using paid marketing, visual marketing assets, a Relocation Guide and New Resident Roadmap, this initiative is serving as a tool for our businesses and residents to become community champions, inviting and recruiting people to the region, and growing our small towns.

The initiative has had a tangible positive impact on recruiting and retention efforts, as evidenced by feedback from regional employers:

- Crystal Beggs from Leading Edge Equipment in Michigan, ND states, "The Real. Good. initiative is an asset in our recruitment and retention efforts. By showcasing the unique benefits of living and working in our area, this program has helped attract and retain talent to strengthen our workforce."

- Misty Johnson, Marvin Senior HR Manager, adds, "Marvin in Grafton, ND is grateful to have a partner like the Real. Good. initiative to help improve the recruitment efforts in our community. The ease of sharing the website and collaboration of the NE manufacturing plants helps paint a clear conversation and picture of what it means to live in our rural area."

In recent weeks, our initiative has provided crucial assistance to employers and prospective movers, including:

- Assisted a freight broker in Pembina with finding housing options for relocating employees and provided area information. This conversation also led to a meeting with city officials, employers and the Red River Community Housing Development Organization to create a plan for additional housing in the community.
- Assisted a plumbing contractor and an electrical contractor in finding a new talent pipeline option through the Department of Defense Skillbridge Program.
- Fielded an inquiry from a potential day care provider in Pembina County and provided a referral to the Job Development Authority to help develop a business plan and explore funding opportunities.
- Pushed out resource information to employers regarding the Relocation Opportunity for Outstanding Talent (ROOT) and Technical Skills Training Grant programs and upskilling training opportunities that help retain employees.
- Provided relocation information from individuals wanting more information about the area, residency and finding a home.
- Provided relocation resources to nursing home and hospital administrators, manufacturers and implement dealers to help with recruiting workforce and sharing the region’s assets with potential relocators.

To build on this success and address growing workforce development needs, we are developing plans to:

- Enhance business capabilities and attractiveness through training partnerships and employee incentives
- Create a supportive system for career development and entrepreneurship
- Provide essential resources for entrepreneurs
- Promote Real. Good. with educational institutions to attract young professionals

While we are working towards a public-private partnership with area employers, additional funding is crucial to furthering our workforce development activities to fill our jobs and grow our small towns. The initial RWIP funding has proven invaluable in assisting our area employers with the complex task of rural recruitment. Continued support will allow us to build on this momentum, further developing our workforce and strengthening our communities.

Thank you for your time and consideration of my testimony.

Sincerely,

Kristi Kasprick
Project Manager
Real. Good. Northeast North Dakota
701.361.5705 | kristi@redriverrc.com

March 14, 2025

Senate Bill 2018 Testimony: **In Favor**
House Appropriations – Education and Environment Division

Chairman Nathe and Committee Members,

The Western Region Economic Development (WRED) board of directors, representing Divide, McKenzie, Mountrail, and Williams Counties, **supports SB2018, but strongly requests the restoration of full funding of $10 million for the Regional Workforce Impact Program (RWIP) as outlined in the state commerce budget.**

North Dakota's unemployment rate has continued to remain below 2.5% for over a year. To continue to attract and maintain workforce, childcare infrastructure, workforce training, and workforce attraction initiatives need to continue.

In the first round of the RWIP, most of the funds for District 1 were utilized for childcare infrastructure. The projects included:

- Williston utilized $750,000 of RWIP funds towards a $2.3 million renovation of the Crighton Building on Williston State College's campus. The City of Williston provided a STAR Fund grant of $500,000 towards this project, and an additional $135,000 grant towards the playground equipment. Williams County provided an initial grant of $500,000, and an additional grant of $1.4 million to ensure the project was completed. This facility has a capacity of 80. It is at 100% capacity and is fully staffed with 20-25 employees. 18 of those employees are full time, and the rest of the staff is part time with some being college students. Watford City utilized $269,780 of RWIP funds towards a $18.5 million new childcare facility adding an additional 180 childcare spots.
- McKenzie County committed $11.5 million to the project and the City of Watford City provided the site valued at $300,000.
- Divide County utilized $40,220 of WRIP funds towards recruitment, up-skilling, re-skilling to enhance the medical staffing needed as well as CDL training. TrainND Northwest brought the training to Crosby. St. Luke's Medical Center provided the match for the medical training while a local employer provided the match for the CDL training.

In the second round of funding, more organizations were able to apply directly for the funds allowing even more projects to received funding and come to fruition. Projects that received RWIP funding included:

- Learning Adventures Childcare of Williston was funded $487,000 to purchase a building and expand childcare capacity by 70 slots, Learning Adventure also received $147,000 to purchase the Stony Creek location and expand childcare capacity by 50 slots.
- Watford City EDC was funded $50,745.00 to expand the FIND YOUR FUTURE marketing plan, focusing on careers and value propositions in the Watford City region.
- Western Region Economic Development was funded $40,000.00 for national digital marketing of regional in-person job fairs.
- The City of Alexander was funded $500,000 to build a new childcare facility for approximately 70 children.
- The Divide County EDC was funded $72,000 to develop a marketing campaign to attract new residents and workers to Divide County.
- The McKenzie County JDA was funded $4,855 to create a magazine showcasing McKenzie County's lifestyle advantages to attract and retain a skilled workforce.
- Williams County was funded $11,400 to develop a video series to introduce the community and its offerings, aiming to attract families and talent.
- The Souris Basin Planning Council, including Mountrail County, was funded $241,500 to develop a regional identity and messaging strategy to attract a diverse and skilled workforce.

WRED appreciates all efforts from our legislators to address the continued workforce needs across the state and recommends a **Do Pass** on this bill with the RWIP at $10 million.

Sincerely,

Ann Kvande

Ann Kvande, Executive Officer

PO Box 1306, Williston, ND 58802-1306 Telephone: 701-577-8110 www.wrednd.com

MINOT AREA CHAMBER EDC

In Favor of SB 2018
House Appropriations
Education and Environment Division
Chairman Nathe

Chairman Nathe and Members of the House Appropriations – Education and Environment Division,

I am Mark Lyman, Economic Development Specialist for the Minot Area Chamber EDC (MACEDC). On behalf of the MACEDC and our over 600 member investors, I offer testimony in support of Senate Bill 2018 to appropriate funding for the North Dakota Department of Commerce.

The MACEDC mission is to advocate for and invest in business activity by being a collaborative partner in the community, focused on improving quality of life for all. MACEDC has five key strategic pillars, four of these pillars focus on economic, workforce, community development, and military support. We believe that Senate Bill 2018 would have a positive impact on these key pillars and will assist our great state in continuing to grow and thrive.

We work on a regular basis with almost every division of the North Dakota Department of Commerce and enjoy a good relationship with the staff there to assist our city and region in maximizing the use of the various programs and incentives that are available.

One relatively new program that I would like to highlight in this testimony is the Regional Workforce Impact Program – or RWIP. In 2022, during the first round of RWIP funding, our office led the northcentral North Dakota effort in applying for $1.8 million for community projects in our seven-county planning region. More than 400 hours were dedicated by MACEDC staff in the spring/summer of 2022 in working with more than 20 partner organizations in researching and writing the region's sole proposal. In close connection with Souris Basin Planning Council and other partners, research was conducted with dozens of employers, county officials, public school and higher education leaders, economic development organizations, JDAs, non-profit organizations, Job Service ND, etc. The end result of this research led to a 150+ page application requesting the federal funding tied to the first round of RWIP be used for the following programs/initiatives: CDL training/exposure equipment, Daycare Infrastructure Support, Healthcare training equipment for a new dental assistant program, Healthcare training equipment for nursing, and a regional Mobile Meats Lab. Each region across the state has different needs and RWIP supports solutions unique to each.

This funding proved invaluable in helping to complete or augment existing workforce development and economic development solutions.

During the second round of RWIP funding, in 2023/2024, the program moved from a regionally lead effort to individual applications. MACEDC applied directly to help market our WayFinders Program. WayFinders is a direct offshoot of the state's Find the Good Life effort and is a talent attraction program targeting young families, graduates, veterans, and boomerangs. WayFinders is designed to funnel new employees/residents to our region building new relationships with existing residents to deepen their roots in our community and help them integrate into our region. Through Find the Good Life and our WayFinder program we have attracted individuals to the Minot area. All with the goal of growing our workforce, adding new residents, and allowing for relationships that can last a lifetime.

As the point person for some of these programs, and as someone who is very familiar with the success that can come from RWIP funding, I ask for your support in renewing the $10 million request for this program under SB 2018 and to continue support for the other key programs the Department of Commerce leads for our state. I am available for any questions you may have.

Thank you,
Mark Lyman
Minot Area Chamber EDC Economic Development Specialist

TESTIMONY OF

Trevor Woods
Executive Director
Northern Plains UAS Test Site (NPUASTS)

BEFORE THE HOUSE APPROPRIATIONS – EDUCATION AND ENVIRONMENT DIVISION COMMITTEE

March 17, 2025
Senate Bill No. 2018

Chairman Nathe and members of the Committee. My name is Trevor Woods, Executive Director of the Northern Plains UAS Test Site (NPUASTS). I appreciate the opportunity to provide testimony in support of Senate Bill 2018. I will explain how our work in unmanned aviation drives technological innovation, improves public safety, and stimulates economic growth across North Dakota.

Bottom Line Up Front

- **Current Funding in SB2018**
  - **NPUASTS Appropriations:** $3 Million
  - **Vantis Appropriations:** $10 Million
- **Executive Proposal**
  - **NPUASTS Appropriations:** $4 Million
  - **Vantis Appropriations:** $20 Million

Increasing funding for both NPUASTS and Vantis is essential to sustain our core operations and preserve North Dakota's national leadership in unmanned aviation. While we recently received $11 million through HB1038 for the FAA Radar Pathfinder Program, that allocation is limited to specific initiatives and does not support our day-to-day operations.

Who We Are

The Northern Plains UAS Test Site is a state-authorized organization dedicated to advancing the integration and operations of Unmanned Aircraft Systems (UAS) and Advanced Air Mobility (AAM). The NPUASTS was founded in 2013 as an Federal Aviation Administration test site by harnessing North Dakota's deep-rooted aviation expertise, strong military presence, and proactive government support. Key points about our organization include:

- **Foundational Role:**
  - Built on North Dakota's aviation legacy and entrepreneurial spirit.

    - Operates as a governmental entity, enabling direct engagement with federal agencies and unique funding opportunities.

- **Track Record of Success:**
    - Pioneered FAA approvals for Beyond Visual-Line-of-Sight and advanced safety operations.
    - Every state dollar invested generates up to $5 in external funding – roughly $22 million total – and our REMI analysis shows an additional $2.50 in economic output per state dollar.
- **Strategic Impact:**
    - Serves as a hub for testing, regulatory engagement, and public-private partnerships, that are difficult to obtain anywhere else.
    - Administers complementary programs like Vantis, our statewide UAS infrastructure network, which underpins future technological advancements.

Our Strategic Pillars

Our long-term vision is built on three core pillars that guide our efforts through technology, economic growth, and organizational excellence.

- **Advanced Aviation for North Dakota Impact:** Implement initiatives like Vantis and operationalize other advanced capabilities to support drone demand for local governments, non-profits, and industry.
- **Economic Impacts:** Expand our role as a testing destination for DoD and industry, catalyzing investment, job creation, and external funding.
- **Institutional Evolution:** Enhance our internal governance, strategic partnerships, and operational flexibility to remain agile and effective in an evolving industry.

This strategic framework reinforces our commitment to not only sustain but also expand North Dakota's leadership in UAS integration.

Why This Matters to North Dakotans

Our work directly benefits the people of North Dakota in several ways:

- **Agriculture Efficiency:**
    - UAS technology has driven exponential growth in precision agriculture: the number of licensed applicators jumped from 2 in 2022 to 21 in 2024, and

acreage treated rose from 6,000 to approximately 69,000 acres – an increase of nearly 1,000% and roughly 3.5 times the acreage of Bismarck.

  - This growth improves yield, reduces costs, and positions ND as a leader in agricultural innovation.

- **Public Safety and Emergency Response:**
  - Our partnership with local agencies has provided critical data during floods and severe weather, enabling faster, more efficient disaster response, and ensures that communities can recover more quickly and safely from emergencies.
  - Our integrated efforts have enabled local companies to secure approvals to pioneer drone-based medical deliveries in North Dakota's rural "medical deserts," ensuring timely access to essential healthcare supplies for seniors and underserved communities, supported by Project RuralReach and key partnerships.
- **Workforce Attraction and Economic Growth:**
  - The UAS industry attracts highly educated professionals, enriching our local workforce.
  - Former NPUASTS employees now play key roles in industry, further boosting North Dakota's reputation for aviation innovation.
- **Local Industry Support**
  - Provide proactive, no-cost advisory support to our local industry partners, helping them access advanced capabilities and seize new opportunities.
  - Provide training and consultation to North Dakota government and industry partners.
- **Federal Recognition and Strategic Partnerships:**
  - Recent engagements with senior Department of Defense leaders, along with contractual collaborations with Michigan and Tennessee, underscore our emerging role as a national solution and highlight the critical momentum we must maintain.
  - Our work supports key federal initiatives and strengthens our influence in shaping policy and regulation.

Funding Request and Impact

To continue delivering these benefits and to sustain our state and national leadership in UAS technology, we request a base NPUASTS appropriation of **$4 million**. This investment is not only critical for sustaining our operations, but it also multiplies economic returns across North Dakota. This funding is allocated as follows:

- **Personnel ($2.8 Million):** Support essential staff in leadership, regulatory affairs, technology, and business development.
- **Strategic Opportunities ($0.8 Million):** Funds targeting marketing, communications, and outreach to promote North Dakota's leadership and attract additional investments.
- **Operational Support ($0.4 Million):** Cover essential costs such as insurance, office supplies, and stakeholder engagement initiatives.

A $7 Million base appropriation budget was approved by the Northern Plains Uncrewed Systems Authority as part of the biennium budgeting process.

Consequences of Reduced Funding

Without sustained investment, North Dakota risks losing its competitive edge in a rapidly evolving UAS industry. The consequences of reduced funding extend beyond the Test Site itself, affecting state-wide economic opportunities and federal partnerships:

- **Loss of National Leadership & Competitive Positioning:** Other states are increasing investment in UAS, and without continued support, North Dakota risks losing its first-mover advantage and continued leadership in unmanned aviation.
- **Diminished Federal & Industry Partnerships:** Critical relationships with the FAA, Department of Defense, and federal agencies could weaken, leading to fewer contracts, limited project funding, and missed opportunities for industry growth. Federal agency opportunities drive private-sector engagement and local economic opportunities.
- **Reduced Ability to Influence Federal Policy & Regulation:** NPUASTS actively shapes FAA rulemaking and DoD strategy by participating in industry standards groups, FAA programs, and key conferences that provide real-time access to decision-makers. Reduced funding would significantly diminish our ability to maintain this critical engagement and influence.
- **Missed Opportunities for Statewide Economic Growth:** The loss of external funding streams and industry partnerships would negatively impact North Dakota's

economy, reducing business expansion, workforce retention, and the ability to attract new high-tech industries to the state.

Vantis: Securing North Dakota's Future in UAS Innovation

The Urgent Need for Full Funding

North Dakota's investment in Vantis has positioned the state as the national leader in UAS integration, but that leadership is now at risk. The current proposal to cut Vantis funding to $10 million would be devastating—not only halting all planned enhancements and expansions but also forcing the shutdown of critical existing services. Such a decision would erase years of progress, undermine economic development, and compromise public safety.

At a minimum, North Dakota must commit to the $20 million included in the executive budget to maintain current operations. However, to truly unlock the potential of Vantis and sustain the state's leadership in this rapidly growing industry, the ideal funding level is $27 million. This investment ensures that Vantis continues expanding, attracting private-sector investment, supporting rural connectivity, and advancing public safety initiatives. Now is the time to act boldly and decisively to preserve North Dakota's status as the leader in UAS innovation.

What Is Vantis?

Vantis is the first-of-its-kind statewide network designed to support Beyond Visual Line of Sight (BVLOS) drone operations. Unlike other transportation infrastructure—such as roads, bridges, and air traffic control systems—the UAS industry has historically lacked a shared-use foundation. Each operator has been forced to develop costly and redundant systems for navigation, communication, and operation, stalling industry growth and integration into the National Airspace System (NAS).

North Dakota addressed this problem early, investing in Vantis as the statewide solution. This network provides a common infrastructure that enables scalable, efficient, and safe UAS operations. As a result, North Dakota has become the model for UAS integration, attracting national attention, business investments, and federal partnerships. Vantis has already demonstrated its immense value, but without sustained and increased funding, these gains will be lost.

Why North Dakota Invested in a Statewide UAS Network

Vantis is more than infrastructure—it is a catalyst for economic growth, public safety, and innovation. The return on investment (ROI) from Vantis is both direct and indirect:

Direct ROI:

- **User Fees:** Vantis generates revenue by enabling commercial operators to access the network.
- **Royalties:** Multiple states have expressed interest in replicating Vantis, creating the potential for North Dakota to generate revenue from licensing and expansion.

Indirect ROI:

- **Rural Connectivity:** Just as broadband expansion revolutionized rural economies, Vantis ensures that remote areas benefit from cutting-edge UAS services, from medical supply delivery to precision agriculture.
- **Public Safety:** By providing a shared infrastructure, Vantis enables agencies to deploy drones quickly and efficiently for emergency response, disaster recovery, and law enforcement operations.
- **Business Attraction:** The presence of Vantis makes North Dakota a prime location for UAS companies, driving economic growth, job creation, and increased tax revenue.

The Value of Continued Investment

Infrastructure investments provide long-term economic and societal benefits. Vantis follows the same model as traditional transportation infrastructure but at a fraction of the cost. For example, building roadways costs approximately $1.5 million per mile. North Dakota has invested $70 million in Vantis to date, creating a system that covers 3,000 square miles—far exceeding the reach of just 45 miles of new roads. The ultimate goal is to expand coverage to 56,000 square miles, leveraging FAA Radar Data, delivering an unparalleled return on investment.

The Critical Funding Breakdown

The current executive budget proposal includes $20 million in funding for Vantis, which is a critical step in sustaining and growing the nation's first statewide UAS network. However, an ideal funding level of $27 million would enable Vantis to achieve its full strategic potential, ensuring North Dakota remains at the forefront of UAS integration.

To sustain and expand Vantis, budget is allocated as follows:

- **Operate: $13.4M**
    - $4.3M annually in labor, SaaS, rent, utilities, lifecycle replacements (NPUASTS, NDIT, Thales, Mitre)
    - $2.4M annually for local infrastructure costs

- **Operate FAA Radar Data: $3.5M annually** (applicable for 2026-2027 only)
- **Expansion: $3M**
    - One new radar site, Infrastructure-as-a-Service (IaaS) model
- **Enhance: $5M**
    - $325,000 annually for software development, server support, MNOC upgrades
    - $2.2M annually for engineering labor
- **Other: $2.9M**
    - Demand generation/marketing: $950,000 annually
    - Business case/model evolution: $500,000 annually

While the executive budget allocated $20 million, reducing funding to $10 million would be catastrophic. It would not only prevent expansion but also force the shutdown of existing infrastructure, crippling North Dakota's competitive edge and eliminating the economic and public safety benefits Vantis provides.

Vantis Achievements: 2023–2025 Biennium

With $26 million in funding, Vantis has achieved groundbreaking successes:

- **FAA BVLOS Approvals:** uAvionix and iSight Drone Services received FAA waivers, proving Vantis meets stringent federal safety standards.
- **Industry Recognition:** Showcased at major events like AUVSI Xponential and the Commercial UAV Expo, solidifying North Dakota's leadership in UAS integration.
- **Expansion Planning:** Engaged over three dozen stakeholders to define the next phase of growth and multi-user operations.
- **Public Safety Enhancements:** Grand Forks Fire Department secured a Tactical BVLOS waiver, allowing drones to assist in high-risk emergencies.
- **FAA Approvals for Infrastructure:** FAA validation of Vantis infrastructure as a national model for UAS integration.

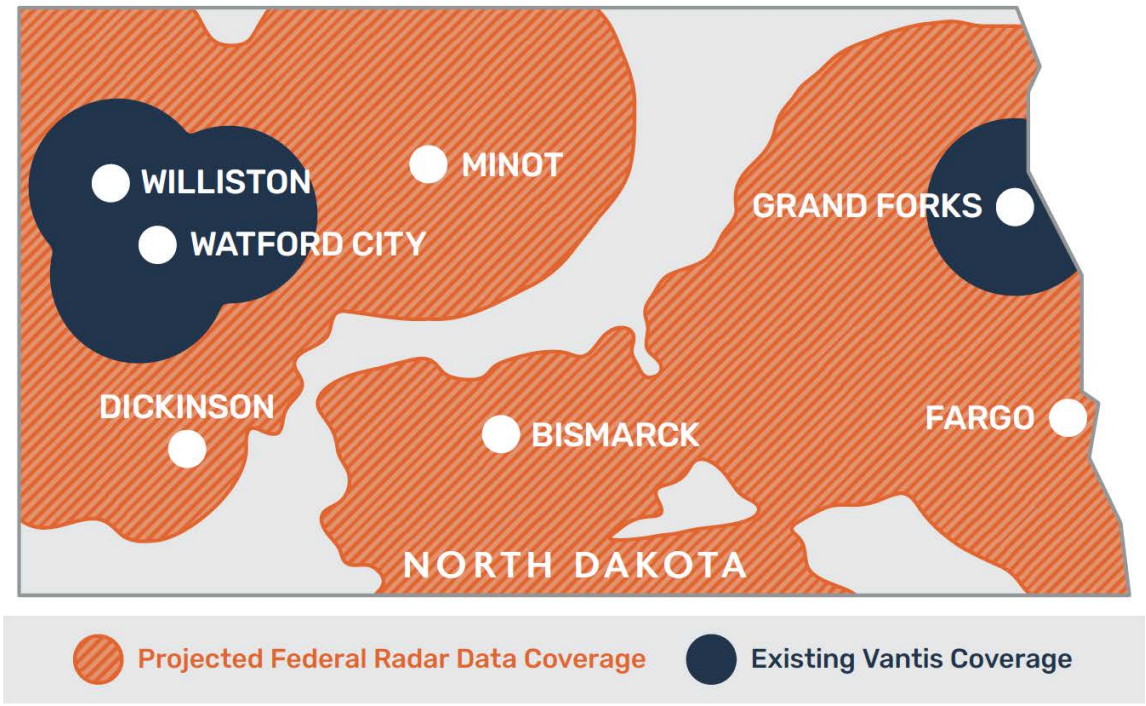
FAA Radar Data Pathfinder Program: A Game-Changer for North Dakota

Vantis became the first non-federally sanctioned entity to participate in the FAA Radar Data Pathfinder Program, a groundbreaking effort demonstrating how federal radar data can enhance UAS integration. This program expands Vantis' service area from 3,000 to 56,000 square miles and sets the national standard for integrating FAA radar data into UAS operations.

Key Benefits:

- **Expanding Coverage:** Federal radar data integration will massively increase Vantis' operational footprint.
- **National Leadership:** North Dakota will define federal best practices, solidifying its role as a pioneer in UAS integration.
- **Economic Impact:** Expanded network capabilities will attract private-sector investment and high-paying jobs.

The $11 million allocated for this program through HB 1038 supports essential activities, including cybersecurity improvements, system integration, safety assessments, and operational testing. This funding ensures that the foundational work required for long-term success is completed during the one-year test program, setting the stage for stable and scalable service in the future.



The 2025–2027 Vision for Vantis

To continue its trajectory, Vantis needs at least $20 million in funding but ideally $27 million to fully realize its strategic potential. The additional investment will:

- **Expand Infrastructure:** Deploy new radar sites and maintain critical network components.
- **Enhance Operations:** Upgrade network management, pilot interface tools, and flight safety monitoring.

- **Boost Industry Adoption:** Conduct outreach, education, and regulatory alignment efforts.
- **Secure Regulatory Leadership:** Strengthen collaboration with the FAA to shape future UAS policy.

A Call to Action: Secure North Dakota's Future

The choice is clear—invest in Vantis or risk losing North Dakota's hard-earned investments and leadership in UAS innovation. Cutting funding to $10 million would reverse years of progress, eliminate economic opportunities, and weaken the state's competitive advantage. At a minimum, $20 million is required to sustain operations, but to achieve long-term success and economic growth, the ideal investment is $27 million.

Now is the time to ensure North Dakota remains the national hub for UAS operations. The state has built a world-class system—let's secure its future by making the necessary investment in Vantis today.

Conclusion

Investing in the Northern Plains UAS Test Site and Vantis through Senate Bill 2018 is an investment in the future of North Dakota. The requested funding is the minimum to ensure the NPUASTS and Vantis remains a national leader, attracting opportunities, delivering economic growth, and providing value to all North Dakotans. I respectfully urge you to support a base appropriation of $4 million, and a Vantis appropriation of $20 million, to secure our position as North Dakota's enduring hub of UAS innovation, ensuring lasting economic and public safety benefits for our state.

Thank you for your time and thoughtful consideration.

Supplemental Information

Distinction Between Base and Other Funding

- **NPUASTS Appropriation:** Supports core operations of the Northern Plains UAS Test Site including personnel, regulatory engagement, and strategic initiatives essential to sustaining our national leadership. This organization is authorized as part of *NDCC 54-60-28. Uncrewed aircraft systems program***.**
- **Vantis Appropriation:** Supports the specific program to establish and administer a beyond visual line of sight uncrewed aircraft system, as part of *NDCC 54-60-29.1 Beyond visual line of sight uncrewed aircraft program*. On-going operations of the State Radar Data Pathfinder Program, after the conclusion of the pathfinder program, are included as part of Vantis budget.
- **State Radar Data Pathfinder Program:** Funding allocated in an emergency in HB1038 that is specific to funding the pathfinder program where costs were incurred during the 23-25 biennium.

SENATE BILL NO. 2018
HOUSE APPROPIATIONS – EDUCATION AND ENVIRONMENT DIVISION COMMITTEE
MIKE NATHE, CHAIR
TESTIMONY IN SUPPORT OF SENATE BILL NO. 2018

Chairman Nathe and Member of the Committee: My name is Sheri Grossman. It is my privilege to be the CEO for the Bismarck-Mandan Convention & Visitors Bureau. I am also the President of Destination Marketing Association of North Dakota (DMAND). DMAND is a cooperative association of independent Convention and Visitor Bureaus, as well as additional communities who share a broad-based community support and whose primary objective is the promotion of North Dakota.

You have all seen the compelling data from the ND Tourism Division showing you the impact visitors have on our state. People are going to travel. They will go somewhere; we need to have the funding to inspire them to choose North Dakota. If not, we are letting other states reap the benefits of the economic impact that could benefit our state.

Unfortunately, our neighboring states have always had much larger budgets than our Tourism Division; the most alarming part is that the gap is growing substantially. It is critical that our Tourism Division has adequate funding to compete with neighboring states. We cannot continue to let our neighbors capture these visitors and risk losing the economic impact that they could have on North Dakota. It is imperative to attract this business to fill our hotels, restaurants, gas stations, and stores. They also generate a significant amount of tax that is needed by the local municipalities in every county. In 2023, visitors paid $307M in state and local taxes.

In addition to marketing to get visitors here, we need to have adequate offerings to aid in enticement and increase the length of stay. Thank you so much for appropriating money for the Destination Development Grants last session. This session, SB 2018 comes to you with a reduction of funding to $20 million. We respectfully ask you to consider amending the bill to at least match last session's $25 million. As you know, there was no shortage of worthy projects. The Bismarck-Mandan Convention & Visitors Bureau pledged $500,000 towards the Riverfront Festival Grounds that was selected to receive a grant. This project, like the others that were awarded, will increase the length of stay for visitors. The more unique offerings that we can provide, the more visitors will want to come to North Dakota and extend their time exploring our beautiful state. Walking along the boardwalk overlooking the Missouri River is going to be a memorable experience. Projects like this will also help to attract new residents to our state to experience our quality of life and join our workforce. It is so exciting to see the results when State Government and other organizations work together.

Sara and her team do a remarkable job showing a return on investment with every dollar that is entrusted with them. I hope you will make the commitment to invest our state's resources in the Tourism Division a priority. All of North Dakota will reap the benefits.

Thank you for your time and consideration. I would be happy to answer any questions.

Visit Greater GRAND FORKS
grand forks, nd | east grand forks, mn

Chairman Nathe and members of the House Appropriations Education and Environment Division,

On behalf of Visit Greater Grand Forks, I urge you to support critical amendments to SB 2018, specifically regarding the Tourism and Marketing Division of the Department of Commerce:

- Increase the Destination Development Grant Program to at least $25 million.
- Raise the $7 million appropriated for marketing to $10 million.
- Ensure ongoing marketing funding as part of the Commerce annual budget, rather than a one-time allocation.

We were ecstatic when the House Appropriations Education and Environment Division allocated $25 million for the Destination Development Grants in the last session. This investment is vital for developing amenities that benefit both visitors and residents. Unfortunately, due to overwhelming demand, Grand Forks did not receive funding from the last program. Ongoing funding will empower the entire state to enhance our offerings, something we at Visit Greater Grand Forks cannot achieve alone without your partnership. I strongly encourage you to support increasing the Destination Development Grant Program to at least $25 million.

North Dakota is consistently outspent by neighboring states in marketing, creating an uneven playing field. Since the onset of COVID-19, we hear more travelers and locals expressing their appreciation for North Dakota's openness and safety. The last few years have posed challenges for us to rebuild, and we continue to rely heavily on programs provided by Tourism and Marketing. For example, in 2024, our collaboration with the state brought influencers to Grand Forks, leading to a PBS feature on *Travels with Darley*. Our collective efforts with Minot and Devils Lake to promote Highway 2 will culminate in a dedicated episode airing in early 2026. It is imperative to increase marketing funding from $7 million to $10 million to maintain and expand these initiatives.

Moreover, the success of our efforts is hindered without guaranteed ongoing funding for Tourism & Marketing. The uncertainty of one-time funding jeopardizes our ability to plan and innovate. A stable budget is essential to develop effective programs and initiatives that promote our state consistently.

Travel and tourism are vital to our economy, ranking as the third-largest industry in North Dakota. Local businesses thrive thanks to our promotional efforts. For instance, when the Alerus Center hosted the Zach Bryan concert, hotel occupancy soared to 89% and 90% each night, resulting in a staggering 283% increase in total room revenue and an economic

impact of $12.3 million—demonstrating that most attendees were from out of town. Travel is tourism, and tourism is beneficial for North Dakota.

I implore you to support the proposed amendments and welcome the opportunity for further discussions on this critical matter.

Thank you for your time and consideration.

Respectfully,

Julie Rygg
Visit Greater Grand Forks
4251 Gateway Drive, Grand Forks, ND 58203
701.740.1742 (cell) // 701.746.0444 (office)
julie@visitgrandforks.com
VisitGrandForks.com

Minnkota Power COOPERATIVE
A Touchstone Energy® Cooperative

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Testimony of Matthew Marshall in Support of SB 2018
March 17, 2025

Chairman Nathe and members of the House Appropriations - Education and Environment Division,

As an economic development professional in Northeastern North Dakota, I have a firsthand look at the strain the lack of workforce is placing on many businesses and communities. Current businesses are struggling to recruit new employees and fill vacancies of those retiring. This trend continuing is also resulting in large areas of the state experiencing population loss which increases costs for everyone calling North Dakota home.

I would like to emphasize the critical importance of sustaining North Dakota's workforce recruitment efforts through the "Find the Good Life" campaign. This national talent attraction initiative has made significant strides in addressing our state's workforce challenges. The division has reported on the campaign achievements and now coupled with many local efforts; we're building momentum.

The "Find the Good Life" campaign has established a robust infrastructure, including a comprehensive website that showcases North Dakota's vibrant communities, educational opportunities, and career prospects. This platform serves as a vital tool in attracting talent and facilitating their transition to our state.

Discontinuing the campaign at this juncture would risk forfeiting the momentum we've painstakingly built. The initial successes are promising, but the full potential of these efforts will be realized only with sustained investment and support. The proposal to rename the Office of Legal Immigration to the Office of Global Talent also reflects a strategic shift towards attracting a diverse and skilled workforce. This legislative change aligns seamlessly with the objectives of the "Find the Good Life" campaign, reinforcing our commitment to fostering a dynamic workforce.

The "Find the Good Life" campaign represents a pivotal investment in North Dakota's future, addressing workforce shortages and enriching our communities. Abandoning this initiative now would not only squander the resources already invested but also hinder our progress toward a thriving, diverse, and robust workforce. I urge you to consider the long-term benefits of this campaign and support its continued funding and development.

Thank you for your attention and commitment to the prosperity of North Dakota.
Sincerely,

Matt Marshall,
Member Services, Rates & Economic Development Manager
mmarshall@minnkota.com

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Phone 701.795.4000
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Testimony of Melissa Beach in Support of SB 2018
March 17, 2025

Chairman Nathe and members of the House Appropriations - Education and Environment Division,

My name is Melissa Beach, and I am the Economic Development Administrator with Minnkota Power Cooperative headquartered in Grand Forks. I also serve as Vice Chair of the Economic Development Association of North Dakota.

I'm here today to express my strong support for SB 2018, which provides funding to the Department of Commerce and its various programs. As an economic development professional serving both North Dakota and Minnesota, I have seen firsthand how the funding allocated through this bill has played a critical role in fostering economic growth and enhancing the state's business environment to make North Dakota competitive.

The North Dakota Development Fund, specifically, has been instrumental in providing businesses with the financial support they need to grow and thrive. With its ability to offer low-interest loans and flexible terms, the fund has directly contributed to the creation of successful enterprises across various industries. This program has enabled numerous businesses to overcome financial barriers that might otherwise stifle innovation and growth. Allowing this success to reach beyond those with primary sector designation would be even more beneficial, especially in rural communities.

SB 2018 supports several other initiatives, including workforce development programs, that are essential for our state's economic landscape. These initiatives are interconnected elements that create a dynamic environment for businesses and communities to flourish. These programs play a critical role in ensuring North Dakota remains a competitive player for businesses and their investments. North Dakota is struggling to stay competitive – with businesses halting expansions and considering relocations elsewhere - for many of the reasons these divisions are diligently working to solve.

In conclusion, SB 2018 represents a vital investment in North Dakota's economic future. The programming included in the bill has proven to be successful in fueling business development and sustainable economic growth. I strongly encourage the committee to support this bill, as it is essential to the continued success and vitality of our state.

Thank you for your time and consideration.

Melissa Beach

Melissa Beach
Economic Development Administrator
Mbeach@Minnkota.com

March 17, 2025

Testimony Submitted by:	Frank Matus, Director UAS Integration, Thales USA, Inc. & Chair of the North Dakota UAS Council
Reference:	Testimony in Support for SB2018 – A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; to create and enact a new section to chapter 54-60 of the North Dakota Century Code, relating to department of commerce grant reporting requirements; to amend and reenact section 54-60-31 of the North Dakota Century Code, relating to changing the name of the office of legal immigration to the office of global talent; to provide for a transfer; to provide an exemption; and to provide for a legislative management report

Testimony:

Mr. Chairman and members of the Committee, thank you for the opportunity to testify in support of Senate Bill 2018 which includes funding for the Northern Plains UAS Test Site (NPUASTS) and the State Beyond Visual Line of Sight (BVLOS) System – Vantis.

I want to begin by expressing gratitude to this body for the support and passage of HB1038 which allowed the Vantis team to continue to engage with the Federal Aviation Administration on the implementation of an exclusive one-year pathfinder program to integrate radar data into the State-owned network. This opportunity has not been afforded to any other state and the passage of the appropriation reinforces your commitment to Vantis.

Today, I am requesting that this committee restore the Vantis funding to the amount advocated by both outgoing Governor Burgum and current Governor Armstrong to $20M in the 2025-2027 biennium at a minimum. The Northern Plains Unmanned Systems Authority Board approved the Test Site's request to submit to Governor Burgum at a level of $30M at the August 2024 Authority Board Meeting and would request consideration of full restoration based on this and other testimony.

The 2025-2027 Biennium Vantis request includes:

- **Ongoing Operations (Mission Network Operations Center) -- $13M**
  - Annual labor, facilities costs, software and infrastructure expenditures
- **Maintain, expand and commercialize FAA Radar Data Pathfinder--$7M**
  - Continued operation of the enclave for 2025-2027 biennium

- **Vantis Expansion--$3M**
    - Transportable capabilities to expand mission to support agencies for natural disaster, training capabilities and to prepare for national program with Department of Interior
- **Operational Evolution--$5M**
    - Labor + technology evolution to support FAA and operator enhancements to ensure compliance with federal standards
    - Cyber security evolution – compliance with NIST policy
- **Implementation of Commercial Model to facility ROI - $2.0M**
    - Promote and sell enclave services to other ex-State entities
    - Establish a "for-profit" entity to facilitate ROI
    - Continued promotion, marketing and expansion of Vantis to other States

Vantis Role in FAA Aviation Modernization

I'd like to pivot and discuss the state of the national airspace system, the role Vantis is playing and why continued, full funding, is critical. The Vantis program continues to be the preeminent model for how unmanned systems can safely operate within the national airspace system today. 2025 has been an historic year for aviation. We have unfortunately seen tragedy with a horrific mid-air collision at the Ronald Reagan National Airport resulting in the loss of 67 Americans, the unfortunate tragedy in Philadelphia, the near miss at Chicago Midway, and, to our north, the Delta Airlines flight that overturned when landing in Toronto. Aviation is still the safest form of transportation but we are reminded that there are improvements that can be made to our system.

Our great State is playing a part in the national conversation. Federal Department of Transportation Secretary Sean Duffy announced on March 11, 2025, that:

> *"He'll ask Congress for potentially **"tens of billions" to create a "brand new" air traffic control system** so that the U.S. can ditch what he called the FAA's "antiquated" technology — and he wants that system in place, he said, within no more than four years."*

He further went on to say that:

> *"I need companies that are gonna move at the speed of Donald Trump…"and those that want to do it … those are the companies that I wanna hire. And now, may that be Verizon? Maybe. But if I'm looking back, they're not moving fast enough**. I need companies that are gonna move fast**. And again it's not gonna be one company — we're gonna need a lot of companies to buy in and help build out this system."*

This program that Secretary Duffy is referring to will be **in excess of $45 Billion**.

And those whom he is referring to **includes the Northern Plains UAS Test Site, the Vantis program and Thales.**

Vantis: The National Model for UAS Integration

Members of the committee, this team is engaged in aviation modernization conversations with the FAA today thanks to the investments this body has made over the last three sessions. We are poised to play a role and be the role model for some of the systems that will inform the evolution of the national airspace system. The Vantis program is not just being referenced—it is being upheld as a standard for air traffic control automation and radar data integration, modernizing and improving the United States National Airspace System. Vantis has many of the capabilities that the FAA is seeking and is the benchmark for modernization.

Now is not the time to back off and wait for the FAA and others to dictate the path forward. We must continue to lead the national dialog, continue to innovate and position Vantis to be deployed to other States and for the FAA to officially endorse it as the standard for all other states to move forward with UAS integration. **To achieve this, continued investment is essential.**

Return on Investment to the State of North Dakota

This legislative session, rightfully so, both chambers have asked about "return on investment." We have made enormous strides to advance aviation policy and infrastructure in this country. Our investment in Vantis is about to pay dividends.

The Federal aviation infrastructure and airspace system has not evolved since the 1960s! The existing airspace structure was designed with the technological constraints of that era, particularly in radar and radio communication. The last major FAA technology program that went to a national procurement was held in 1983. In aviation, transformative advancements often take decades to implement—and tragically, many changes are only prioritized after disasters. Over the past five years, we have taken **Vantis from a conceptual framework to an established national standard, demonstrating the power of state-led innovation**.

What we have accomplished with Vantis is just shy of a miracle in aviation. Our disciplined approach allowed us to architect Vantis to reflect what the future of aviation in the US, and around the world, will resemble and now we are getting even more attention by the FAA to help move the national model ahead. We have proven that true innovation is being driven at the state level, not by federal agencies, and now we are positioned to reap the benefits of our commitment and strategic patience.

Return on investment covers a multitude of topics including services to the most rural, underserved areas of the State, tools to help our first-responders and economic development tools to attract businesses. Rightfully, the financial ROI is also important but will caution that there is no immediate overnight recouping of a long-term infrastructure investment. We have been looking at several scenarios as the market matures on financial ROI and, based on the inclusion and commercialization of radar data and a more accepting FAA to advance national UAS integration policy, we believe that on the conservative side, we could see a range between $100M-$290M over a 10 year period. This does not include infrastructure such as radars. This is all Vantis digital services and represents addressable market.

	Base Case	Nominal Case	Aggressive Case
	Currently Engaged States who are active pursuits	+ Likely Fast Followers (but not competing states)	+ Other likely Followers
States Included in Scenario	AL, MI, MN, MT, ND, OK, SD & TN	Base Case + FL, IL, KS, LA, MD, NC, OR, TX, UT, VA & WY	Nominal Case + AR, CA, CO, GA, MA, NJ, NY, OH & PA
Population	34,428,283 (10.4% of US)	138,853,848 (41.9% of US)	259,211,525 (78.2% of US)
GDP ($M)	1,892,483 (8.9% of US)	8,223,596 (38.6% of US)	17,013,787 (79.8% of US)
Land Area	600,966 sq. mi. (16.7% of US)	1,484,737 sq. mi. (41.3% of US)	2,009,415 sq. mi. (55.8% of US)
Portion of Population Served by Year 3, 6 & 9	17..2% / 30.6% / 34.9%	9.2% / 19.3% / 29.5%	5.6% / 11.5% / 17.3%
Market Penetration	~ 3.6% of Total US	~ 12.3% of Total US	~ 13.5% of Total US
Cumulative 10 Year Digital Service Revenue	$100M	$224M	$290M

Today's century code requires a return of revenue to the State on components that were developed using program dollars to be returned to the general fund (5-10% of software license fees is what the current model entails). The Department of Commerce and Thales continue to work towards a mutually beneficial business model that will help the state maximize that return via a to be negotiated commercial model. In addition to asking for support for Vantis, I encourage this legislature to support the changes to century code allowing the North Dakota Development Fund to establish commercial ventures with industry partners to expedite returns on investments.

State Expansion

Today, Vantis is not only expanding across North Dakota, but is also expanding to Northern Michigan, supporting the Michigan National Guard and other commercial operators to bring services to rural communities. We will begin operations there this May and will continue through 2025 with options that will extend the contract through 2029. This was our model in North Dakota, Michigan is our first partner outside of the State. The State of Tennessee will be deploying Vantis over the next year. Other States, including Oklahoma, Louisiana, Alabama, Kansas and Illinois, all have public procurements modeled after what

we have done in North Dakota. Senator Ted Cruz is championing a deployment of new aviation technology in North Texas – Vantis is part of that conversation and as we continue to lead with UAS Integration, **we will be part of the solution that will drive evolution across the country.**

Summary:

I'll end by expressing my sincerest gratitude to this legislative body for continued support for Vantis. This program brought me and my family to this state and it has been life changing for us. What we are doing here for UAS integration isn't happening anywhere else in the world. We are part of generational change that is about to take place with the FAA and our Federal government. It will impact aviation around the world. I ask that you consider our role in the national conversation and urge you to ensure we maintain that leadership role well into the future. Thank you and I will stand for questions.

NDARECs
North Dakota Association of Rural Electric Cooperatives
3201 Nygren Drive NW • P.O. Box 727 • Mandan, ND 58554-0727

ND Living
Phone: 701.663.6501 or 800.234.0518
Fax: 701.663.3745 www.ndarec.com

March 17, 2025

To: North Dakota House Appropriations – Education and Environment Division

From: Ellen Huber, NDAREC Rural Development Director

RE: **Support of Senate Bill 2018**

Chairman Nathe and members of the House Appropriations – Education and Environment Committee,

On behalf of the North Dakota Association of Rural Electric Cooperatives (NDAREC) and its members, I share a message of support for Senate Bill (SB) 2018, which provides funding for the North Dakota Department of Commerce.

Since the early 1990s, our state association has offered rural development services with support from rural electric and broadband cooperatives in North Dakota, guided by cooperative principles like "cooperation among cooperatives" and "concern for community." Our rural development center connects communities, cooperatives, small businesses and non-profits with technical assistance, grants and low interest financing for projects in rural emergency services, health care, childcare, grocery and local food access, meat processing, quality of life amenities, and more!

Access to capital for rural projects remains a growing challenge. The Department of Commerce plays a vital role in economic and community development, and we urge continued funding for the Regional Workforce Impact Program (RWIP) — especially for childcare expansion. In the last biennium, at least 13 childcare facilities received funding, but many communities are still working to establish locations and operators. Matching grants remain essential to help towns address this need.

Before RWIP, our Rural Development Finance Corporation (RDFC) often received applications for low-interest loans for childcare projects in small towns. Rising construction costs and interest rates have increased demand for community development loans, leaving the RDFC with less than $200,000 available to lend. Without RWIP, funding gaps for childcare projects will likely persist.

We also support the Commerce Department's request for a $50 million allocation to the N.D. Development Fund with eligible uses for low interest loans to include small businesses that are essential to livable communities in addition to the current focus on primary sector businesses. If approved, this program would complement RDFC's loan participation efforts, strengthening rural economies. NDAREC's rural development team will continue connecting communities to all available resources.

NDAREC urges a "Do Pass" recommendation on SB 2018 with attention to the Regional Workforce Impact Program and support for small businesses through the North Dakota Development Fund.

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Your Touchstone Energy® Cooperative

NORTH DAKOTA
UNMANNED AUTONOMOUS
SYSTEMS COUNCIL

975 58th Ave South, Grand Forks, ND 58201 | 218.791.1089 | stacey@nduas.org

March 17, 2025

North Dakota UAS Council Support for SB2018

Chairman Vigesaa and Members of the North Dakota House Appropriations Committee,

I am writing on behalf of the North Dakota UAS Council to express our strong support for SB2018, a critical piece of legislation that provides essential funding for the North Dakota Department of Commerce. This bill represents a significant investment in our state's future, particularly in the rapidly growing Uncrewed Aircraft Systems (UAS) industry.

North Dakota has long been a national leader in UAS innovation, research, and commercialization. With the assistance of the Department of Commerce, our state has built an ecosystem that attracts cutting-edge technology companies, fosters workforce development, and creates high-paying jobs in an industry poised for exponential growth. According to Job Service North Dakota, there are dozens of new job opportunities currently available for UAS experts in North Dakota. Additionally, for almost a decade, support for the North Dakota Department of Commerce has helped the state outpace UAS job creation nearly ten times more than professional projections suggest. SB2018 ensures that this momentum continues by allocating the necessary resources to advance key UAS initiatives, strengthen our competitive edge, and solidify North Dakota's position as the nation's UAS epicenter.

The funding provided by this bill will support UAS infrastructure, research partnerships, and workforce training programs, all of which are crucial for keeping North Dakota at the forefront of this evolving industry. By investing in these initiatives, the Legislature is not only securing economic growth but also reinforcing our state's role in national security, precision agriculture, and autonomous aviation. The benefits of this bill extend beyond the UAS sector, driving innovation across multiple industries and attracting talent and investment to our state.

I urge you to support SB2018 and reaffirm North Dakota's commitment to maintaining its leadership in UAS excellence. This bill is an investment in our economy, our workforce, and our future. Thank you for your consideration and please feel free to reach out to me with any questions.

Very respectfully,

Matt Dunlevy
President & CEO
matt@nduas.org

Written Testimony of Terri Zimmerman
North Dakota Senate
March 13, 2024

Members of Congress. I am Terri Zimmerman, CEO of Packet Digital and Botlink, two companies developing and manufacturing drone batteries, software, and battery cells right here in North Dakota.

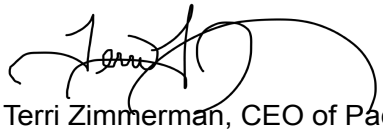
I was born and raised on a farm outside of Hannah, ND, graduated from the University of North Dakota, and have worked in the technology sector in North Dakota for over 25 years. I was the CFO and Vice President of Operations of Great Plains Software during their rapid growth and expansion and became the CEO of Packet Digital in 2013, which then acquired a controlling stake in Botlink in 2015. Additionally, I was appointed to a state economic development board by several Governors of North Dakota and served for 17 years, and have been chair of The Research Institute for Autonomous Systems at the University of North Dakota since 2017. I am a proud North Dakotan and have been a strong advocate for our state's technology sector.

I offer my testimony today strongly in support of SB 2018. In my years of experience working with the North Dakota Department of Commerce, specifically the North Dakota Development Fund, I have had the opportunity to see NDDFs positive impact on businesses in North Dakota. NDDF has provided significant capital to create jobs in our state.

As a world leader in advanced technology for drones, our companies have successfully utilized NDDF resources to build upon our successes, and rapidly scale our business, which has enabled us to stay a leader in our competitive industry. The result of this success is clear to see in the state of North Dakota, with our businesses consistent track record of creating high-paying, highly-technical jobs right here at home, as well as multiple large commercial projects/investments in Fargo, including the region’s first battery cell manufacturing facility.

It’s my belief that one of the biggest advantages North Dakota has over our regional neighbors is an active Department of Commerce that works to boost local investment in our state, and the North Dakota Development Fund is a perfect example of how to put that idea in motion. For the state to remain a leader in technology fields, it’s essential that initiatives such as the NDDF continue their important work of advocating for the state of North Dakota.

Sincerely,



Terri Zimmerman, CEO of Packet Digital and Botlink

Testimony in Support of

Senate Bill No. 2018

House Education and Environment Committee

March 17, 2025

My name is Peter Chamberlain, Founder & CEO of WalkWise, and I am writing in support of SB 2018. Specifically, I support the effort to fully fund and expand the capabilities of the North Dakota Development Fund. The NDDF is one of our state's greatest assets and differentiators, providing opportunities for ambitious entrepreneurs to launch their companies in North Dakota and create lasting impact. Venture Capitalists understand that investing in the best and brightest founders at an early business stage creates outsized returns for their shareholders, and in the same way, the NDDF's work creates outsized impact for the taxpayers of North Dakota.

I moved to North Dakota nine years ago from Cambridge, MA, where there is a robust ecosystem of early-stage capital available for those willing to take risks and explore cutting edge technology. It is a virtuous cycle; investors create successful entrepreneurs who turn into investors themselves, supporting the next generation of entrepreneurs. Unfortunately, when I moved to North Dakota, there were no sources of meaningful private early-stage capital in the state. I spent much of my time in Minneapolis and Sioux Falls, wooing investors and participating in accelerator programs outside of North Dakota. If not for personal circumstances, it would have been extremely tempting to move my company outside the state.

Yet, the North Dakota Development Fund stepped up, offering a matching investment for private dollars raised up to $50,000. With the NDDF at my back, I was able to raise money from outside the state, now totaling over $1M, from Sioux Falls, Minneapolis, and across the country.

While it is true that North Dakota entrepreneurs have more resources than ever before, including the programs and funds administered by 50 South Capital and gener8tor, the North Dakota Development Fund continues to be a crucial and impactful part of the puzzle for innovators. With full funding and additional resources, stories like mine will become the rule, not the exception.

Thank you for your consideration of my testimony.

VALLEY CITY-BARNES COUNTY
DEVELOPMENT CORPORATION

Testimony of
Jennifer Feist, Director of Development
Valley City-Barnes County Development Corporation
Valley City, ND

SB 2018 (In Favor)

On behalf of the Valley City-Barnes County Development Corporation, I am pleased to offer our support of SB 2018 that appropriates funds for the North Dakota Department of Commerce and a transfer to the North Dakota Development Fund. As introduced, SB 2018 included a transfer of $50 Million to the North Dakota Development Fund, which was reduced to $30 Million.

I write in support of the $50 Million transfer to the North Dakota Development Fund and respectfully request funds be appropriated accordingly.

This action is significant and a good investment for several reasons:

1. Investments in rural North Dakota are crucial.
2. Low interest loans and/or grants for non-primary sector businesses will have a significant impact on Main Street businesses that in turn, support primary sector business growth. The President & CEO of one of our companies said (paraphrasing) – Don't every underestimate the value of community support to companies and their growth. We can't do it alone.
3. Communities must be competitive so that -
    a. Primary sector companies continue investing in North Dakota thereby deepening their roots here, and
    b. People choose to live where they work. Excessive commuting and excessive turnover are not acceptable. Valley City simply cannot lose the benefit of our economic development investments.
4. Valley City, as a mid-tier community, has made progress. Growth opportunities exist with our primary sector businesses, some of which are John Deere Seeding Valley City, Malach USA (metal fabrication for OEMs), Atos/Eagle Creek Software Services, Drug Plastics & Glass, TRI W-G Inc. (therapeutic and bariatric tables), Force Manufacturing, Boston Scientific/Preventice (remote heart monitoring), Pembina Pipeline/Alliance Pipeline, and NextEra Energy.
5. We face other challenges of K-12 school facilities, housing, and job opportunities plus costs of infrastructure, repurposing/renovating buildings, permanent flood protection, and much more.
6. Inflationary costs are impacting literally every sector of our community.
7. Loan funds are needed for primary sector companies, which drive community growth. The North Dakota Development Fund complements and supports other funding sources.

The North Dakota Development Fund is a major partner that can provide financial resources that are very much needed in Valley City.

I urge support of SB 2018 and a $50 Million transfer to the North Dakota Development Fund. Thank you.

Valley City–Barnes County Development Corporation
250 Main Street West, Valley City, ND 58072 • Direct (701) 840-7820 • Email: vdg@hellovalley.com • Fax: (701) 845-1892

Thread
Connecting Utility Assets to Inspection Data

Date: 03-12-2025

Chairman and members of the Committee,

I am Dr. Joshua M. Riedy, Founder and CEO of Thread, North Dakota's most recent Series A-funded software startup, based right here in our state. I strongly urge your support for Senate Bill 2018, particularly the Department of Commerce budget, emphasizing the essential role of the North Dakota Development Fund (NDDF).

Thread is proud evidence of NDDF's catalytic impact. As we operate predominantly in the electrical utility, energy, and Department of Defense sectors, Thread competes directly against venture-backed startups based in Silicon Valley and other coastal hubs. Without the critical early-stage financing provided by NDDF, companies like ours face substantial disadvantages compared to our coastal competitors, who benefit from deeper pools of venture capital.

The NDDF's strategic investments directly level the playing field, fueling innovation, fostering high-paying local jobs, and positioning North Dakota as a competitive hub for emerging technology businesses. Thread's growth is a testament to this impact.

Investments through NDDF are investments in North Dakota's economic future. I respectfully request your continued support for SB 2018 to ensure that more North Dakota startups can compete and thrive on equal footing with their coastal counterparts.

Thank you for your consideration.

Respectfully,

Joshua M. Riedy

Dr. Joshua M. Riedy
Founder and CEO, Thread

Stewart Wilson
5812 Jefferson Lane
Williston, ND 58801

TO: **North Dakota State Legislature**

March 13, 2025

Dear North Dakota State Legislature,

My name is Stewart Wilson, and I am President & CEO of Valence Natural Gas Solutions LLC (Valence). I am testifying in support of SB 2018 (Department of Commerce) and the North Dakota Development Fund. In May of 2024, Valence requested and was approved for a $3mm loan through the North Dakota Development Fund to further expand our fleet of Mobile Natural Gas Processing facilities, with the goal of capturing additional gas that was otherwise flared across State.

Since 2013, Valence has been on a mission to develop technologies and operations in North Dakota that make natural gas more accessible, useful, and valuable to end users. We have steadily advanced development of our mobile Flare Gas Capture platform, which has allowed gas that would otherwise be flared or wasted to be connected to end users. Over our 12 years of operation, we have captured and delivered over 7 Billion Cubic Feet of gas that would have otherwise been stranded or wasted, having an economic value of well over $50mm. This has had the effect of reducing energy costs for end consumers, enabling otherwise restricted oil production, and in the process bringing in significant tax and resource revenue to the State.

Valence currently has over 70 employees across the state, working daily to provide the services and infrastructure that enable North Dakota's energy industry to operate more efficiently, cost effectively, and responsibly for the State's resources.

The financial support from the North Dakota Development Fund has played a critical role in the expansion our technology, providing funding sources to advance the construction of 4 additional plants which will have those facilities hitting the ground faster, and proving benefit to the industry sooner, than otherwise would have been the case through traditional funding channels.

Programs like this, and others from the Department of Commerce and Bank of North Dakota are vital to supporting made-in-North Dakota solutions, from companies trying to grow and operate in the unique environment that is our State.

VALENCE
NATURAL GAS SOLUTIONS

Valence is sincerely grateful for the support, and whole-heartedly supports the continuance and expansion of the North Dakota Development Fund and programs like it.

Thank you for your time and consideration.

Sincerely,

Stewart Wilson

President & CEO
Valence Natural Gas Solutions LLC

Valence Natural Gas Solutions LLC
5812 Jefferson Lane
Williston ND 58801
info@valencengs.com

NDSC
NORTH DAKOTA SAFETY COUNCIL
A private non-profit.

2025 SB 2018
House Appropriations – Education and Environment Division
Representative Nathe, Chairman
March 17, 2025

Testimony of Charles P. Clairmont
Executive Director, North Dakota Safety Council

Chairman Nathe, members of the House Appropriations Education and Environment Division, my name is Charles P. Clairmont, and I serve as the Executive Director of the North Dakota Safety Council (NDSC). I appreciate the opportunity to speak in support of SB 2018 and to highlight the vital role of workforce and community safety in supporting economic growth and protecting North Dakotans.

The NDSC has been serving our state since 1942 as a private nonprofit organization dedicated to making North Dakota the safest state in the nation. In the last two years, we provided safety training to more than 50,000 individuals across industries, schools, and communities, delivering over 300 consultations to improve workplace safety and prevent injuries and fatalities.

We are seeking $1.5 million in funding to expand our workforce safety training programs across the state. These funds will address critical safety challenges that are costing lives and driving up workers' compensation costs for businesses.

Key Safety Challenges in North Dakota

1. **Transportation Fatalities:**
    - **Issue:** Transportation-related incidents remain the leading cause of workplace deaths in North Dakota, accounting for 12 of 26 workplace fatalities in 2023 (source: Bureau of Labor Statistics). Our state's fatality rate is 9.0 per 100,000 full-time equivalent workers—nearly three times higher than the national average of 3.5 per 100,000 workers (source: BLS Injury Report).

- **NDSC Solution:** We offer **Fleet Essentials** driver training to address the training gap for non-CDL drivers and provide risk-reduction resources to businesses. Our **Alive at 25** program equips young drivers with defensive driving skills, helping to lower crash rates among new drivers.

2. **Falls and Construction Safety:**
   - **Issue:** Falls from heights are a leading cause of fatalities in the construction industry, with six construction-related deaths recorded in North Dakota in 2023 (source: OSHA National Data).
   - **NDSC Solution:** Our **Fall Protection Lab** offers hands-on training to workers on proper equipment use and safety procedures. Our **Slip Simulator** at the main facility trains participants to recognize hazards and improve their reaction times to avoid injuries caused by slips and trips.
3. **Trenching and Excavation Hazards:**
   - **Issue:** OSHA's Denver Region, which includes North Dakota, has an emphasis program targeting trench collapses due to rising fatalities. Trench collapses are one of the deadliest incidents in construction, with a high likelihood of resulting in fatalities.
   - **NDSC Solution:** We provide comprehensive trench safety training, especially for small and mid-sized contractors that often lack the resources to implement robust training programs.
4. **Agricultural Safety:**
   - **Issue:** Agriculture is one of the most hazardous industries in North Dakota, accounting for nearly 50% of workplace fatalities in 2020 and 30% of the state's workplace fatalities in 2022 (source: Bureau of Labor Statistics). With heavy machinery, confined spaces, and grain-handling equipment, rural workers face significant risks.
   - **NDSC Solution:** Our **Ag Safety Training Trailer** travels across the state, delivering lifesaving demonstrations to schools, trade shows, county fairs, and co-ops. These sessions teach farm families and workers how to avoid entrapment in grain bins, safely operate machinery, and respond to farm-related emergencies.
5. **Industrial Hygiene and Hazardous Exposures:**

- **Issue:** Hazardous exposures remain a growing concern in industries such as manufacturing, construction, and oil and gas. Seven North Dakota workers died from harmful substance exposure in 2023 (source: BLS Report).
- **NDSC Solution:** We have expanded our **Industrial Hygiene Program** to include noise assessments, air quality sampling, and workplace exposure evaluations. Our industrial hygiene experts conduct thorough audits to identify hazards and recommend practical solutions to reduce risks, ensuring compliance with regulatory standards and improving overall worker safety.

6. **Substance Use and Mental Health:**
   - **Issue:** The opioid crisis and rising mental health challenges have reached North Dakota's workplaces. The state averages 2.8 unintentional overdose deaths per week, and mental health-related workplace issues, including absenteeism and crises, are increasing statewide (source: CDC Opioid Report).
   - **NDSC Solution:** Our **Respond Ready Workplace** program equips employers and employees with the tools and knowledge to respond effectively to opioid overdoses, including the distribution and use of naloxone kits. Additionally, our **Mental Health First Aid (MHFA)** training teaches organizations to recognize early signs of mental health challenges and implement preventive support, reducing stigma and fostering a safer, more responsive work environment.

Why Invest in the North Dakota Safety Council?

1. **Proven Track Record:** We have decades of experience working across a wide range of industries, including agriculture, construction, oil and gas, transportation, and manufacturing. Our ability to adapt our services to meet the unique safety challenges of each sector has made us a trusted partner for hundreds of organizations statewide.
2. **Comprehensive Safety Services:** Our programs cover the full spectrum of safety needs—from compliance and regulatory training to workplace consultations, safety program development, and leadership coaching. Whether it's teaching defensive driving to new teen drivers, helping a

small business build a safety management plan, or providing advanced trench safety training, we cover "soup to nuts" when it comes to workplace safety.

3. **Highly Experienced Safety Consultants:**
   Our team of safety consultants is one of the greatest assets of the NDSC. Our consultants are not only highly trained but also bring decades of real-world experience across a variety of high-risk industries, including oil and gas, agriculture, construction, and healthcare.

4. **Community Safety Program:**
   The NDSC's **Community Safety Program** is one of the most comprehensive in the state, aimed at equipping individuals, families, schools, and organizations with lifesaving skills to respond to emergencies and make safe decisions.

   - **Key Initiatives:**

     - **Active Threat Response Training:** Helps schools, businesses, and community organizations prepare for and respond to active threats with confidence.
     - **School Emergency Response Planning:** Supports schools across the state in developing and testing emergency protocols.
     - **Mental Health First Aid (MHFA):** Provides community members and organizations with the knowledge to support individuals experiencing a mental health or substance use crisis.
     - **Responsible Beverage Server (RBS) Program:** Trains bartenders, servers, and business owners on the legal responsibilities and best practices for preventing alcohol-related incidents, helping to keep communities safer.

5. **Partnerships with State Agencies and Associations:**
   We work closely with key North Dakota agencies, including Workforce Safety and Insurance (WSI), the Department of Transportation, the Department of Commerce, the Department of Public Instruction (DPI), the Department of Health and Human Services, the ND Petroleum Council, the Associated General Contractors of ND and local emergency response teams, to provide safety solutions tailored to the needs of North Dakota's workforce and communities.

6. **Rural and Statewide Reach:**
   Our mobile training solutions, such as the **Ag Safety Training Trailer** and our **Fire Extinguisher**

Simulator, enable us to bring safety education directly to rural communities, schools, and businesses that may not have the ability to attend training at centralized locations.

By investing in NDSC, you are supporting a proven organization that not only provides compliance-based training but also offers proactive consultations, leadership development, and community safety initiatives that address specific hazards and save lives.

Conclusion

The $1.5 million we are requesting represents a vital investment in the safety and productivity of North Dakota's workforce and communities. Our comprehensive approach to safety—including workforce training, school emergency preparedness, and community safety programs—ensures that North Dakotans are equipped to respond to any challenge they may face. Preventable injuries and fatalities not only cost lives but also strain families, businesses, and our economy. With this funding, the NDSC can enhance its training, consultations, and outreach programs to create safer workplaces and communities.

Thank you for your time and consideration. I look forward to your questions and the opportunity to collaborate to make North Dakota the safest state in the nation.

Sincerely,

Charles P. Clairmont - Executive Director
North Dakota Safety Council

THE CHAMBER
FARGO MOORHEAD WEST FARGO

Letter of Support – Senate Bill 2018

Monday, March 17, 2025

Chairman Nathe and Members of the House Appropriations Committee – Education and Environment Division,

For the record, my name is Cale Dunwoody, and I serve as Vice President of Public Policy for the Fargo Moorhead West Fargo Chamber of Commerce (FMWF Chamber). On behalf of our more than 1,700 members, I respectfully offer testimony in support of Senate Bill 2018 and urge the committee to include funding for the Base Engagment Grant Program.

The North Dakota National Guard is an invaluable asset to our region, state, and nation. Our local units are nationally recognized for their excellence and are always ready to answer the call of duty. Their dedication is evident through their global missions and ability to respond to local and national needs, such as combating floods in the Red River Valley, flying F-16s over our nation's capital, supporting the fight against COVID-19, and assisting at the southern border.

The mission of the Fargo-based North Dakota Air National Guard's 119th Wing is to provide trained and ready Airmen executing world-class MQ-9 precision attack and reconnaissance, as well as target intelligence production and expeditionary support capabilities. The 119th Operations Group leads in training and combat hours flown on the MQ-9 platform, a remotely piloted aircraft used for combat and intelligence collection missions. The 119th Intelligence, Surveillance, and Reconnaissance Group (ISRG) provides kinetic and non-kinetic targeting support to Combatant Command Air Operations Centers. Additionally, the 119th Wing is one of only four regional training sites in the entire Air National Guard, offering training in civil engineering, heavy equipment operation, and Rapid Airfield Damage Recovery (RADR).

These regional military units continue to execute critical national security missions while making a significant impact on our communities. North Dakota must work together to ensure the vitality of these military bases. Funding for the Base Engagment Grant Program, alongside private investments, supports local Guard units by enhancing advocacy, raising awareness, advancing recruitment efforts, and fostering community-based programs. For example, these funds can be used to recruit military personnel. Currently, the 119th Wing's end-strength is 94%, with a goal of reaching 105%. Achieving this goal is vital for the Wing to perform its mission effectively. This recruitment support, along with other strategic initiatives, will help protect our military units from potential Base Realignment and Closures, modernize equipment, boost recruitment, and provide essential community support.

In 2023, the North Dakota National Guard had an economic impact of over $342 million statewide, with more than $123 million coming from the Fargo and West Fargo region. While the economic impact is significant, the value of these units extends far beyond economics. The men and women of the National Guard are integral to the vitality of our communities. They serve as first responders, educators, doctors, tradespeople, and business owners. These individuals and their families are deeply embedded in the fabric of our community and are essential to the growth and prosperity of our region.

The communities of Minot, Grand Forks, and Fargo respectfully request funding for the Base Retention Grant Program to support critical military activities statewide and demonstrate our commitment to strengthening local military units. As the committee considers Senate Bill 2018, we urge the inclusion of this vital funding for these communities to continue enhancing North Dakota's military excellence and bolster the competitive advantage of our military units in the next biennium.

THE CHAMBER
FARGO MOORHEAD WEST FARGO

Sincerely,

Cale Dunwoody
Vice President of Public Policy
Fargo Moorhead West Fargo Chamber of Commerce

THE CHAMBER
FARGO MOORHEAD WEST FARGO

Letter of Support – SB 2018

Monday, March 17th, 2025

Chairman Nathe and Members of the House Appropriations Committee – Education and Environment Division,

For the record, my name is Cale Dunwoody, Vice President of Public Policy for the Fargo Moorhead West Fargo Chamber of Commerce (FMWF Chamber). On behalf of our 1,700 members, I respectfully offer testimony in support of Senate Bill 2018, relating to key workforce programs.

At the FMWF Chamber, our mission is to promote business, inspire individuals, cultivate communities, and influence action. Our members are deeply concerned about the availability of skilled workers and the strength of North Dakota's workforce pipeline. While the national labor shortage is improving, North Dakota remains one of the states with the most severe challenges. The U.S. Chamber reports just 30 available workers for every 100 open jobs in North Dakota, compared to the national average of 83 workers per 100 jobs.

As of November 2024, North Dakota's labor force participation rate is 68.9%, significantly higher than the national average of 62.8%. Our unemployment rate is among the lowest in the nation at 2.4%. This low level of unemployment, combined with high participation, suggests most individuals willing to work are already employed, exacerbating the workforce shortage.

These challenges themselves are not unique to our state, every state in the nation is competing to attract, acclimate, retain, and develop workforce. To compete nationally and globally, North Dakota must remain committed to identifying and funding creative and multi-pronged solutions to addressing this crisis. We applaud the legislature's commitment to establishing and investing in key workforce programs, like the Regional Workforce Impact Program (RWIP), Operation Intern, Automate ND, targeted training grants, and others. These programs have demonstrated success by creating creative workforce solutions that allow communities and businesses across North Dakota to develop and/or access programs to meet the specific needs of their community and industry.

Operation Intern is a critical program with high demand and strong outcomes. It expands internships, work experiences, and apprenticeships by providing matching funds for wages, tools, equipment, training, and tuition. These valuable, hands-on experiences lead to employment, making them one of the most effective workforce attraction and retention tools. The National Association of College and Employers (NACE) stated in their 2024 Internship and Co-op Report that retention rates for hires with internal internship experience is 71.4% after one year. This demonstrates the effectiveness of internship programs in fostering affinity and long-term employment relationships. Just this February, the Department of Commerce opened their application window for this program and the application window closed within one business day. While these vital funds were awarded to support 168 interns at 45 businesses, a significant waitlist of an additional 63 applicants remains – equating to 198 internships. For these reasons, we support increasing the funding for this critical program, to enhance the career exploration and retention of young talent in our state, create meaningful connections and opportunities for industries and businesses, and strengthen the state's workforce pipeline.

RWIP is a vital initiative that addresses North Dakota's ongoing workforce challenges through a regionally tailored and collaborative approach. The program's ability to tailor solutions to the unique needs of each region has made it highly effective. Communities have the flexibility to identify their most pressing workforce challenges and use RWIP resources to address them directly. Since its inception, the program has allocated approximately $27.5 million to support innovative workforce solutions across the state. These funds have proven effective by launching training

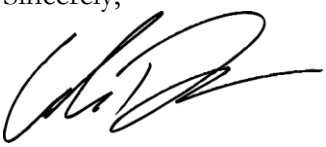
initiatives, expanded childcare access for working families, enhanced recruitment and retention strategies, and strengthening career pathway programs in critical industries such as healthcare, education, manufacturing, and agriculture. Within our community this funding has provided the opportunity to develop a sustainable model for acclimating and retaining talent that has resulted in several relocations of highly skilled talent to our region and will provide for many more in the future. Additionally, through this funding we have been able to develop an innovative externship experience (EDventures) that provides secondary educators and influencers the opportunity to immerse into career experiences through visiting more than 10 businesses through this week-long experience. These 70 educators and influencers have translated their new understanding of career pathways into curriculum and relationship for their students – raising awareness and understanding of the many opportunities right here in North Dakota. As workforce shortages persist and evolve, it is essential to sustain and expand programs like RWIP. Continued funding will allow communities to build on their progress, scale successful initiatives, and innovatively address new challenges as they arise.

Automate ND is a forward-thinking initiative that addresses the evolving needs of North Dakota's economy by fostering the adoption of automation and advanced technologies across industries. By supporting businesses in integrating automation, this program not only enhances productivity and competitiveness but also addresses the persistent workforce shortages that many sectors face. Since its inception, Automate ND has provided essential resources, including grants, technical assistance, and training opportunities, enabling businesses to implement automation solutions. These investments have been critical for industries such as manufacturing, agriculture, and energy, which are foundational to North Dakota's economy. Automate ND is also necessary for positioning North Dakota as a leader in technological innovation. By incentivizing the adoption of cutting-edge solutions, the program attracts new investments and strengthens the state's reputation as a hub for advanced industries. Looking ahead, continued support for Automate ND will enable businesses to scale their automation efforts, drive economic growth, and ensure that North Dakota remains competitive in an increasingly technology-driven world. By addressing labor shortages and boosting efficiency, this initiative represents an investment in the long-term success of our state's economy.

As the Legislative Assembly considers this budget, we encourage increased strategic investments in programs like Operation Intern, RWIP, and Automate ND. These initiatives are crucial to attracting talent, addressing regional workforce needs, and driving economic growth through technological innovation.

Thank you for your attention and commitment to North Dakota business community.

Sincerely,



Cale Dunwoody
Vice President of Public Policy
Fargo Moorhead West Fargo Chamber of Commerce

MINOT AREA CHAMBER EDC

Support for SB 2398
House Government and Veterans Affairs
Chairman Schauer
March 6, 2025

Chairman Schauer and Members of the House Government and Veterans Affairs Committee,

I am Brekka Kramer, President | CEO of the Minot Area Chamber EDC (MACEDC). I offer testimony in favor of Senate Bill 2398, which is aimed at protecting crucial missions of the Department of Defense and our national security. MACEDC firmly supports limiting encroachment that could impact force readiness at Minot Air Force Base.

Senate Bill 2398 protects against actions that interfere with or negatively impacts military base testing, training, and other operations. MACEDC supports the legislative intent to discourage activities that interfere with or negatively impact military installation operations, testing, training, and overall force readiness.

The boundary of Minot Air Force Base includes more than the base itself, it includes 15 missile alert facilities, 150 Minuteman II missiles located in underground launch facilities positioned in the 8,500 square mile missile complex in the northwest part of the state.

Minot truly isn't Minot without Minot Air Force Base. Minot Air Force Base is the only installation within the Department of Defense with two legs of the nuclear triad, the 5th Bomb Wing and the 91st Missile Wing. The 5th Bomb Wing and the 91st Missile Wing are Air Force Global Strike Command units. The nuclear triad serves as the backbone of America's national security providing strategic deterrence, global strike and combat support….anytime, anywhere!
It should be noted that North Dakota is also preparing for Sentinel, the weapon system to replace the aging Minuteman III intercontinental ballistic missile system. It represents the critical modernization of the land-based leg of the U.S. nuclear triad.

I have the distinct honor of serving on the North Dakota Military Commission and appreciate the hard work that the Governor and State of North Dakota has done and continues to do in supporting military and making North Dakota the most military friendly state.

Military has an economic impact of around $1.2 billion in North Dakota. Minot Air Force Base is over half that state military economic impact at the newly released $651.6 million (FY24), which is up over $30 million from last year. Minot Air Force Base plays a vital role in our national defense and our state economy, and it is our responsibility to do what we can to protect the installations while allowing for engagement at all levels.

Appreciate your attention to this matter and your commitment to North Dakota.

Thank you,

Brekka Kramer
Minot Area Chamber EDC President | CEO

THE CHAMBER
FARGO MOORHEAD WEST FARGO

Letter of Support – Senate Bill 2018

Monday, March 17, 2025

Chairman Nathe and Members of the House Appropriations Committee – Education and Environment Division,

For the record, my name is Cale Dunwoody, and I serve as Vice President of Public Policy for the Fargo Moorhead West Fargo Chamber of Commerce (FMWF Chamber). On behalf of our more than 1,700 members, I respectfully offer testimony in support of Senate Bill 2018 and urge the committee to include funding for the Base Engagement Grant Program.

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THE CHAMBER
FARGO MOORHEAD WEST FARGO

Sincerely,

Cale Dunwoody
Vice President of Public Policy
Fargo Moorhead West Fargo Chamber of Commerce

Testimony of Briselda Hernandez Herrera in support of SB2018
To the House Appropriations Education and Environment Division
Monday, March 17, 2025

Chairman Nathe, Vice Chairman Swiontek, and Committee Members,
My name is Briselda Hernandez Herrera, and I am the Executive Director of Souris Basin Planning Council (SBPC). SBPC serves **North Dakota Region 2** comprised of Bottineau, Burke, McHenry, Mountrail, Pierce, Renville, and Ward counties.

I come before you today in support of the Regional Workforce Impact Program (RWIP) under SB2018. RWIP provides the necessary funding to advance regional workforce recruitment and retention initiatives. It aligns with our regional economic development strategy goal of preparing and attracting a more robust and resilient workforce to meet employment needs while providing essential infrastructure supports for workforce participation throughout the region. As designed, the program encourages regional collaboration, leading to greater impact. Below are some examples illustrating how our region has benefited from this program.

Daycare Infrastructure
Our region is experiencing a significant shortage of childcare providers. In fact, only 31 percent of potential daycare demand is being met statewide, with Mountrail County having the lowest rate in our region at only six percent. Ragamuffins Ranch Daycare in Stanley received a $500 thousand RWIP grant to expand into a larger facility, increasing the number of slots available in Mountrail County. Owner, Carol Maurer, worked closely with Childcare Aware and the Small Business Development Center to build a growth strategy and ensure business success. Souris Basin Planning Council assisted Carol Maurer with pursuing additional funding opportunities; Ragamuffins Ranch Daycare received $2 million from the Mountrail County Job Development Authority (JDA). We are committed to seeing this project through and are therefore providing project support at no cost. The project will break ground in April/May.

Education and Training Infrastructure
The dental industry has faced a persistent challenge— a shortage of dental assistants and hygienists. There are not enough graduates in our region or state to meet industry demands or patient needs. While Minnesota has 15 accredited institutions helping to fill these roles, North Dakota had only one. Both dental assistants and dental hygienists are listed as in-demand occupations by Job Service ND. Recognizing that we are not training or retaining enough local residents to meet the demand, Dakota College of Bottineau (DCB) added a dental assistant and a dental hygienist program to a new Center for Technical Education being housed in downtown Minot. DCB received RWIP funding for additional training equipment. This program is a long-term solution that will mitigate the concerns of the region, as the program graduates up to 12 new dental assistants every two years.

Regional Workforce Attraction and Retention
With a shrinking and aging workforce, a record low number of unemployed workers to fill jobs, and the number of people looking for work near an all-time low, our region needs to

strategically build its labor pool to build and maintain a thriving economy. Our region needs to grow its labor force by bringing in more workers, but workforce attraction is hard work. People are less likely to move than ever before, and in rural communities, more people are moving out than in. Additionally, communities and organizations do not have the resources and capacity to lead this work on their own. Communities and organizations are taxed with more work to do, and the same community leaders are wearing too many hats. SBPC received an RWIP grant to implement a regional and unified strategy for workforce attraction and retention that focuses on improving the image of the region and reducing the barriers to in-migration. Our project falls under "talent attraction marketing and local implemented strategies," and consists of the following: defining a regional identity and messaging (while helping rural communities find their "niche"); gathering content and stories about living in the region; and developing a platform to house content and share messaging. Communities and organizations in our region are increasingly motivated to work together to cultivate a strong regional economy. Therefore, we will utilize the momentum gained through this initiative to develop additional short-term and long-term strategies. Although the project is considered a one-time expense, it serves as a starting point for developing a comprehensive regional workforce development initiative.

As demonstrated, the RWIP program has made a significant impact in our region. **I am requesting your support for RWIP with a funding amount of $10 million.** Thank you for your time and consideration.

Briselda Hernandez Herrera
briselda@sourisbasin.org
701.712.7308

NORTH Dakota | Commerce
Be Legendary.

Testimony in Support of
Senate Bill No. 2018
House Appropriations: Education and Environment Committee
March 17, 2025

TESTIMONY OF
Chris Schilken, Commissioner, North Dakota Department of Commerce

Chairman Nathe and members of the House Appropriations Education and Environment committee, my name is Chris Schilken, and I have the privilege to serve as the Commissioner for the North Dakota Department of Commerce.

From a procedural point of view, I will provide you with a high-level overview of the agency and our budget and then transition to individual division reports for in-depth analysis.

At a high level, Commerce exists to attract and retain wealth and talent for the state of North Dakota. We accomplish our mission primarily through the attraction of capital and talent through four operational divisions: Workforce Development, Economic Development and Finance, Community Services, and Tourism and Marketing.

Given our limited time, we will not cover all the details of the last biennium, but you will find them throughout the testimony.

Moving into the next action item, you will see a breakdown of our organizational chart. Commerce has a broad and critical mission to play in both the present and the future of the state that we all love. We execute that mission with an extremely lean team of people.

We are authorized for 65.8 FTEs in the 23 –25 biennium fully funded with benefits and seven temporary staff members. (3 FTEs are considered a one–time funding item. We are requesting these positions be appropriated as ongoing FTEs tied to the $120 million in IIJA/IRA Federal Funding exemption in our budget bill).

In the 2023-2025 biennium the legislature approved the following positions:

- 2 FTEs – Global Talent Office - SB 2142. 1 position Hired 7/6/2023 - 1 position start date March 2025.
- 1 FTE – Workforce Talent Attraction Specialist - Hired 7/6/2023 $202,940 transferred from the FTE funding pool.
- 1 FTE – Workforce Grant Administrator - Hired 4/1/2024 $140,000 transferred from the FTE funding pool.
- 3 FTEs – Weatherization & Energy Programs [one time funding - #1 hired 3/04/2024, #2 hired 9/23/2024, #3 vacant]

Our Current Vacant Positions are the following.
Program Administrator- Temporary FTE – position closed; applicants being reviewed.
Workforce Program Manager

Additional funding from the FTE pool could not be requested until March 1, 2025.

Gov. Armstrong's 25-27 Executive Budget Recommendation included the following positions:

- 1 FTE – Procurement Officer
- 1 FTE - North Dakota Development Fund

While we also requested additional funding for the North Dakota Development Fund, we've prioritized the position listed below, which was not approved by the Senate, for inclusion in our budget.

1 FTE – Procurement Officer

Our agency requires a dedicated procurement officer. Currently, five dedicated procurement liaisons work with the Office of Management and Budget's state procurement office. However, internal procurement responsibilities consume 20-25% of our staff's time. We need these team members to focus on their core job duties, not procurement.

Our agency requests the workforce program manager position included in Gov. Armstrong's executive base budget recommendation be restored. The Senate removed this position.

Despite some staff changes, Commerce ended both 2023 and 2024 with four open positions. In 2023, five employees left and one retired. In 2024, three left, two retired, and three were discharged.

In addition to these requests, we wholeheartedly support the Total Rewards package outlined in Gov. Armstrong's executive budget proposal of 3 percent performance increases in years one and two. We are concerned with the ability to attract and retain talent in the current and anticipated future without an increase in salaries. We compete directly with the private sector, and they have caught up regarding the benefit package and we are behind in salaries.

Moving on to audits, our agency audit was conducted by the State Auditor's Office for the 21 – 23 biennia. The findings that are related to the audit are the following.

1. Motion Picture Grant Procedures – Commerce did not follow their normal process for a grant application timeframe.

Commerce disagreed with this finding due to the audit finding and recommendation does not account for the inherent differences between grant programs. Grant programs vary significantly in their time constraints. A one-time, highly sensitive grant with strict seasonal requirements cannot be compared to ongoing programs with application windows spread throughout the biennium.

2. Improper Purchase Card Transactions – Commerce used state issued purchase cards on items that were not appropriate for government funds.

   Commerce will comply with the finding as presented and has been reimbursed by the North Dakota Development Fund, Inc. (NDDF) for all purchase card transactions, including the ones deemed inappropriate in this finding. Corrective actions have been taken as all NDDF purchase cards were cancelled as of May 1, 2024. Commerce will be implementing additional training requirements related to this program this spring.

Next, you will see on the screen as well as in your written materials a high-level overview of our 2025 – 2027 Base Budget Request.

As you can see in our base budget our total budget is almost $87 million, with $33,491,049 in general funds, $43,931,168 in federal funds, and $9,570,440 in special funds.

The next two slides break out our budget by division and then by funding line.

1 Object/Revenue		4 2025-27 Base Budget Request
Description	**Code**	
Administration	601-200	5,788,020
Tourism	601-300	13,418,300
Workforce Development	601-400	7,871,974
Economic Development & Finance	601-500	19,537,405
Division of Community Services	601-600	40,376,958
TOTAL BY APPROPRIATIONS ORGS		**86,992,657**
Salaries and Wages	60110	17,280,669
Operating Expenses	60130	18,503,136
Grants	60160	47,502,465
COVID-19 Response	60161	-
Discretionary Funds	60162	1,850,000
Workforce Enhancement Fund	60163	-
Economic Develop Initiatives	60164	-
Workforce Innovation Network Grant Program	60167	-

Unmanned Aircraft System	60171	-
Partner Programs	60174	907,920
Entrepreneurship Grants	60175	948,467
Legal Immigration	60176	-
CARES Act Funding – 2020	60179	-
American Rescue Plan Act	60180	-
Weatherization and Energy Program	60181	-
TOTAL BY OBJECT SERIES		**86,992,657**
General	GEN	33,491,049
Federal	FED	43,931,168
Special	SPEC	9,570,440
TOTAL BY FUNDS		**86,992,657**
TOTAL AUTHORIZED EMPLOYEES		**62.80**

In Gov. Armstrong's 2025- 2027 executive budget recommendation, the one-time funded items are as follow:

		2025-27 Executive Recommendation				
		General Fund	Federal Fund	Special Fund	Total	FTE
Request Name		**9,827,851**	**388,583**	**150,543,568**	**160,760,002**	**1.00**
FAA Data	One Time	-	-	11,000,000	11,000,000	-
Housing Package	One Time	-	-	50,000,000	50,000,000	-
Drone Replacement	One Time	-	-	15,000,000	15,000,000	-
Agency Operations	Ongoing	1,338,703	290,000	290,413	1,919,116	-
Workforce Division Global Talent Office	Ongoing/One Time	2,000,000	-	-	2,000,000	-
Regional Workforce Grant Program	One Time	-	-	10,000,000	10,000,000	-
North Dakota Development Fund	Transfer	-		50,000,000	50,000,000	
Property valuation increase through improvements	One Time	-	-	5,000,000	5,000,000	-
Tourism Marketing Awareness	One Time	-	-	5,000,000	5,000,000	-
Destination Development	One Time	-	-	15,000,000	15,000,000	-
Technical Skills Training Grant	One Time	2,000,000	-	-	2,000,000	-
Beyond Visual Line of Sight Uncrewed Aircraft System Program	One Time	-	-	20,000,000	20,000,000	-
Procurement Officer	Ongoing	230,104	-	-	230,104	1.00
Find the Good Life	One Time	-	-	5,000,000	5,000,000	-
Beyond Visual Line of Sight Uncrewed Aircraft System Program – Test Site	One Time	1,000,000	-	-	1,000,000	-
Operation Intern	One Time	2,000,000	-	-	2,000,000	-
Legacy Investment for Technology Funds	Transfer	-	-	10,000,000		-
Entrepreneurship and Innovation Grant	One Time	1,259,044	-	-	1,259,044	-
Building Codes	Ongoing	-	98,583	-	98,583	-
Enhanced Use Lease	One Time	-	-	5,000,000	5,000,000	-
Autonomous Agriculture Grant	One Time	-	-	10,000,000	10,000,000	-

Included in the recommendations are the following transfers:

North Dakota Development Fund, Inc. - $50 million
Legacy Investment for Technology Funds (LIFT) - $10 million

Next, you will see an overview of our one-time funding items from the 2023-2025 biennium. These items are as follows:

Workforce Talent Attraction Initiative - $12,000,000 (General Funds) – "Find the Good Life in North Dakota" Campaign. Half of the appropriation to the Tourism/Marketing Division and the other half to the Workforce Division.

Workforce Investment Grant Program - $12,500,000 (General Funds) – Grant Program provides support to organizations addressing workforce challenges and barriers to employment through the North Dakota Regional Workforce Impact Program (RWIP).

Technical Skills Training Grants - $2,000,000 (General Funds) provides grant funding which aims to offset the cost for program providers and employers in their effort to support the development of highly trained skilled workers to meet the demands of our labor market.

New Americans Workforce Training Program - $2,000,000 (General Funds) grant is designed to support eligible employers and community-based organizations in their efforts to recruit, retain, and integrate New Americans in North Dakota.

Motion Picture Production and Recruitment Grant - $600,000 (General Funds) provides grant funding to a North Dakota based organization which can do all filming and production in North Dakota and has a history of distributing impactful motion pictures about North Dakota's land, history, and citizens.

Creamery Assistance Grant - $250,000 (General Funds) provides grant funding to financially boost an existing or emerging creamery business with a plan to advance economic and agricultural objectives within North Dakota.

Base Retention Grants - $1,000,000 (General Funds) provides grant funding to communities with an air force base or air national guard facilities.

Rural Grocery Store Grant - $1,000,000 (General Funds) provides grant funding to support the expansion of sustainable grocery service, access to food, and/or development and expansion of food co-ops in rural areas.

Tribally Controlled College Grant - $500,000 (General Funds) provides grant funding to a tribally controlled community college in the Turtle Mountain region.

Office of Legal Immigration Operating - $2,000,000 (General Funds) in funds to support the operating costs of the Office of Legal Immigration.

Weatherization and Energy Assistance Program - $120,000,000 (Federal Funds) Infrastructure Investment and Jobs Act and the Inflation Reduction Act for weatherization and energy assistance programs. Three full-time positions were included for the administration of weatherization and energy assistance programs for the 2023-25 biennium. The full-time equivalent positions are considered one-time positions.

Parks and Recreation Grants - $1,550,000 (Federal Funds) EDA Travel, Tourism, and Outdoor recreation grant is used to support travel, tourism, and outdoor recreation sectors. The funding is used for operating expenditures for marketing and technical support.

Tourism Destination Development Initiative -$25,000,000 (Special Funds – SIIF) matching grants to create new attractions in North Dakota communities, enable significant expansions of existing attractions and support key amenities aiding the tourism economy across the state.

Beyond Visual Line of Sight (BVLOS) uncrewed aircraft system -$26,000,000 - (Special Funds SIIF) - a grant utilized to defray the costs of the operational activities with deploying a statewide beyond visual line of sight uncrewed aircraft system.

Enhanced Use Lease Grant - $10,000,000 - (Special Funds SIIF) a grant utilized for operating an Enhanced Use Lease program with the United States Air Force to allow for the creation and operation of a private sector development project.

Tourism Marketing Initiative - $5,000,000 - (Special Funds SIIF) Operating dollars to support the Tourism and Marketing division to build the positive public image of North Dakota as a dynamic place to live and work.

Small Business Credit initiative (SSBCI)- $572,143 (Federal Funds) The SSBCI Technical assistance federal funds facilitate the growth of SEDI-owned businesses and VSBs by providing essential legal, accounting, and financial advisory services as part of a broader more comprehensive entrepreneurial training through a cohort-based model.

Workforce Community Service AmeriCorps Program - $785,000 (Federal Funds) - grant program which engages adults in intensive community service work with the goal of "helping others and meeting critical needs in our communities."

Rural Workforce Housing Grant Program - $2,000,000 (Special Funds) - $500,000 in administrative funds ($300,000 in salary and $200,000 in operating) $1,500,000 grant program which is used for the following:

1. Conduct a housing study in the city to identify workforce housing needs, blighted property, and vacant lots within the city.

2. Purchase blighted properties or vacant lots.

3. Remove hazards or structures from blighted properties or vacant lots.

4. Provide up to $10,000 per business for repairs or improvements if the business is in a mixed-use property that will be used for rural workforce housing.

Energy Conservation Grant Program - $14,081,719 (Federal Funds) – Low Income Heating Energy Assistance Program - The program helps eligible North Dakota families with home heating and weatherization costs. Funds are disbursed to the community action agencies who provide the funds to North Dakota citizens who qualify.

Heating and Cooling Grant Program - $3,258,084 (Federal Funds) – Low Income Heating Energy Assistance Program – The program helps eligible North Dakota families with home heating and weatherization costs. Funds are disbursed to the community action agencies who provide the funds to North Dakota citizens who qualify.

Transfer of $10,000,000 to the Legacy Investment for Technology Fund (HB 1018)

Transfer of $65,000,000 (HB 1018) and $30,000,000 (SB 2393) to the North Dakota Development Fund, Inc.

Below is a summary of the fees charged by Commerce. We do not anticipate any changes to these fees during the current or upcoming biennium.

Name or Description of Fee	Amount of Fee	NDCC or NDAC Reference	Fund Where Fee Revenue is Deposited
MHIP Insignia Fee	$50 per insignia	NDCC 54-21.3-08	Community Service Fund 342
MHIP Installer & Inspector Registration Fee	$150 per year	NDCC 54-21.3-08	Community Service Fund 342
MHIP Oversight Inspection Fee	$250 per inspection	NDCC 54-21.3-08	Community Service Fund 342
Innovate ND	$250	NDCC 54-34	Economic Development Fund 330
Tourism Rest Area Brochure Program	$250 per brochure	NDCC 54-34.4	Tourism Fund 443

Tourism Marketing Opportunities	Varies per event	NDCC 54-34.4	Tourism Fund 443

Finally, to recap the amount of federal state fiscal relief funds, all funds are obligated. Commerce did transfer $481,389.44 as of December 2024 to the Department of Corrections per Senate Bill 2393 for unobligated funds. Commerce has until December 2026 to expend the remaining balance of obligated funds for these programs per ARPA guidelines.

Program	SB 2345	Original Appropriation Amount	Remaining Balance to Expend as of January 2025
Workforce Development Incentive Grant	Section 38	$15,000,000.00	$439,554
Technical Skills Training & Workforce Innovation Grant Program	Section 39	$5,000,000.00	$2,268,823

In closing, I would like to request this committee reinstate the Governor's budget recommendations that were amended by the Senate You will hear more details from the division directors on each of these items, but I want to provide you with a high-level overview.

Ongoing Funding

- 1 FTE Workforce Program Manager (Base Budget)
- 1 FTE Procurement Officer
- $100,000 Temporary Salaries General Funds & $200,000 Special Fund Salaries (NDDF)
- $14,036 general funds for cost to continue IT Increases
- $250,0000 in ongoing operating expenses for the Global Talent Office
- To remove the $600,000 designation in our discretionary line for a grant to support an organization dedicated to assisting Native American small businesses in North Dakota.

One Time Funding

- $5 million for Tourism Marketing Awareness. We also request the removal of the obligation of $150,000 for the grant to support the North Dakota State Magazine.
- $5 million for the Find the Good Life Initiative.
- $15 million for an uncrewed aerial vehicle replacement grant program.
- $1.75 million for the Global Talent Office grant program.
- $5 million for the Community Property Improvement grant program.
- $15 million for the Tourism Destination Development grant program.
- $1 million for the Test Site.
- $20 million for Beyond Visual Line of Sight (Vantis).
- $10 million for the Autonomous Agriculture grants.
- $1.25 million for the Entrepreneurship Grants and Vouchers program.
- $10 million for the Regional Workforce Impact Program grant.

Transfer

- $50 million to the North Dakota Development Fund, Inc.
- $10 million for the Legacy Investment for Technology Fund (LIFT).

Mr. Chairman and members of the committee, this concludes my testimony, and I urge you to support SB 2018, I will be happy to stand for any questions that you may have before I turn the podium over to Katie.

TESTIMONY OF

Katie Ralston Howe, Workforce Division Director

Chairman Nathe and members of the committee, I'm Katie Ralston Howe, Workforce Development Director. In my role, I also serve as the executive director of the industry-led Workforce Development Council, which drives the development of the state's workforce strategy. The Council's mission is to advise the Governor and the public concerning the nature and extent of the state's workforce needs and to identify ways to address these needs while maximizing available resources and avoiding unnecessary duplication of effort. Nearly all the programs for which we are requesting funding have been recommended or endorsed by the Workforce Development Council.

Over the past five years, our division has completely transformed the way we serve the state and we've been gaining national, and even international recognition for our innovative work. New initiatives within the last three years include supporting locally led workforce solutions, leading a statewide talent attraction initiative, and helping employers navigate the complex federal immigration system to recruit, hire, and integrate foreign-born workers.

Regional Workforce Impact Program

Launched in April 2022 with $15 million in ARPA funds and sustained with $12.5 million in the 2023-2025 biennium, the RWIP empowers locally led solutions to regional workforce challenges. Recognizing that a one-size-fits-all approach is ineffective, the RWIP ensures equitable access by reserving funding for each of the eight planning regions based on population. Applicants provide a 25% match.

This program has seen tremendous success. To date, we have awarded over $26.5 million to 113 projects statewide, leveraging over $16 million in local match invested. This biennium alone, we had 129 applications for the $12.5 million appropriated last session, and we've awarded 48 projects focused on career exploration, talent attraction, childcare and more. While data on full impact is still being collected, childcare projects alone are supporting 60 facilities, adding 2,529 new childcare slots and 208 new childcare workers. The number of workers grows to more than 6,200 when we look across all project categories, keeping in mind that many projects are still in development and have not yet launched. While the RWIP model has been effective, our goal with the $10 million we're requesting is to make changes in the next biennium to enhance regional planning and strengthen industry partnerships around key workforce needs. The Senate cut this program to $5M, which presents significant challenges for the structure and implementation of this program.

Find the Good Life in North Dakota (FTGL)

"Find the Good Life in North Dakota" (FTGL) is a comprehensive talent attraction initiative using a software system to collect information from job seekers and connect them with suitable communities and employers. This system tracks their progress as they explore opportunities in North Dakota, from initial inquiry to accepting a job and relocating. While many states have

marketing campaigns, North Dakota is taking a hands-on approach to supporting jobseekers in and helping them make their move.

During this biennium, we built an online marketplace to provide direct connections between employers and a national pool of jobseekers who are considering a move to North Dakota. We also expanded our Community Champion Program, a network of community leaders who support job seekers as they explore communities and apply for jobs. Additionally, we partnered with a community to host a fly-in tour, which provided a curated experience for job seekers to engage with employers, targeted industries, and experience the community's quality of life. Most recently, we launched the Relocation of Outstanding Talent (ROOT) grant program, which supports employers in helping out-of-state hires relocate to North Dakota, recognizing that high moving costs can be a barrier for many individuals and families.

Currently, we have over 5,000 job seekers in our pipeline, with more than 2,900 actively engaged in the candidate marketplace, connecting directly with employers. These job seekers represent all 50 states and 25 countries. Our confirmed movers haven't just moved to larger cities, they've also moved to smaller communities, including Bottineau, Towner, Cooperstown, Killdeer, and Beulah, and they've filled jobs in healthcare, hospitality, human resources, accounting, IT, education, retail, manufacturing, skilled trades, and much more.

To date, we're aware of 80 movers and 42 family members who have utilized the services provided by our team and have made the move to North Dakota, totaling 122 new North Dakotans. It's important to note that these figures represent a small fraction of the total number of job seekers impacted by this program as not all enter the formal pipeline, and even among those who do, not all engage enough to be tracked.

The average worker in North Dakota has an economic impact of approximately $25,047 per year. This figure does not account for industry-specific wages, which increases the economic impact, especially considering that many of our movers have filled high paying jobs in critical areas (i.e., physicians, veterinarian in rural community, attorney, accountants, etc.). When we multiply the $25,000 in economic impact by the 80 job seekers we're aware of, we have a biennial impact of $4,007,520. This figure is low, considering it does not factor in industry-specific averages, working spouse income, etc., nor does it account for future movers.

The pipeline we're utilizing gives us a competitive advantage in successfully recruiting people to North Dakota, as it helps us learn about what's most important to them and their families. For those willing to give us a little information, we're able to learn about their educational or professional background and the quality of life that's important to them, which helps us connect them with community champions who can introduce them to local employers in their field. We learn about where they're coming from and their desired timeline for making a move. We also learn whether they've visited or previously lived in North Dakota. More than 80% of the job seekers in our pipeline have never been to North Dakota. Knowing this gives us the

opportunity to cater our messaging in a way that helps them learn about what we have to offer.

Investing in talent attraction is a critical component of our workforce strategy as recruiting new workers and families is just as important as retaining the ones we have. It's important to keep in mind that it takes time for talent attraction initiatives to produce results, and we need communities that are prepared to support the kind of workforce growth we need to fill our jobs and grow our economy. Some of the challenges we need to overcome are:

- Lack of awareness.
- High relocation costs.
- Limited availability of affordable housing and childcare.
- Employer perceptions and willingness to consider out-of-state candidates.

We are asking for $5 million to sustain our talent attraction efforts, which are shared across both the Workforce and Tourism and Marketing Divisions. Our goals in the next biennium include increasing employers' utilization of the candidate marketplace to source candidates, implementing a strategy specifically for rural communities, interacting more directly with prospective residents, and working closely with the Global Talent Office to track and assist international candidates. The Senate shifted some of our requested funding to broader marketing efforts and zeroed out the programmatic side of this work which would eliminate our ability to track jobseekers and their move to North Dakota altogether. As a workforce system, it's critical to have investment in all areas: education, CTE, upskilling, job placement, and more. No longer investing in efforts to attract out-of-state workers will put pressure on the rest of the workforce system to solve a problem they are not equipped to solve, because we simply do not have enough people in North Dakota to fill our jobs which means we need to recruit. This is one piece of the state's workforce strategy that the Workforce Development Division leads, and we will not be able to continue supporting employers and communities in their recruitment efforts without this funding.

Global Talent Office

With the passage of SB 2142 last session, Commerce was tasked with developing and implementing a statewide strategy to support businesses in recruiting and retaining foreign labor, including immigrants already in the United States and integration of immigrants into the state to promote economic opportunities, in addition to advising and making recommendations to the governor, legislative assembly, and state agencies regarding immigrant integration and foreign labor issues. Throughout the last 18 months, the Office of Legal Immigration (OLI) has fostered collaboration between agencies, global partners, and government bodies, facilitating the movement and integration of international talent into the state. The office has quickly become a national leader, demonstrating how states can support businesses that are considering or actively pursuing foreign-born workers to meet their workforce needs. In addition to completing the report required in SB 2142, which helped us

clarify the scope and goals of our office, we have been providing learning opportunities for employers and connecting them with organizations that facilitate the recruitment of foreign-born workers.

Since the passage of SB 2142 last session, we've spent a lot of time fielding questions related to the type of work we do. Many of these questions have centered around direct recruitment of foreign-born jobseekers, Visa applications or certification, immigration and customs enforcement, legal consultation, and certification of jobs for Visa applications. We do not perform any of these functions. For these reasons and many others, we would like to change the name of the office to Global Talent Office to better reflect the work we're doing to help employers navigate the federal immigration process to address their workforce needs. The Senate accepted this amendment and we're hopeful that the House will as well.

In terms of activity, we've moved relatively quickly. Below is a timeline of the work we've done:

- August 1, 2023: SB 2142 takes effect; we draft and post an RFP to contract a vendor to perform the statewide study required in the bill. We also reached out to other states that have similar offices and national organizations to learn best practices, and we were accepted into the competitive Skilled Immigrant Integration Program through World Education Services.
- Fall 2023: The OMB bill is taken up in the 2023 special legislative session. The $2 million in operating dollars for the office were included in that bill, so we were advised to hold off on offering a contract to our vendor. This delay pushed the start of our work to early December 2023.
- December 2023: We enter into a contract with Dalberg Advisors and Labor and Mobility Partners (LaMP), and they started engaging with North Dakota employers, community-based organizations (CBO), non-profits that serve immigrant communities, state agencies, colleges and universities, and more to identify the best way for OLI to serve the state.
- May 2024: The final report, which shaped our strategies for activating the scope of work that was included in SB 2142 is published.
- Spring/Summer 2024: Engagement with national and international subject-matter experts to identify recruitment pipelines and programs that may be beneficial for North Dakota employers ramps up.
- August 2024: We host the inaugural Global Talent Summit, giving employers and CBOs opportunities to learn about visa programs and how to start the process, OPT pathways, recruiting work-authorized immigrants from other parts of the United States, and how to integrate foreign-born workers into their companies and communities.
- Fall 2024: We continue offering learning opportunities via webinars and online materials.
- October 2024: Many employers start to formalize recruitment strategies with the recruiters they met through our work.

- December 2024: Foreign-born workers begin arriving and working in the state using E3 Visas, secondary migration, and OPT pathways.

When it comes to immigration processes, a four-month turnaround is incredibly fast. Since December, nine employers have successfully recruited 15 employees. Some of these workers have even brought their families, which includes spouses who are also employed in North Dakota and children who are attending local schools. We have 26 more employers who are in the process of recruiting international workers, secondary migrants, or OPT students/graduates. It's worth noting that 10 of the organizations we're supporting are long-term care facilities that are recruiting nurses from Australia utilizing the E3 visa.

In addition to establishing effective international and domestic recruitment pipelines for various occupations, from entry-level to advanced degrees, we launched a grant program designed for employers pursuing or employing immigrants, and to support communities in developing immigrant integration plans and activities. Finally, we are also working to procure technology that can help employers access translation and English language learning tools for foreign-born employees.

Our goals for the next biennium include expanding our reach and establishing additional recruitment pipelines, increasing the number of recruited workers, sustaining the New American workforce grant, and hosting another Global Talent Summit to connect North Dakota businesses and communities with global talent recruitment and integration resources. We are requesting $2 million; however, the Senate cut this budget item to $1 million.

Operation Intern

For years, our division has been known for Operation Intern, established in 2007 and continuing to grow in demand. Operation Intern provides wage matching for companies creating internships and apprenticeships. Demand is so high that the 2024 application window closed in just one day due to funding limitations. We now maintain a waitlist for unfunded applicants. Funding all businesses on the 2024 waitlist would more than double the program's reach for that year. We are requesting $2 million in addition to the existing $1 million base in the budget due to the high demand of the Operation Intern program.

- **Biennial Funding:** $3 million ($1million/base; additional $2 million)
- **Participating Businesses:** 2023: 62; 2024: 62; Biennial Total: 124
- **Interns Served:** 2023: 218; 2024: 224; Biennial Total: 442

Technical Skills Training Grant

The Technical Skills Training Grant supports new and expanding accelerated skilled workforce training programs for displaced workers. This program offsets costs for providers and employers supporting the development of skilled workers to meet labor market demands. The legislature has provided additional funding to maintain the program, including $2 million this

biennium. We are requesting to restore the funding at $2 million to further the number of businesses and interns served by this program.

This program has three tracks, each focused on developing or expanding a highly skilled workforce:

- **Track A:** Designed for new and expanding accelerated, non-degree training programs that prepare trainees for new jobs. Applicants are eligible for up to $200,000.

- **Track B:** Designed for companies providing internal upskilling opportunities for existing staff to promote advancement, create comprehensive onboarding and new worker training, or provide safety training. Applicants are eligible for up to $100,000.

- **Track C:** Supports workforce automation enhancements, including training and upskilling related to automated equipment and technology, or developing new or enhanced automation strategies (excluding the purchase of equipment). Applicants are eligible for up to $200,000 for training and upskilling or up to $100,000 for an automation feasibility study.

All tracks require a 1:1 match.

Since its inception, the grant has supported programs in healthcare, energy, transportation and logistics, AI, welding, UAS, automation, and more. This biennium, we've obligated $1,402,200 for 31 training programs, upskilling and reskilling workers statewide. Overall, the grant has supported 76 training programs with a total capacity of over 1,750 trainees. Most of these sustainable programs will continue to prepare workers for years to come.

AmeriCorps

Finally, our AmeriCorps program awards grants to non-profits, faith-based and community organizations, public agencies, tribes, and institutions of higher education for service-based programs throughout the state. As a federal program, AmeriCorps requires a state match.

- **Grant Year 2022-2023:**
  - 6 Projects
  - 171 AmeriCorps members
  - Over 90,000 service hours
  - $554,707 in education assistance awarded (Segal Education Award)
- **Grant Year 2023-2024:**
  - 6 Projects
  - 157 AmeriCorps members
  - Over 90,000 service hours
  - $483,670 in education assistance awarded (Segal Education Award)

The following AmeriCorps projects impact 68 service locations statewide:

- **Southeast Education Cooperative:**
  - Reading and Math Corps: 65 members serving communities statewide (focused on literacy and math).
  - Early Education: 20 members serving statewide (focused on early education).
- **Souris Basin Planning Council:** 24 members serving statewide (focused on capacity building).
- **Cooperstown Community Activities:** 10 members serving in Cooperstown (focused on afterschool programs and healthy futures).
- **Jamestown Parks and Recreation:** 8 members serving in Jamestown (focused on education and healthy futures).
- **Strengthen ND:** 110 members serving rural North Dakota (focused on capacity building).
- **Sanford Foundation:** 8 members serving the Fargo area (focused on youth mentorship).

We are asking for $552,312 to meet the required state match for this program. (Note: $444K is literacy grant; total is in our base budget).

In closing, here is a list of our requests:

- RWIP: $10M
- FTGL: $5M
- Global Talent: $2M
- Operation Intern: $2M additional ($1M in base budget)
- TSTG: $2M
- AmeriCorps: $552,312 (in base budget)

Thank you for your investment in workforce development this biennium. It takes time to see results in workforce and we're proud of the progress we're seeing across all our programs. We need to continue investing in the strategies that are working while also helping our communities prepare for the necessary growth that's needed to support an increase in our workforce.

Mr. Chairman and committee members, this concludes my testimony. I'm happy to answer any questions. I am going to pass over to Rich.

TESTIMONY OF

Rich Garman, Economic Development & Finance Director

Chairman Nathe and members of the House Appropriations Education and Environment committee, my name is Rich Garman, and I am honored to serve as the Director of the Economic Development & Finance (ED&F) Division.

In that role I have worked with the ED&F team to promote and expand economic opportunities for North Dakota. Before joining Commerce, I spent over 30 years in the energy industry working on specific economic development projects. That experience has been valuable in addressing the complex challenges and opportunities currently before us, many of which have significant energy components.

Natural Resources and Economic Development

North Dakota's rich natural resources, world-class agriculture, and business-friendly policies have driven record oil and gas production, generating substantial tax revenue. However, increasing gas production is pushing our natural gas export pipelines toward capacity, creating a "natural gas wall" that could constrain oil production and impact state revenue. The best solution is to attract industries that can utilize natural gas in-state, adding value and driving economic growth. Expanding gas distribution infrastructure is critical to support this.

Energy and Electrical Challenges

Beyond the "natural gas wall," we face a regional "electrical supply cliff." North Dakota produces approximately 3,200 MW of net electricity, much of which is exported. Modern industries, like data centers and AI facilities, require immense electrical capacity—some projects exceeding 1,000 MW. This demand presents an opportunity: converting our abundant natural gas into electricity via combined cycle combustion turbines. This addresses the "natural gas wall" and provides a reliable power source for large-scale projects.

Value-Added Agriculture Successes

North Dakota has made remarkable progress in value-added agriculture. From 2022 to 2024, soybean processing capacity increased from 0% to over 50% of annual production. Facilities in Spiritwood and Casselton process over 275,000 bushels daily, producing refined soybean oil for a renewable diesel facility near Dickinson (184 million gallons annually). The ethanol industry also processes over 210 million bushels of corn annually, producing 550 million gallons of ethanol and over a million tons of DDGs, supporting livestock and creating opportunities for ventures like sustainable aviation fuel (SAF). A Richardton facility is being converted to produce SAF.

Autonomous Agriculture

Grand Farm, a North Dakota initiative, has made significant strides in advancing agricultural technology (AgTech):

- **Phase 1 of the Innovation Campus** completion allows for collaboration, research, and demonstrations aimed at driving advancements in agriculture.
- **Federal Funding for AgTech Innovation** was secured, supporting programs that expand economic opportunities by leveraging North Dakota's existing strengths in AgTech.
- **State Support and Matching Grants** have positioned North Dakota as a leader in AgTech innovation.
- **Collaborative Research and Development** with universities and the USDA has secured funding for continued AgTech research.

To continue this vital research and progress in this field, we are requesting a $10 million appropriation for the Autonomous Agriculture grant for the 2025-2027 biennium.

Synergy Between Energy and Agriculture
North Dakota's leadership in agriculture and energy creates unique synergies. By aligning these sectors, we can maximize the value of our resources. Examples include:

- Soybean and ethanol byproducts fueling renewable energy production.
- Feedstocks supporting the growing animal agriculture sector, including cattle and dairy operations.
- Collaboration between energy producers and agricultural processors to drive innovation and sustainability.

These synergies strengthen and diversify our economy, ensuring long-term resilience and growth.

Uncrewed Aircraft Systems
North Dakota is a leader in Uncrewed Aircraft Systems (UAS), with the Northern Plains UAS Test Site and Grand Sky attracting major companies like Northrop Grumman and General Atomics. North Dakota is continuing to develop Vantis as a state-of-the-art operations system for UAS.

Northern Plains UAS Test Site:

- Project ULTRA (collaboration with Grand Sky DoD).
- Pioneering Beyond Visual Line of Sight (BVLOS) operations.
- Administers Vantis, North Dakota's statewide UAS network for BVLOS operations.
- First participant in the FAA's Radar Data Pathfinder program, enhancing complex UAS operations. To secure this opportunity, the recently passed HB 1038 will appropriate $11 million to the Northern Plains Test Site.

- The drone buyback program, an additional project for adversarial UAS platforms, was not passed in HB 1038, but is funded through the Commerce budget.

Northern Plains UAS Test Site is requesting a budget appropriation of $1 million in addition to a base budget of $3 million.

Enhanced Use Lease Agreement:

- Managed by “Grand Sky”.
- Pioneering BVLOS operations.
- Attracting industry leaders (Northrop Grumman, General Atomics).
    - Dedicated UAS infrastructure: runways, hangars, satellite communication, FAA airspace integration.
    - Grand Sky UAS Operations Center: real-time monitoring, training, and air traffic management development.
    - Department of Defense Projects
        - Project ULTRA - Initiative focuses on enhancing the Department of Defense's capabilities through advanced UAS technology.
    - Trade and Industry Development
        - Expansion of Facilities

          Grand Sky has been expanding its infrastructure to support future growth. In the fall of 2021, the park celebrated the opening of an 18,000-square-foot Multi-Tenant Building 1, designed to accommodate multiple tenants and support the increasing demand for UAS operations and research facilities.
    - General Atomics Expansion
        - General Atomics, a key tenant at Grand Sky, announced plans to more than triple its presence at the park. The company's leased space is set to expand from 5.5 acres to 20 acres, indicating a significant commitment to advancing UAS technologies and operations within the park's ecosystem.
    - Sky Range Initiative
        - Grand Sky is also contributing to the Sky Range initiative, which aims to replace traditional testing methods for hypersonic weapons with modified Global Hawk UAS. This approach allows for quicker, more frequent, and cost-effective deployment of testing platforms, enhancing the development of advanced defense technologies.

- These projects underscore Grand Sky's role as a leading hub for UAS innovation, supporting both commercial and defense sectors in advancing unmanned aerial technology.
- Build out of additional infrastructure to support these initiatives with an appropriation in Governor Armstrong's executive budget of $5 million.

Conclusion
North Dakota is well-positioned to address challenges and seize opportunities in energy, and advanced industries through strategic investments and value-added development. This will create jobs, drive innovation, and secure a prosperous future.

Chairman Nathe and committee members, this concludes my testimony, and I ask for your support for Senate Bill 2018. I would be happy to answer any questions.

Mr. Chairman and members of the committee, I would like to now turn the podium over to Shayden Akason.

TESTIMONY OF
Shayden Akason, Economic Development & Finance Deputy Director

LIFT Program
Legacy Investment for Technology Loan Fund (LIFT) fosters technology innovation. Since inception, LIFT has awarded over $44.77 million across 71 projects (average award: ~$630,000) in sectors like healthcare, ag tech, and advanced computing.

- 2019-21: $14.99 million to 21 projects.
- 2021-23: $18.4 million to 26 projects.
- 2023-25: $11.38 million to 24 projects (including a one-time funding round).

LIFT has significantly impacted various industries:

- Healthcare: $13.15 million (29%) for medical technology and services.
- Advanced Computing & Data Management: $9.82 million (22%) for digital transformation.
- Agriculture Technology: $8.52 million (19%) for agricultural solutions.
- Uncrewed Aircraft Systems (UAS): $5.15 million (12%) for drone technology.

LIFT emphasizes startups (58% of funds), helping them enter markets, leverage private capital, and create jobs.

Examples:

- **Paving technology business in Fargo:** Web-based asphalt paving software.
    - July 2023: $250,000 loan.
    - March 2024: $500,000 loan.
    - Grown from 2 to 8 employees, raised $1.3 million in private capital, 100+ customers in all 50 states.
- **A chemical injection automation solutions company in Williston:**
    - January 2023: $750,000 loan for R&D.
    - Developed new technology, increased employees from 9 to 15, 42% annual sales growth.
- **Fargo-based immersive media company:** Workforce development via VR.
    - March 2022: $500,000 loan.
    - Championed HB 1232, expanded to other states, increased employees from 5 to 14, 4X sales growth.
- **Medical device/ventilator manufacturer in Fargo:**
    - 2022: $1,000,000 loan for RESPOND ventilator.
    - 2022: $3,000,000 loan (NDDF).
    - $296,500 for telemedicine solution.
    - 24 FTEs, 9 interns, FDA clearance for RESPOND ventilator.

We will be requesting a budget transfer in the amount $10 million for the 2025-2027 biennium to continue the vital work of LIFT.

Innovate ND

Innovate ND remains a cornerstone of North Dakota's commitment to fostering entrepreneurship and driving economic development. This voucher reimbursement program provides North Dakota entrepreneurs with resources and expert guidance to transform innovative ideas into scalable businesses.

During the 2021-23 biennium, Innovate ND supported 72 startups with over $860,000, leading to 23 successful graduates. Last biennium, Innovate ND processed 103 applications, demonstrating strong demand. Twelve companies were accepted, with seven successfully graduating, two remaining active, and three exiting the program. These results underscore the program's focus on supporting later-stage, high-potential businesses.

Program spending includes:

- **Phase 1 Reimbursements:** $60,000
- **Phase 2 Reimbursements:** $104,701
- **Total Entrepreneur Support:** $164,701
- **Administration (Entrepreneur Centers):** $350,000

This allocation ensures efficient use of resources, providing both financial support and expert coaching through the program's two phases: Phase 1 ($7,500 reimbursement) and Phase 2 ($15,000 reimbursement). Participants have three months per phase to focus on customer validation, product development, and business roadmap creation.

This biennium, the program has prioritized later-stage companies with validated ideas and scalable growth potential, maximizing ROI for state resources.

Innovate ND is administered through partnerships with four Entrepreneur Centers:

- A center dedicated to supporting women entrepreneurs in North Dakota.
- An entrepreneurial hub in the Jamestown region.
- A research and technology facility in Fargo.
- An innovation center in Grand Forks.

These centers provide guidance on the lean business model canvas, customer identification, and market validation, helping entrepreneurs build scalable businesses with potential for Primary Sector Certification.

Innovate ND received base-budget level funding this biennium and we support the additional requested funding in Gov. Armstrong's budget in the amount of $1,259,044 bringing the program total to $2 million. This will allow us to maximize impact, supporting startups with the greatest promise. Partnering with organizations focused on providing training and development programs further strengthen North Dakota's entrepreneurial ecosystem, providing cohort-based entrepreneurship education through federal funding.

As demand grows, Innovate ND remains committed to adapting to the needs of North Dakota's entrepreneurs and contributing to economic diversification.

North Dakota Development Fund, Inc.

Childcare Loan Program

The North Dakota Development Fund's Childcare Loan Program addresses a critical barrier to workforce participation: access to quality, affordable childcare. Sufficient childcare capacity is crucial for economic success. Without it, parents cannot fully participate in the workforce, limiting individual opportunity and business growth. The NDDF administers a low-interest loan program supporting the establishment and expansion of childcare facilities statewide.

This biennium:

- **19 childcare loans** issued, totaling **$5,830,923**.
- **1,098 childcare spots created** or expanded, directly benefiting families and communities.

This program is a targeted solution to a pressing economic challenge, addressing:

1. **Workforce Development**: Increased capacity enables more parents to join/remain in the workforce, alleviating labor shortages and driving productivity.
2. **Community Growth**: Reliable childcare makes communities more attractive to young families and new residents, supporting population growth and economic stability.
3. **Business Benefits**: Companies benefit from a more stable and available workforce.

These 1,098 additional childcare spots represent opportunities for parents, thriving children, and stronger communities.

Specific NDDF Investments (Biennium and Previous)

A company specializing in innovative energy solutions: Provides mobile flare gas capture and CNG fueling in the Bakken. This solution converts and recycles flared natural gas into a valuable fuel source (CNG), offering a complete solution for eliminating flaring at well sites and ensuring downstream markets for the CNG and NGLs produced.

- NDDF Investment: $3 million (2024)
- FTEs: 60 (drivers, logistics coordinators, facility operators, finance, administration)
- Synopsis: The NDDF investment supports the completion of four micro-units currently in production. Once completed, this company will have the capacity to capture 20 million cubic feet of gas per day, addressing more than 10% of total North Dakota flaring.

A Fargo-based ag-tech company providing digital tools for agronomists: This ag-tech company's platform gives agricultural advisors a comprehensive view of above- and below-ground conditions, enabling better crop and soil recommendations and more complete services for growers.

- NDDF Investments: $750,000 (2016); $750,000 (2021)
- Angel Match Program Investment: $250,000 (2023)
- FTEs: 12-14

- Traction: Acreage under management has grown tenfold, from 2.7 million acres in 2021 to over 27 million acres in 2024. This growth reflects increasing customer adoption and expanding annual recurring revenue.
- Private Capital: They launched a new capital raise in 2024 and are making significant progress in securing investment.
- Synopsis: Early NDDF investments played a key role in helping this company refine its business plan, build its leadership team, and develop its product. Today, with significant traction in the market, they are well-positioned to complete a private capital round, scale its operations, grow its market share, and capture new opportunities.

A long-established ethanol production facility near Richardton: The facility uses corn to produce renewable fuel and valuable co-products, including dried distiller's grains, wet cake, and corn oil.

- NDDF Investments: $750,000 (2006); $500,000 (2006) (*NDDF purchased BND's NVCP assets in 2019).
- FTEs: 47/$4 million annual payroll
- Synopsis: In December 2024, facility members approved the sale of their assets to a renewable chemicals and biofuels company for $210 million. The biofuels company will continue and potentially expand operations in Richardton. Facility members will receive distributions from the sale proceeds starting in 2025. The initial NDDF investment has been repaid, and the NDDF will realize a return on its NVCP investment.

An organization that operates childcare facilities in several North Dakota communities: NDDF financing supported the expansion of its Jamestown facility.

- NDDF Investments: $100,000 (2023); $296,250 (2024)
- Synopsis: The NDDF provides financial assistance to new and expanding childcare providers across North Dakota. NDDF Childcare Loan Program proceeds can be used for acquiring, leasing, or remodeling facilities, purchasing equipment, or for working capital.

A Valley City metal and machining shop: with a 55,000 sq ft facility, specializing in laser cutting, bending, welding, and painting for major bus, agriculture, and construction manufacturers.

- Automate ND Grant: $500,000 (2024); total project cost exceeding $1.2 million.
- Project Description: The grant supports the purchase and installation of a robotic cell, including a fully integrated brake press.

- Anticipated Benefits: This automation will help the company offset workforce shortages, increase productivity and efficiency, improve employee safety, and provide opportunities for employee upskilling.
- Synopsis: The metal and machining shop is using a $500,000 Automate ND grant to implement a $1.2 million robotic cell. This new equipment is crucial for fulfilling existing contracts and has already helped secure new business. Through the Automate ND program, the NDDF has awarded over $4.9 million in matching grants to North Dakota primary sector businesses to automate manual processes, mitigating workforce shortages and strengthening these businesses.

We support Gov. Armstrong's budget in the amount of $50 million. This will allow us to maximize impact, supporting investments with the greatest promise. Partnering with organizations focused on providing projects that will further strengthen North Dakota's entrepreneurial ecosystem and encouraging diverse growth in business sectors.

Chairman Nathe and committee members, this concludes my testimony, and I ask for your support for SB 2018. I would be happy to answer any questions.

Mr. Chairman and members of the committee, I would like to now turn the podium over to Maria.

Thank you, Shayden.

TESTIMONY OF

Maria Effertz, Division of Community Services Director

Good afternoon, Mr. Chairman and members of the committee.

My name is Maria Effertz, and I am the Division of Community Services director at Commerce.

Community Services supports North Dakota residents and communities by administering state-allocated grants, as well as formula and applied funds from federal grants delivered by the U.S. Department of Housing and Urban Development (HUD), the Office of Community Services, and the Department of Energy (DOE).

Additionally, we house the Office of Community Development and Rural Prosperity (CDRP), whose team uses a "whole-of-government" approach to support community development and non-primary economic activities.

Every member of our team understands and is proud to support our mission: to provide assistance to local governments and state agencies in community and rural planning and development, policy research and development, and grant program implementation.

The DCS budget is based on continued funding for federally authorized programs we administer annually, along with new funds from the Inflation Reduction Act (IRA) and Infrastructure Investment and Jobs Act (IIJA). DCS staff manages the following programs (I would be happy to provide more detail upon request):

- Housing and Urban Development (HUD)
    - Community Development Block Grant (CDBG)
    - Manufactured Home oversight, licensing, and installation
- Office of Health and Human Services Administration for Children and Families
    - Community Services Block Grant (CSBG)
- North Dakota State Building Codes
- North Dakota Renaissance Zone (RZ)
- North Dakota Energy Conservation Grant (ECG)
- Office of Community Development and Rural Prosperity (CDRP)
- Department of Energy (DOE)
    - Weatherization and Low-Income Heating and Energy Assistance Program (LIHEAP)
    - State Energy Program (SEP) annual allocation.
    - State Energy Program Inflation and Investment Jobs Act (SEP-IIJA)
    - Home Efficiency Rebate (HER)
    - Home Electrification and Appliance Rebate (HEAR)

We are respectfully requesting the return of 3 FTE positions previously authorized for the 2023-25 biennium as one-time FTE positions because of federal funding becoming available for weatherization and energy programs from the Infrastructure Investment and Jobs Act and Inflation Reduction Act. Funding for the positions was provided with one-time funding from federal funds for the 2023-25 biennium. The funding for the positions is included in a separate section of the bill authorizing Commerce an exemption to continue unspent federal funding from the 2023-25 biennium into the 2025-27 biennium. These are fully federally funded positions, and we request them to be ongoing.

The Office of Community Development and Rural Prosperity (CDRP) was created in January to support communities across the state through smart efficient infrastructure; supporting a 21st-century workforce; resourcing vibrant healthy community programs; and connecting programs to people to diversify industry and support Main Street businesses.

Using a "whole of government" approach, the CDRP team provided resources and guidance to 110 communities, including educational webinars, summits, and programming. We also hosted the inaugural North Dakota Rural Planning Symposium in February that successfully brought together over 100 community developers, policymakers, and industry leaders from across the state to foster collaboration and share actionable solutions for building vibrant and sustainable rural communities.

This team also successfully managed two legislative-funded pilot programs: Sustainable Food and Community and Rural Workforce Housing/Rural Grocery Store Grant.

The 2023/25 Legislature authorized two separate grants to support rural communities. The Rural Sustainable Food pilot program was divided into two components to allow communities to tailor solutions to their specific needs. This $1 million grant provided funding to communities serving 258,437 citizens. The Commerce budget does not include additional funding for this program, but SB 2228 renews this funding and has been passed by Senate.

The second pilot program administered by this team was the Rural Workforce Housing Program pilot. This program, funded at $1.5 million for projects, combined two requests and focused on four legislative intent areas: conducting housing studies; purchasing blighted properties or vacant lots; removing hazards or structures from blighted properties; and providing up to $10,000 per business for improvements if the business is in a mixed-use property.

This successful program quickly demonstrated the significant impact of a small amount of funding on rural housing.

Here are a few examples:

- Oakes received funding for six lots with dilapidated homes and/or buildings. The initial valuation of the four completed lots was $127,800, with an average tax collection of $439.00. With new homes valued at or near $250,000, the average taxable collection will be $3,188.41 – a more than seven-fold increase – placing six new homes and at least six new families in the community and supporting the appraisal gap.

- Sheyenne received $41,500 to clean up two infill lots. Before completion, a four-bedroom house was donated to the city, and two families expressed interest in building on the second lot. The two properties were assessed at $27,300 before cleaning up, with a total tax collection of $439. With new homes and families, the anticipated tax collection is over $7,000, and two new families will live, work, and contribute to this rural community.

- Casselton received $10,000 for improvements to mixed-use housing, prompting a private developer to improve nine apartments in multi-use buildings (above retail spaces). This increase in living spaces also inspired the city council to review and adjust their parking requirements.

Workforce housing remains a statewide need, but rural areas face multiple development challenges, including significant appraisal gaps due to a lack of new construction, a shortage of local contractors and building professionals, a lack of infill lots, and the high cost of construction and infrastructure. The Red River Regional Council, in partnership with the local community housing development organization, built two new homes in Lakota, North Dakota. This opened two existing homes for first-time homebuyers, immediately adding workforce and families, improving baseline property tax rates, and modeling rural housing success. SB 2225, passed by the Senate, includes funds to support regions, communities, and local political subdivisions for housing development, with additional funding to support community revitalization through slum and blight cleanup. These grant dollars will improve lots, increasing workforce and families, and ultimately sustain affordable local property taxes.

As written in Gov. Armstrong's budget, we request the $5 million for Community Revitalization to support communities be placed back into the budget to support political subdivisions to create spaces that foster workforce housing, economic development, and vibrant areas to attract and retain citizens be placed back in the Commerce budget.

Mr. Chairman and committee members, this concludes my testimony, and I ask for your support for SB 2018. I would be happy to answer any questions. I'll pass it over to Sara.

TESTIMONY OF

Sara Otte Coleman, Director of Tourism & Marketing

Chairman Nathe and members of the House Appropriations Education and Environment committee, I am Sara Otte Coleman and have directed the Tourism Division at the North Dakota Department of Commerce since 2003 and also manage the broader Commerce and state marketing strategy along with the "*Find the Good Life in North Dakota*" consumer-focused talent attraction marketing campaign.

Our mission is specific to improving the awareness of North Dakota and improving our image which supports the economy by inspiring visitors to explore our communities and the 3,100 businesses that depend on tourism revenue for their sustainability. Our marketing also elevates the success of all Commerce divisions and programs.

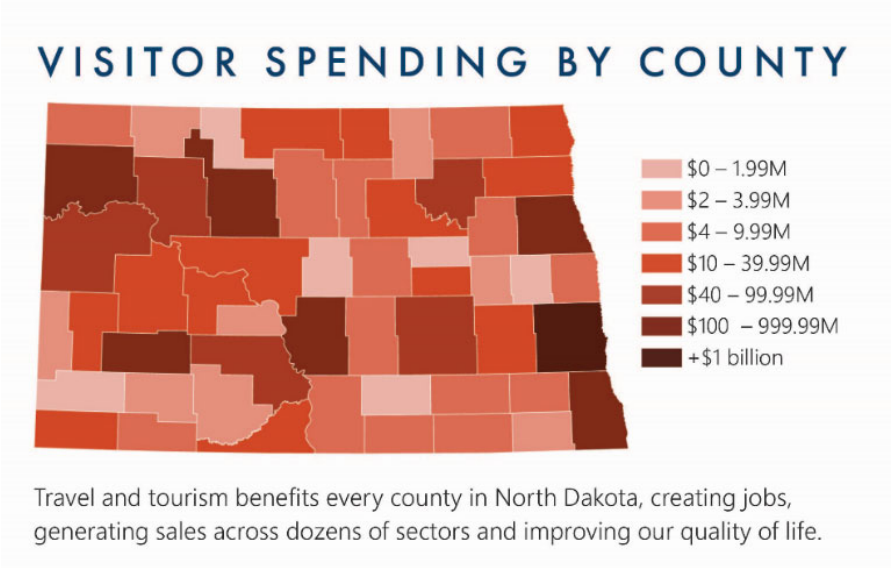
Our work is primarily focused in the following areas:

- Paid advertising (tourism and workforce)
- Proactive media and influencer recruitment (tourism, quality of life, workforce, and business/industries)
- Global tourism marketing
- Outdoor niche promotions
- Visitor support and services
- Tourism business and partner support
- Tourism business development

Transparency and Results

We are focused on achieving measurable results and using data to inform decisions, maximizing the ROI for the state's marketing dollars. Our annual Tourism Satellite Account (TSA) research provides economic data on the travel and tourism industry's impact, including county-level breakdowns by sector to support local management.

In 2023, North Dakota saw a 5.3% increase in visitation, reaching 25.6 million visitors. These travelers spent $3.3 billion statewide. While these numbers are strong, we see opportunities for growth, as 17.8 million of those visitors were day-visitors who did not spend a single night in our state.



We also provide quarterly dashboards on key travel metrics including hotel occupancy, Canadian border crossings, airline deplanements and Theodore Roosevelt National Park visitation, and we report on our marketing efforts and results. These reports can be found at https://www.commerce.nd.gov/tourism-marketing/research-and-reports. Our 2024 comprehensive annual report was distributed to all legislators on March 5.

Visitation Metrics for 2024

- Airport Arrivals – 1,238,278 (+8.8%)
- National Park Visits – 763,175 (-1.6%)
- Hotel Occupancy – 57.8% YTD December (+0.3%)
- Total Hotel Revenue - $548,225,314 (+5.8%)
- Border Crossings – 484,969 (+10.2%)
- Taxable Sales and Purchases
    - Accommodations and Food Services - $2,210,367,345 (+1.98%)
    - Arts, Entertainment, and Recreation - $180,980,266 (+7.93%)

We did see the growth percentage decline in Q4 and we expect that softening to continue as January arrivals were down. This is due to several factors including strong marketing budgets in our region, the economy and concerns from Canadian travelers.

Marketing

Our 2023-2025 budget enabled a $6 million dollar media advertising budget that targeted the regional states of Minnesota, Wisconsin, Illinois, South Dakota, Montana and provinces of Manitoba and Saskatchewan. We have expanded advertising into the Denver DMA, Arizona, and Nevada based on targeted messaging and longer stays identified through our geolocation data.

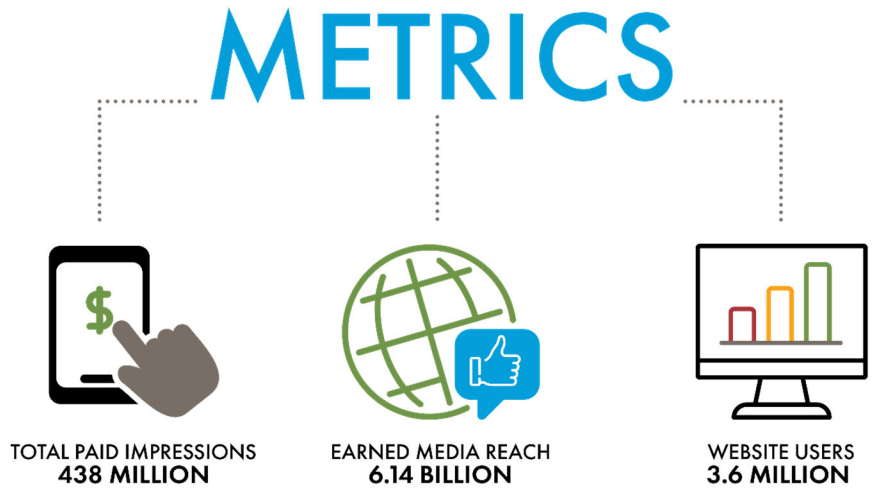
Marketing Results

The 2024 tourism marketing campaign reached more than 439 million total impressions, with digital advertising garnering 132 million impressions, 521,562 ad clicks, and 17 million video completions.

NDtourism.com is North Dakota's front door and had more than 3.6 million sessions in 2024. This represents a 30% increase in traffic compared to 2023 and a new high for website traffic.

Our strong creative designs and placements have resulted in bonus advertising opportunities. For example, trains wrapped in Chicago displayed our advertising from May through July in both 2023 and 2024. Both North Dakota-branded trains continue to operate, generating an estimated 50 million bonus impressions.

Geolocation data verified more than 7.4 million domestic road trips last year with a slight increase in overnight stays. Additionally, geolocation tracking monitored advertising exposure on mobile devices and showed a 23.5% lift (increase) in ad-exposed devices compared to those devices that did not receive ad impressions.



Earned Media

Our proactive outreach to national and global media resulted in a significant increase in earned media coverage. We secured 5,690 national earned media mentions, up 41% over 2023. Dedicated national PR firms and targeted efforts created additional media opportunities, resulting in a total reach of 9.8 billion for North Dakota stories. Additionally, global media stories on North Dakota reached 231 million. This media coverage improves the awareness of our state and elevates our image across all Commerce focus areas.

- Tourism: 3,429 earned media mentions reaching 6.14 billion
- Workforce: 1,359 earned media mentions reaching 1.86 billion
- Business: 902 earned media mentions reaching 1.8 billion
- Global: 113 media articles reaching 231 million

One notable success of these efforts was hosting a freelance journalist whose visit resulted in eight positive feature stories published on MSN.com. These stories highlighted travel experiences across Western North Dakota, reaching a massive audience of 1.06 billion and generated an estimated ad equivalency value of $9.8 million.

Niche Promotions

The number of global tour operators selling North Dakota experiences has increased by 18% from 2023, to 167. Eighty new itineraries were added the past two years, and total rooms sold through these operators rose to 16,096 - a 4% increase.

Group sales and outdoor promotions also have resulted in new bookings for North Dakota companies.

Tribal tourism collaboration and a commitment to sustainable and transformative tourism have resulted in new unique travel experiences. This work garnered significant national attention with an article in Forbes, reaching 94.9 million readers.

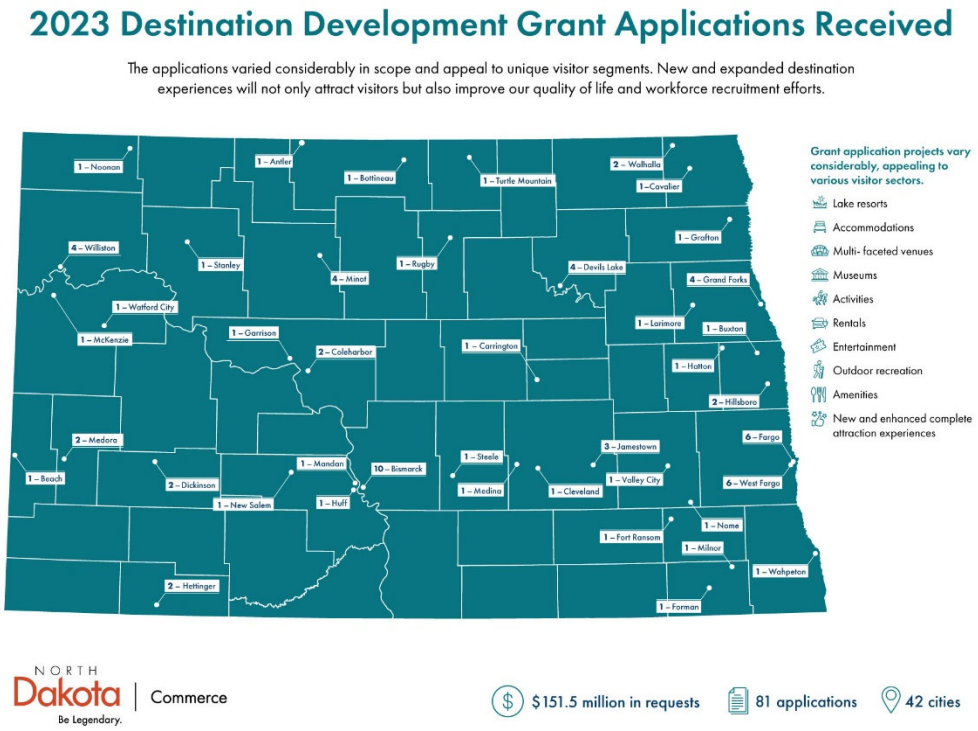
Current Budget

Our 2023-2025 biennial marketing budget was $10.98 million, of which $5 million came from special funds. Gov. Armstrong's budget also included the $5 million as onetime funding. The senate increased this to $7 million which is to include all marketing. This would be $4 million less than our combined marketing line for 2023-2024 and $3 million less than Gov. Armstrong proposed.

Currently, our marketing budget is 17% of South Dakota Tourism's marketing budget and 22% of what Wyoming and Montana invest. Marketing our state needs to be a priority.

Our division strategically operates based on research, data, and results. Studies on the public perception, or image, of North Dakota have shown that the "halo effect" of seeing tourism advertising improves the state's image an average of 12.5%. This research confirms that tourism advertising goes beyond motivating trips; it plays a lead role in elevating our state's image across various economic development benchmarks. For example, people who have seen our advertising rated North Dakota 14% higher as "a good place to start a career" compared to those who haven't. This lift is further boosted by 27% if they also visited North Dakota.

Tourism Development



During the last legislative session, we were appropriated $25 million for destination development grants. We received 81 applications from 41 communities, totaling $151.5 million in requests. Of those, 14 projects received funds and are in various stages of completion:

- Bison World - Jamestown
- Bottineau Winter Park
- Brews, Chews and Views – Minot
- Dakota Prairie Wings Lodge - Medina
- Dickinson Museum Center Expansion Project
- Frost Fire Park - Walhalla
- Good Bear Lodge at Indian Hills Resort - Garrison
- Huff Hills Ski Area
- Riverfront Festival Grounds - Bismarck
- Theodore Roosevelt Presidential Library - Medora
- Thrill Hills - Ft. Ransom
- Turtle Mountain Comprehensive Tourism Plan – Dunseith and Belcourt
- Western Heritage - Medora
- The Shores Event Center at Woodland Resort - Devils Lake

Gov. Armstrong's budget includes $15 million for the next biennium to support additional tourism development work. We learned a great deal in our first round of these grants and are excited to refine the program by clarifying application criteria, project categories, match options, and multiple project administration guidance. These new destinations not only attract new visitors and revenue to our communities but also improve our resident's quality of life and help talent attraction efforts. The Senate included $20 million for these grants.

Talent Attraction

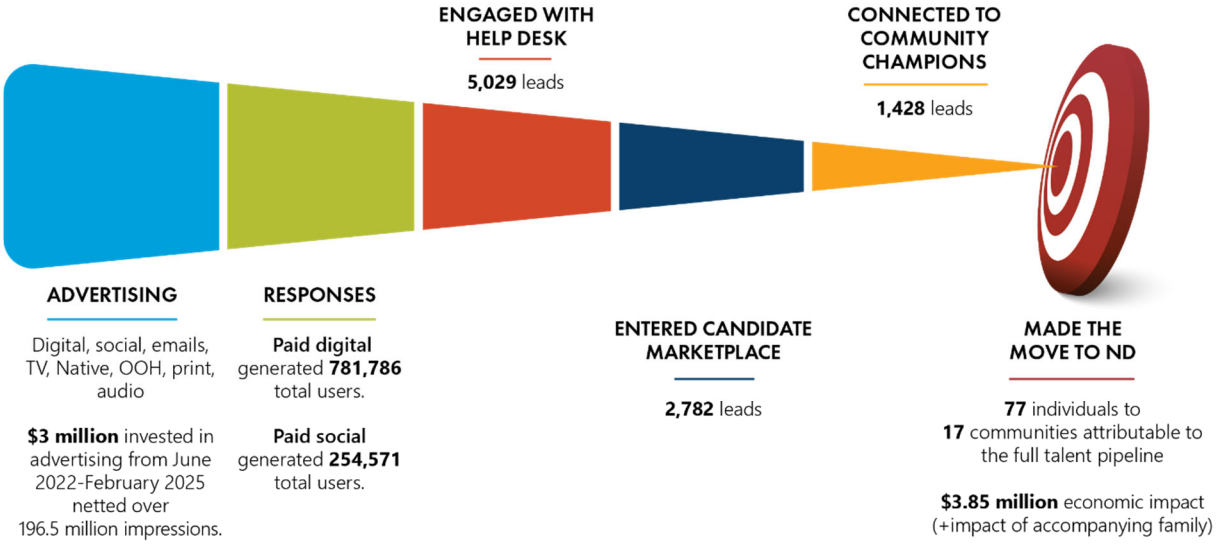
The "Find the Good Life in North Dakota" **marketing campaign** received $6 million in funding for the 2023-2025 biennium, enabling us to enhance the workforce attraction efforts as part of a comprehensive workforce initiative. The marketing campaign features new creative content, including newly produced photo and video assets. The targeted media plan focused on young families, "boomerangs" (former North Dakotans), recent graduates, and military personnel.

Each campaign drives interested relocators into a pipeline that connects job seekers with community champions. This effort has formed strong synergies between tourism experiences, economic development, and showcasing communities that inspire and motivate new talent to move to North Dakota.

- The $3 million invested in paid marketing from June of 2022 through February of 2025, has generated over 196.5 million impressions and driven more than 781,000 visitors to the website, resulting in 5,029 engagements with the help desk and 1,428 leads connected to community champions.

- Synergistic promotions with the current "Hello" tourism campaign resulted in web traffic increases of more than 20% from both the Denver and Phoenix markets. This collaborative marketing is highly effective, as we know that 76% of new residents visited the state prior to moving.

- One example showcasing the strength of synergistic marketing is taken from our June 2024 event activation in Denver. Over Father's Day weekend, our team hosted a custom, four-hole mini-golf course outside Coors Field. There, they had nearly 8,000 direct engagements with participants reporting the event made them 63% more interested in visiting North Dakota and 29% more interested in exploring careers in the state.

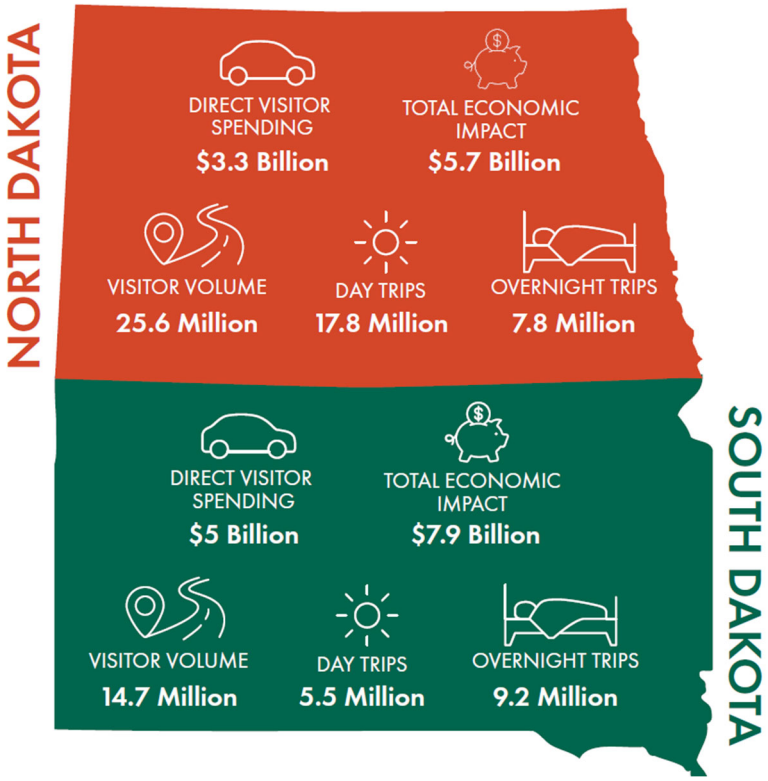


I ask for your support of the Gov. Armstrong's budget, which includes $5 million for the "Find the Good Life" talent initiative. The Senate removed funding for the FTGL talent attraction program including the $6 million appropriated last biennium for marketing. Instead, they added $2 million to marketing to be allocated across all marketing initiatives. The dedicated talent attraction marketing is increasing awareness of our state's lifestyle and attracting needed workforce talent but requires continued investment to reach its full impact.

Conclusion

Tourism development and marketing our state can grow North Dakota's economy and improve the quality of life for its citizens. To achieve this, we must proactively work to both build supply by supporting destination development and create demand by effectively marketing our offerings.

While North Dakota attracts more visitors than South Dakota, we need to encourage longer stays and increased spending. Investing in these tourism efforts is key to achieving that goal.



Chairman Nathe and members of the committee, thank you for your time and attention and I am happy to answer any questions. Commissioner Schilken will come up to close.

Chairman Nathe and members of the committee, I would like to share some new items introduced in Gov. Armstrong's budget.

Housing for Opportunity, Mobility and Empowerment Program (HOME Fund)

The single biggest challenge to workforce recruitment and retention in North Dakota is the availability of market rate housing that is affordable for employees. As part of a comprehensive public-private partnership, the HOME fund is intended to provide a solution, not a program to address community housing needs. Governor Armstrong requested $50 million in his budget for this program. The philosophy of the program is centered on the following concepts:

1. A one-size fits all program does not work. Each community is unique in the housing required to address their economic need.
2. Communities should not build houses but instead provide infrastructure to facilitate the appropriate housing needed in their community.
3. The Hope fund embraces a key concept in North Dakota which is the strength of public- private partnerships. The fund requires equal buy in from the local community and developers which then provides access to grant funds from the state.
4. The Hope fund provides flexibility to local communities in meeting their matching fund requirements.
5. Most of all, the program is simple to implement and use and should provide speed to market for market rate housing that is affordable.

The Rural Workforce Housing Grant Program

The Rural Workforce Housing program supports local governments and/or non-profit organizations in addressing dilapidated and blighted properties and/or facilities in rural areas. This fund was first established in the 2023 Legislative Session and received overwhelming response. We are requesting $5 million to continue this work in conjunction with the HOME fund with a goal of increasing the availability of development-ready-properties in rural North Dakota.

Thank you for your time.

1

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IMPROVING LIFE IN NORTH DAKOTA

Commerce Mission
We lead the efforts to attract, retain and expand wealth and talent in North Dakota.
ND Century Code Chapter 54-60

2

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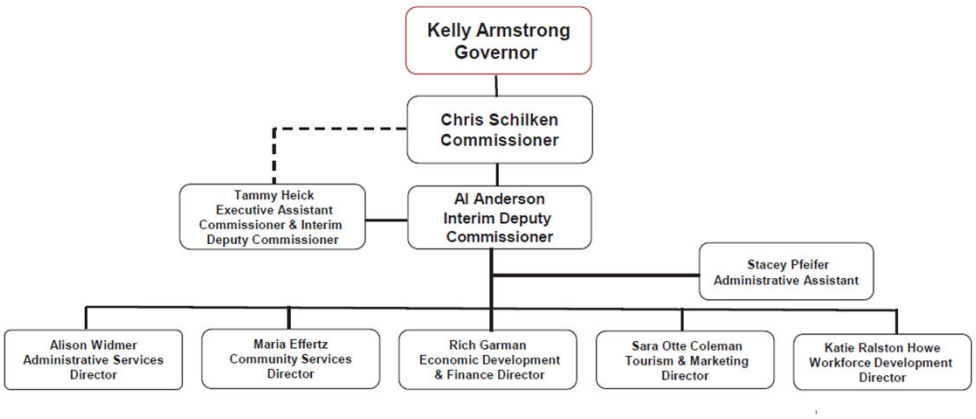
Department of Commerce Organizational Chart



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ND APPROPRIATIONS

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Status of Approved New Positions

- Workforce Talent Attraction Initiative [Hired 7/6/2023 $202,940 from pool]
- Workforce Investment Grant Program [Hired 4/1/2024 $140k from pool]
- Global Talent Office - 2 positions [Hired 7/6/2023 & Start Date March 2025]
- 3 FTEs – Weatherization & Energy Programs [one time funding HB 1018] We are requesting these 3 FTEs be appropriated as ongoing. These positions are tied to the Federal Funding related to the $120M in IIJA/IRA funding that is an exemption in our budget bill
  1. Hired 3/04/2024
  2. Hired 9/23/2024
  3. Vacant – Position Posted in January 2025

Current Vacant Positions

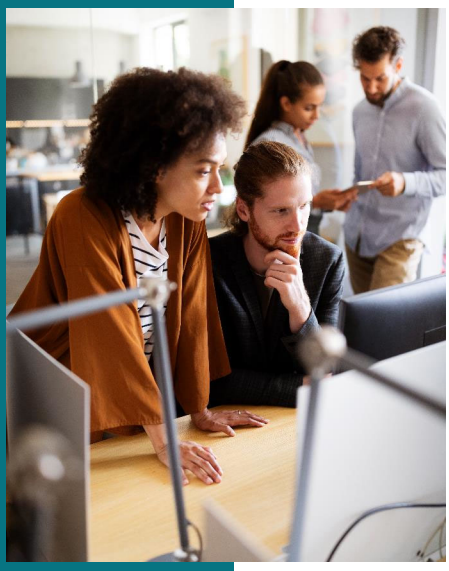
- Program Administrator – posted in January 2025 (One-time Funded Federal funds FTE)
- Workforce Program Manager (Senate removed this position. Commerce requests this be added back.)

2025-2027 FTE Requests

- 1 FTE – Procurement Officer

We could not start requesting additional funding from the FTE pool until March 1, 2025.

4



Employee Retention and Recruitment

IN ORDER TO COMPETE WITH PRIVATE SECTOR TO RECRUIT AND RETAIN TALENT

- Total Rewards package
- 3% performance increases in years one and two

Private sector has caught up on benefits. We are behind on salaries.

5

2025 – 2027 Base Budget Request

	1 Object/Revenue		4 2025-27 Base Budget Request
Description	Code		
Administration	601-200		5,788,020
Tourism	601-300		13,418,300
Workforce Development	601-400		7,871,974
Economic Development & Finance	601-500		19,537,405
Division of Community Services	601-600		40,376,958
TOTAL BY APPROPRIATIONS ORGS			86,992,657
Salaries and Wages	60110		17,280,669
Operating Expenses	60130		18,503,136
Grants	60160		47,502,465
COVID-19 Response	60161		-
Discretionary Funds	60162		1,850,000
Workforce Enhancement Fund	60163		-
Economic Develop Initiatives	60164		-
Workforce Innovation Network Grant Program	60167		-
Unmanned Aircraft System	60171		-
Partner Programs	60174		907,920
Entrepreneurship Grants	60175		948,467
Legal Immigration	60176		-
CARES Act Funding - 2020	60179		-
American Rescue Plan Act	60180		-
Weatherization and Energy Program	60181		-
TOTAL BY OBJECT SERIES			86,992,657
General	GEN		33,491,049
Federal	FED		43,931,168
Special	SPEC		9,570,440
TOTAL BY FUNDS			86,992,657
TOTAL AUTHORIZED EMPLOYEES			62.80

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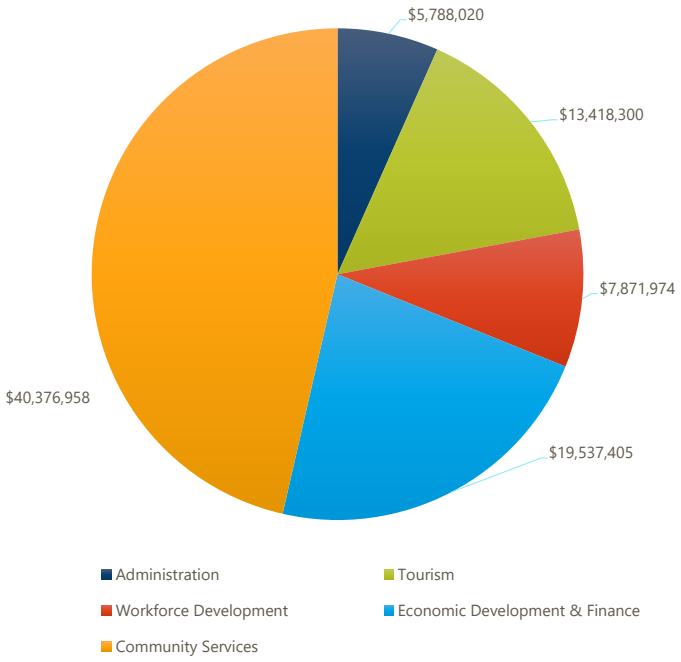
ND APPROPRIATIONS

2025-2027 Base Budget Request by Division



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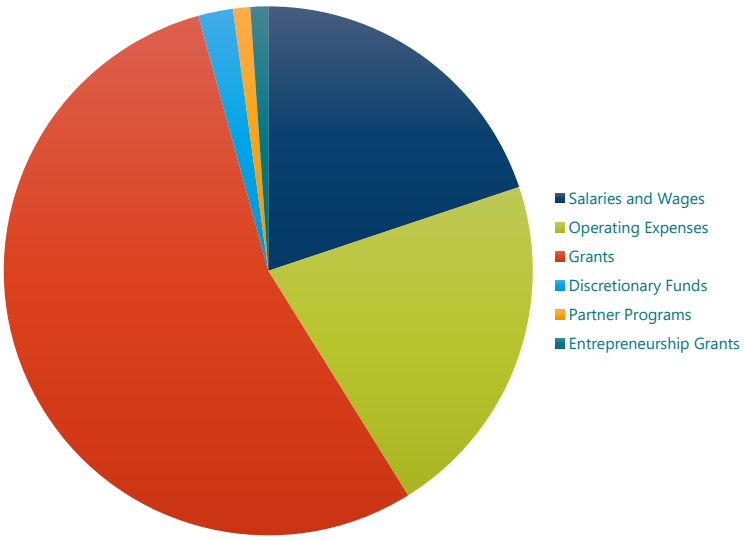
ND APPROPRIATIONS

2025-2027 Base Budget Request by Line



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2025 – 2027 Funding Item Request

		2025-27 Executive Recommendation				
		General Fund	Federal Fund	Special Fund	Total	FTE
Request Name		**9,827,851**	**388,583**	**150,543,568**	**160,760,002**	**1.00**
FAA Data – HB 1038	One Time	-	-	11,000,000	11,000,000	-
Housing Package	One Time	-	-	50,000,000	50,000,000	-
Drone Replacement	One Time	-	-	15,000,000	15,000,000	-
Agency Operations	Ongoing	1,338,703	290,000	290,413	1,919,116	-
Workforce Division Global Talent Office	Ongoing/One Time	2,000,000	-	-	2,000,000	-
Regional Workforce Grant Program	One Time	-	-	10,000,000	10,000,000	-
North Dakota Development Fund	Transfer	-		50,000,000	50,000,000	
Property valuation increase through improvements	One Time	-	-	5,000,000	5,000,000	-
Tourism Marketing Awareness	One Time	-	-	5,000,000	5,000,000	-
Destination Development	One Time	-	-	15,000,000	15,000,000	-
Technical Skills Training Grant	One Time	2,000,000	-	-	2,000,000	-
Beyond Visual Line of Sight Uncrewed Aircraft System Program	One Time	-	-	20,000,000	20,000,000	-
Procurement Officer	Ongoing	230,104	-	-	230,104	1.00
Find the Good Life	One Time	-	-	5,000,000	5,000,000	-
Beyond Visual Line of Sight Uncrewed Aircraft System Program – Test Site	One Time	1,000,000	-	-	1,000,000	-
Operation Intern	One Time	2,000,000	-	-	2,000,000	-
Legacy Investment for Technology Funds	Transfer	-	-	10,000,000		-
Entrepreneurship and Innovation Grant	One Time	1,259,044	-	-	1,259,044	-
Building Codes	Ongoing	-	98,583	-	98,583	-
Enhanced Use Lease	One Time	-	-	5,000,000	5,000,000	-
Autonomous Agriculture Grant	One Time	-	-	10,000,000	10,000,000	-

9

Removed or Amended by Senate

Ongoing Funding

- 1 FTE Workforce Program Manager.
- 1 Procurement Officer FTE.
- $100K General Funds Temporary Salaries & $200,000 Special Fund Salaries (NDDF).
- $14,036 General Funds for cost to continue IT Increases.
- $250K in ongoing operating expenses for the Global Talent Office.
- To remove the $600K designation in our discretionary line for a grant to support an organization dedicated to assisting Native American small businesses in North Dakota.

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ND APPROPRIATIONS

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Removed or Amended by Senate

One Time Funding

- $5M for Tourism Marketing Awareness. We also request the removal of the obligation of $150K for the grant to support the North Dakota State Magazine.
- $5M for the Find the Good Life Initiative.
- $15M for an uncrewed aerial vehicle replacement grant program.
- $1.75M for the Global Talent Office grant program.
- $5M for the Community Property Improvement grant program.
- $15M for the Tourism Destination Development grant program.
- $1M for the Test Site.
- $20M for Beyond Visual Line of Sight (Vantis).
- $10M for the Autonomous Agriculture grants.
- $1.25M for the Entrepreneurship Grants and Vouchers program.
- $10M for the Regional Workforce Impact Program (RWIP) grant.

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ND APPROPRIATIONS

2025 – 2027 Transfer Request

- $50 Million transfer for the North Dakota Development Fund, Inc.
- $10 Million transfer for the Legacy Investment for Technology Fund (LIFT)

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WORKFORCE DEVELOPMENT

The ND Department of Commerce Workforce Development Division partners with other state agencies and private sector industries to deliver specialized programs and services to assist in enhancing the workforce of ND.

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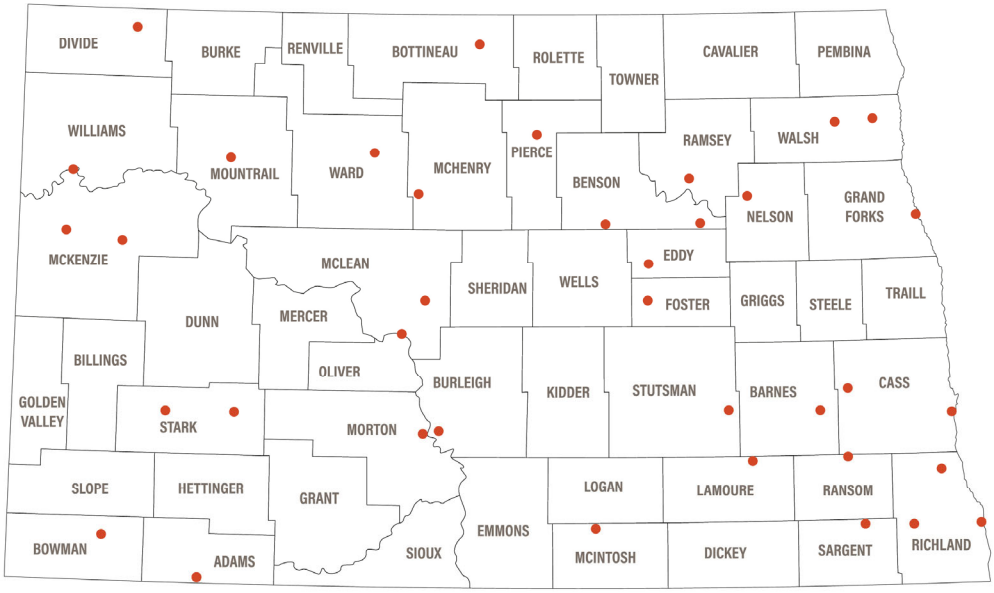
REGIONAL WORKFORCE IMPACT PROGRAM (RWIP) RECIPIENTS



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Regional Workforce Impact Program (RWIP)

Total Awarded Funds: $26,559,681.00

Total Match: $16,382,344.82

Projects Funded: 113

Workforce Impact to Date: 6,205 workers

Childcare Impact

- Awarded Funds
  - $14,812,315.91
- Childcare Facility Expansions
  - 60
- Childcare Slots created
  - 2,579
- New Childcare Workers
  - 208
- Total New Families Served
  - 302

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FIND THE goodlife in North Dakota

Pipeline Funnel

5,087 Leads → 2,905 Leads in Candidate Marketplace → 1,580 Resumes Collected

1,440 Leads Connected to Champions → 74 Employers in Marketplace → 80 Relocated Participants

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ND APPROPRIATIONS

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FIND THE goodlife in North Dakota

Mover Impact

$25,047 per year in economic impact per worker

ND #1 in Net Migration

2023 Employment up 2.5%

17

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FIND THE goodlife in North Dakota

Moving Data

Timeline to Move

Immediate – 29%

3 Months – 20%

6 Months – 15%

Within 1 Year – 12%

1-2 Years – 4%

Gathering Info/No Timeline – 20%

Top Industries

Healthcare

Business Management & Admin

Retail & Food Services

Manufacturing

Skilled Trades

Top States Lived In

Florida

California

Texas

New York

Minnesota

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ND APPROPRIATIONS

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Global Talent Office

ACTIVITY & WINS

- Establishing Recruitment Pathways
- Hosted Global Talent Summit
- Helping Businesses Recruit Foreign-Born Workers

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ND APPROPRIATIONS

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Global Talent Office

KEY ACHIEVEMENTS

- 200+ organizations engaged in learning opportunities
- 26 organizations recruiting immigrant workers
- 9 employers successfully hired workers

20

Operation Intern

124
Businesses

442
Interns

ND APPROPRIATIONS

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ND APPROPRIATIONS

Technical Skills Training Grant (TSTG)

- Programs Supported since 2020: 75
- Programs supported in 2023-2025: 31
- Total workers trained: 1,650+

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ND APPROPRIATIONS

AmeriCorps

- 6 Projects
- Average of 150 Members per Year
- 90,000+ Service Hours
- $483,670 in Education Assistance

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ND APPROPRIATIONS

SUMMARY OF REQUESTS

- RWIP: $10M
- FTGL: $5M
- Global Talent: $2M
- Operation Intern: $2M additional ($1M in base budget)
- TSTG: $2M
- AmeriCorps: $552,312 (in base budget)

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ECONOMIC DEVELOPMENT & FINANCE

Economic Development & Finance is charged with coordinating the state's economic development resources to attract, retain and expand wealth.

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ND APPROPRIATIONS

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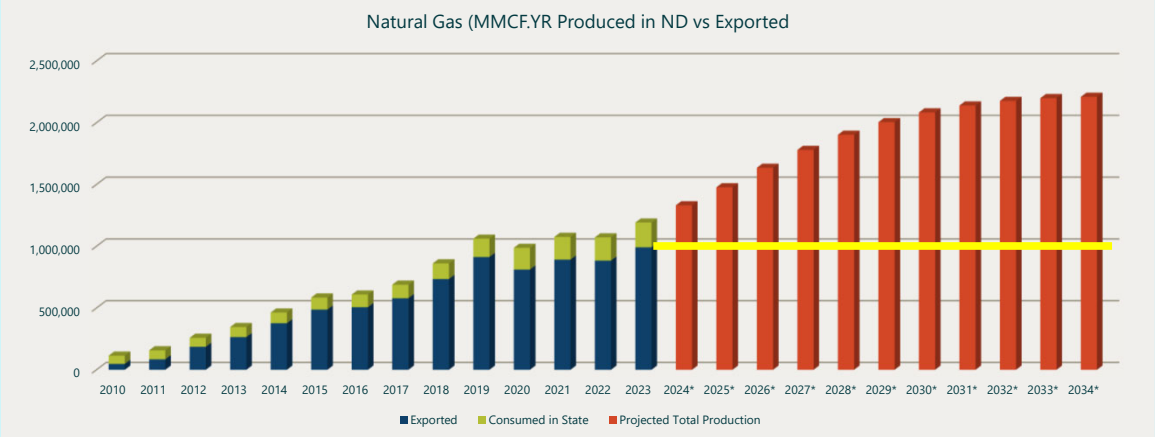
Natural Gas Projections



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Value-Added Agriculture Successes

50% annual production

Soybean processing capacity increased from 0% to over 50% of annual production.

210M Bushels

Ethanol industry also processes over 210 million bushels of corn annually, producing 550 million gallons of ethanol and over a million tons of DDGs.

ND APPROPRIATIONS

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ND APPROPRIATIONS

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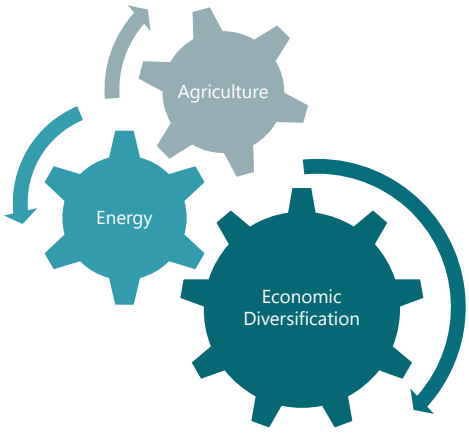
Synergy Between Energy and Agriculture

THESE SYNERGIES STRENGTHEN AND DIVERSIFY OUR ECONOMY, ENSURING LONG-TERM RESILIENCE AND GROWTH.



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ND APPROPRIATIONS

Uncrewed Aircraft Systems

North Dakota is UAS leader in UAS technology, anchored by the Northern Plains UAS Test Site and its key partner, Grand Sky.

- Project ULTRA
- Pioneering BVLOS operations
- Administering Vantis, ND's statewide UAS network for BVLOS operations
- 1st participant in the FAA's Radar Data Pathfinder program
- Dedicated UAS Infrastructure

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ND APPROPRIATIONS

Enhanced Use Lease

- Managed by Grand Sky
- Pioneering BVLOS
- Dedicated UAS Infrastructure
- DoD projects
- Sky Range Initiative

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ND APPROPRIATIONS

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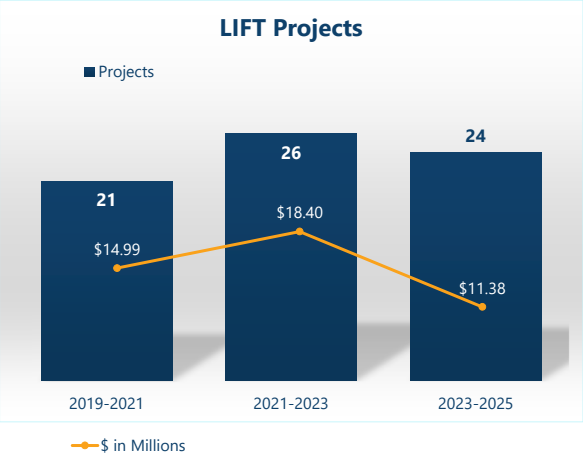
Legacy Investment for Technology Loan Fund (LIFT)

LIFT FOSTERS TECHNOLOGY INNOVATION.

LIFT has significantly impacted various industries including healthcare, advanced computing and data management, agriculture technology, and uncrewed aircraft systems.



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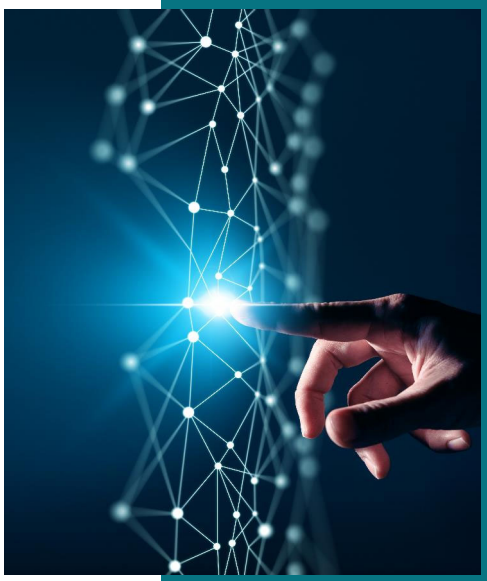
ND APPROPRIATIONS

Innovate ND

INNOVATE ND REMAINS A CORNERSTONE OF NORTH DAKOTA'S COMMITMENT TO FOSTERING ENTREPRENEURSHIP AND DRIVING ECONOMIC DEVELOPMENT.

- Processed 103 applications, demonstrating strong demand.
  - 12 companies accepted.
    - 7 successfully graduated.
    - 2 remain active.
    - 3 exited the program.



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North Dakota Development Fund, Inc.

Childcare Loan Program

- 19 loans issued
- 1,098 childcare spots created

Specific Investments

- Reduction to natural gas flaring
- Ag tech digital tools
- Ethanol production facility
- Childcare
- Metal and machining shop

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SUMMARY OF REQUESTS

Description	Base Budget	General Fund	Special Fund	Transfers	TOTAL
FAA Radar Data - HB 1038			$11,000,000		$11,000,000
Drone Replacement			$15,000,000		$15,000,000
Enhanced Use Lease			$5,000,000		$5,000,000
BVLOS - Test Site	$3,000,000	$1,000,000			$4,000,000
BVLOS - Vantis	$8,000,000 (FF) $1,020,150 (SF)		$20,000,000		$29,020,150
LIFT				$10,000,000	$10,000,000
INNOVATE ND	$948,467	$1,259,044			$2,207,511
Partner Programs	$907,920				$907,920
Autonomous Ag Grant			$10,000,000		$10,000,000
NDDF				$50,000,000	$50,000,000

WA1

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COMMUNITY SERVICES

Provides technical assistance to local governments and state agencies in the areas of community and rural planning and development, policy research and development and grant program implementation.

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ND APPROPRIATIONS

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Community Services Program Areas

- Housing and Urban Development (HUD)
  - Community Development Block Grant (CDBG)
  - Manufactured Home oversight, licensing, and installation
- Office of HHS Administration for Children and Families
  - Community Services Block Grant (CSBG)
- North Dakota State Building Codes
- North Dakota Renaissance Zone (RZ)
- North Dakota Energy Conservation Grant (ECG)
- Office of Community Development and Rural Prosperity (CDRP)
- Department of Energy (DOE)
  - Weatherization and Low-Income Heating and Energy Assistance Program (LIHEAP)
  - State Energy Program (SEP) annual allocation
  - State Energy Program Inflation and Investment Jobs Act (SEP-IIJA)
  - Home Efficiency Rebate (HER)
  - Home Electrification and Appliance Rebate (HEAR)

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Office of Community Development and Rural Prosperity

88 Communities

Visited in the past 4 years

Monthly

Educational and collaborative interactions

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Grant Management — Rural Sustainable Food Program

11

Communities were provided funding for studies or implementation

258K

Total population touched by grant dollars

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Grant Management — Rural Workforce Housing/Slum and Blight Removal

(COMMUNITY REVITALIZATION)

16 Communities received funds.

- **19** infill lots for workforce housing (Oakes/Bowman County/Sheyenne/Hankinson), and nine readily available housing options (primarily consisting of mixed-use apartments).

Project Guidelines:

- Conduct a housing study.
- Purchase blighted properties or vacant lots.
- Remove hazards or structures from blighted properties.
- Up to $10,000 per business for improvements if the business is in a mixed-use property.

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Request

$50 Million for Community Development and Workforce Housing **(SB 2225)**

$5 Million for Community Revitalization

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ND APPROPRIATIONS

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Tourism & Marketing Programs

- Paid Marketing
- Global Marketing
- Workforce Recruitment
- Media Relations - Outreach
- Group Travel
- Communications
- Social Media
- Outdoor Promotions
- Destination Development

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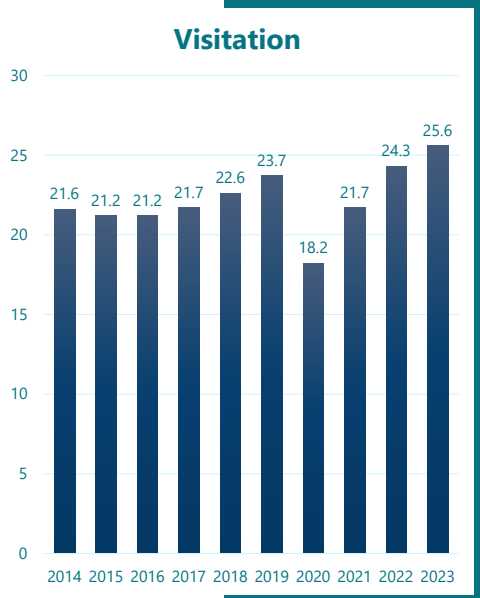
ND APPROPRIATIONS

Tourism Research Results

REPORT ON ECONOMIC IMPACT OF TOURISM IN 2023

- Visitation grew 5.3% reaching 25.6M visitors
- Visitor spending grew to $3.3B
- 17.8-million-day-visitors
- Visitors paid more than $307M in local and state taxes
  - Creating a $960 per household savings for North Dakotans



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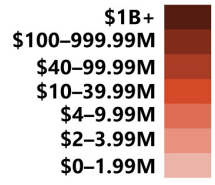
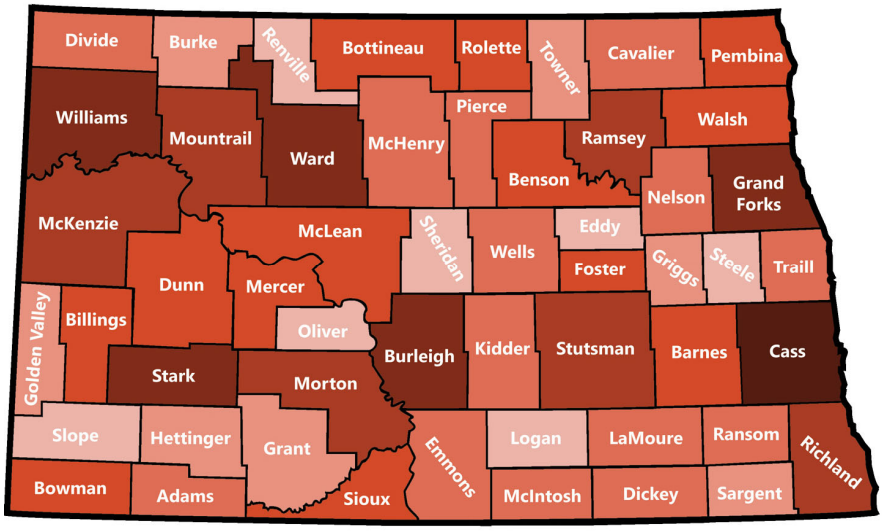
ND APPROPRIATIONS

Visitor Spending by County





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Visitation Stats

Airport Arrivals
1.24M
8.8%

National Park Visits
763,175
1.6%

Hotel Occupancy
$548 M in revenue- up 5.8%
0.3%

Border Crossings
484,969
10.3% (78% of pre-covid visitation)
Entry numbers are almost equivalent to 2017 when the exchange rate was similar.

Taxable Sales and Purchase
1.99% Accommodations and food services

7.94% Arts, entertainment and recreation

ND APPROPRIATIONS

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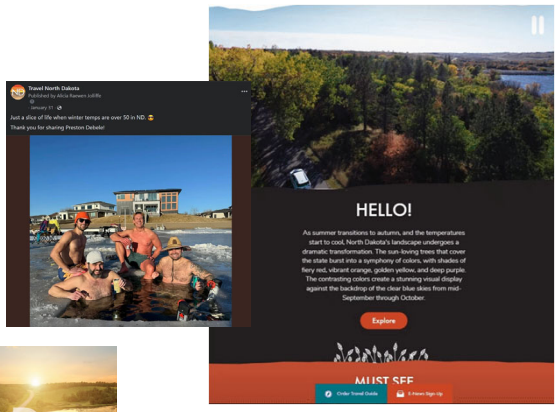
ND APPROPRIATIONS

Marketing North Dakota

Paid media: 439M impressions, 17M video views
Earned media: 5,690 media hits, with 9.8B reach
Influencers: 2.1M reach
Social media: 400k+ engagements
NDtourism.com: 3.6M sessions, up 30%



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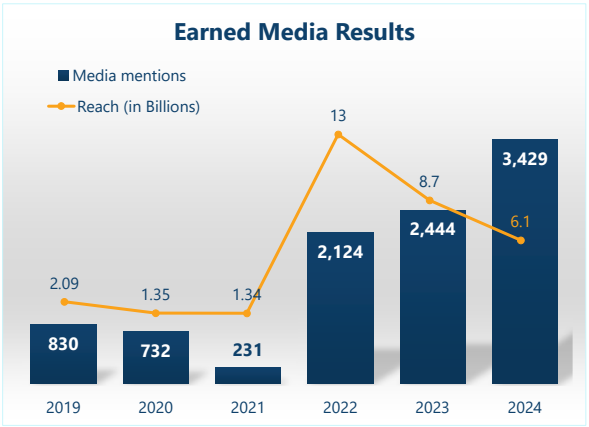
Public & Media Relations - Tourism

Public and media relations efforts elevate North Dakota's image through proactive outreach and storytelling, garnering positive media coverage and increasing awareness.

National Media Coverage	• 3,429 **earned media** mentions • 6.1B reach
International Media Coverage	• 113 **media articles** • 231M reach
Influencer Campaign	• 128M impressions • 400K+ social media engagements • 2.1M reach



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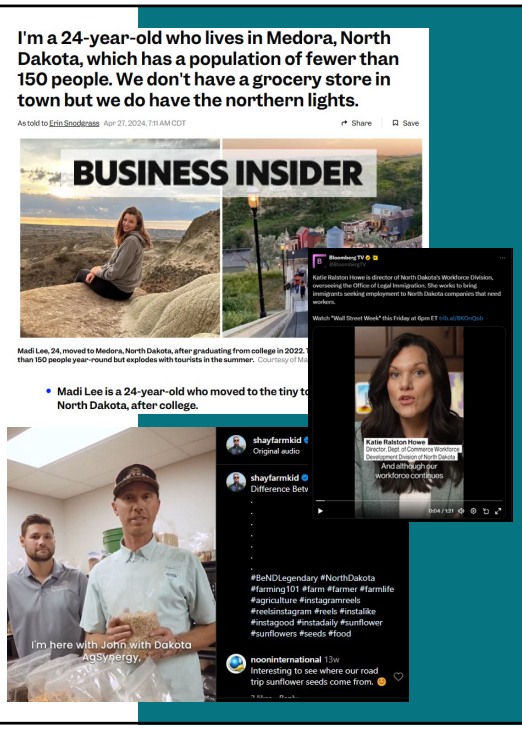
Public & Media Relations - Commerce

Commerce's public and media relations efforts are generating increased national awareness of North Dakota's innovative business climate, career opportunities, and quality of life.

Workforce:
- 1,359 earned media mentions
- 1.8B reach

Business
- 902 earned media mentions
- 1.8B reach

Influencer Campaign:
- 185.1K total reach
- 3.7M impressions
- 5.6K engagements



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ND APPROPRIATIONS

Tourism Advertising Elevates North Dakota's Image

HALO EFFECT

Average 13% image lift from advertising awareness.

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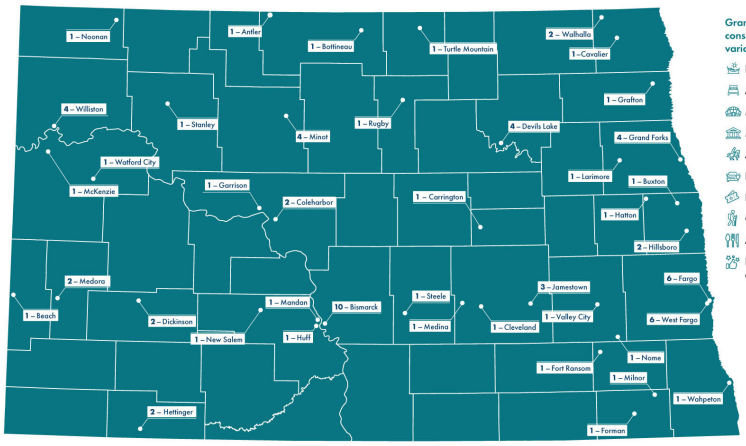
2023 Destination Development Grant Applications Received

The applications varied considerably in scope and appeal to unique visitor segments. New and expanded destination experiences will not only attract visitors but also improve our quality of life and workforce recruitment efforts.



Grant application projects vary considerably, appealing to various visitor sectors.

- Lake resorts
- Accommodations
- Multi- faceted venues
- Museums
- Activities
- Rentals
- Entertainment
- Outdoor recreation
- Amenities
- New and enhanced complete attraction experiences

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$151.5 million in requests | 81 applications | 42 cities

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APPROPRIATIONS ND

Tourism Destination Development Grants

- Bison World- Jamestown
- Bottineau Winter Park
- Brews, Chews and Views – Minot
- Dakota Prairie Wings Lodge- Medina
- Dickinson Museum Center Expansion Project
- Frost Fire Park- Walhalla
- Good Bear Lodge at Indian Hills Resort- Garrison
- Huff Hills Ski Area
- Riverfront Festival Grounds – Bismarck
- Theodore Roosevelt Presidential Library- Medora
- Thrill Hills- Ft. Ransom
- Turtle Mountain Comprehensive Tourism Plan – Belcourt & Dunseith
- Western Heritage - Medora
- The Shores Event Center at Woodland Resort – Devils Lake

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FIND THE goodlife in North Dakota

Marketing Campaign Effectiveness

Advertising: $3M invested 06/2022-2/2025 netted over 196.5M impressions.

Responses: Paid digital generated more than 781K users and paid social generated over 254K users.

Engaged with Help Desk: 5,029 leads

Entered Candidate Marketplace: 2,782 leads

Connected with community champions: 1,428 leads

77/17

77 individuals moved to 17 North Dakota communities, attributable to the full talent pipeline.

$3.85M economic impact, plus any impact from accompanying family.

As of 2/28/2025

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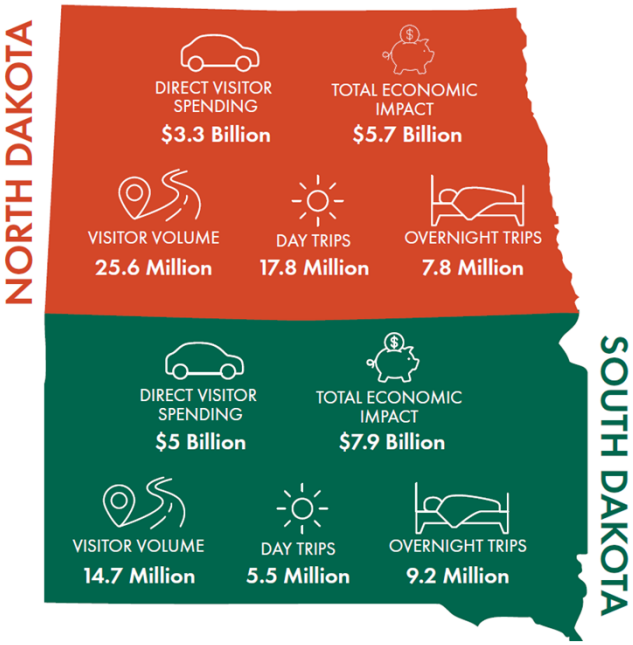

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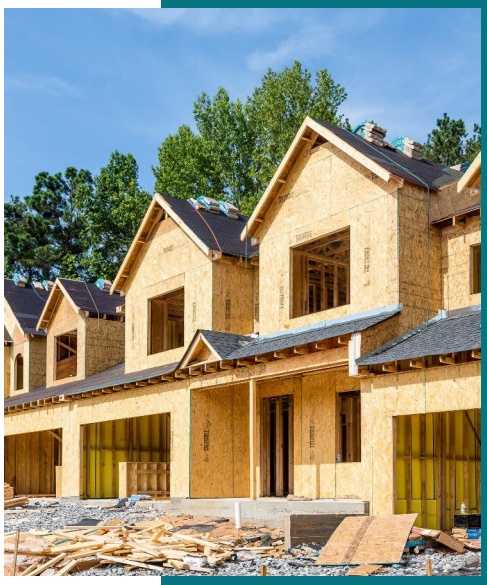
ND APPROPRIATIONS

New Budget Items

- Housing for Opportunity, Mobility, and Empowerment Program (HOME Fund)
  - $50M
- The Rural Workforce Housing Grant Program
  - $5M



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THANK YOU

Commissioner Chris Schilken
Commerce.nd.gov

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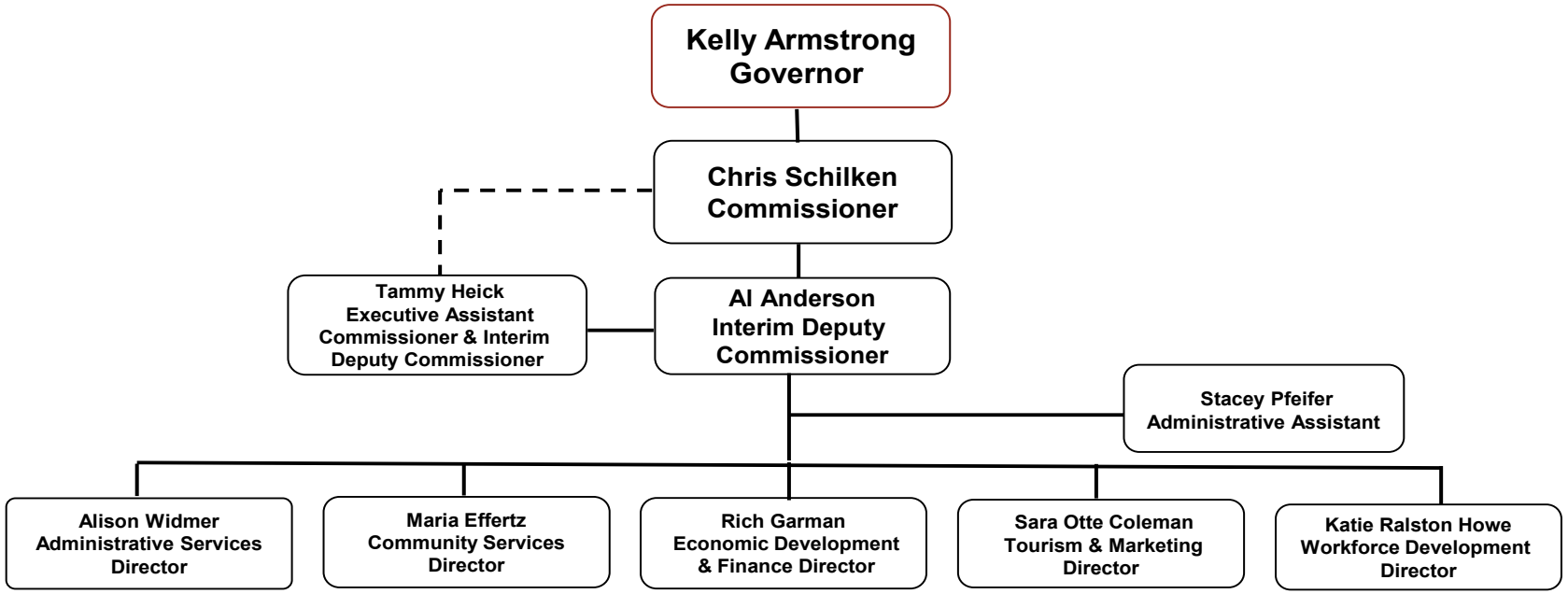
Department of Commerce Organizational Chart



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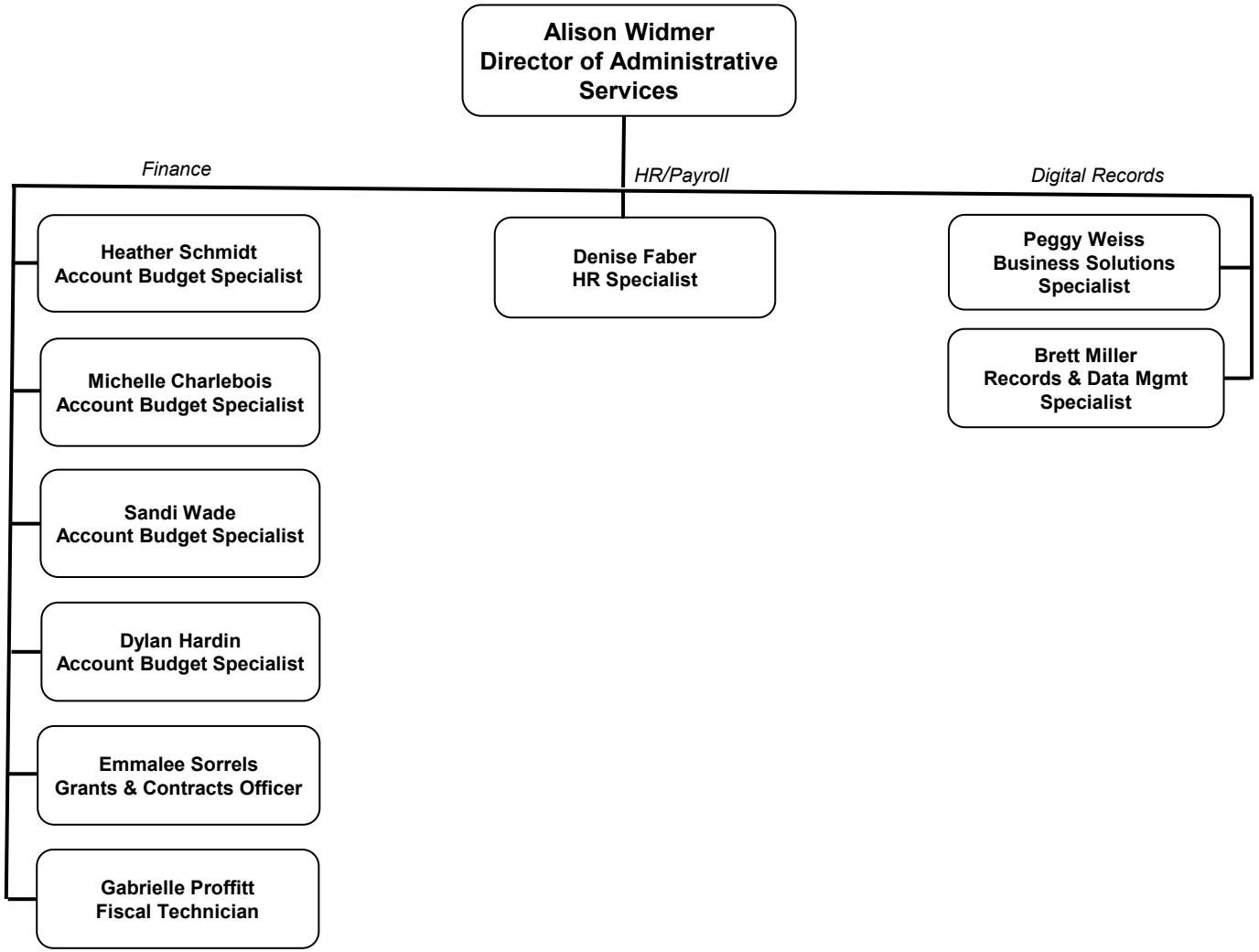
Administrative Services Organizational Chart



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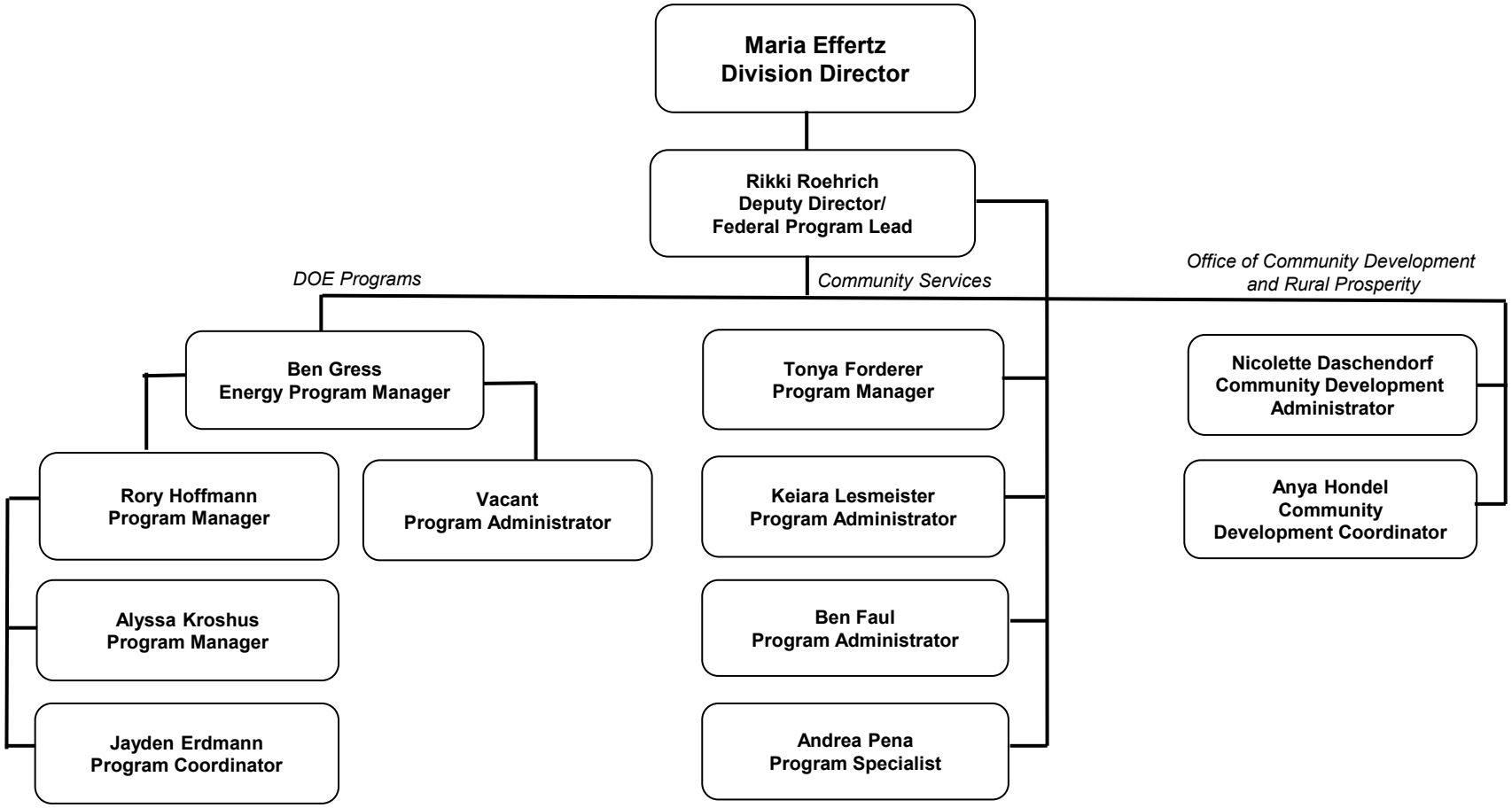
Division of Community Services Organizational Chart



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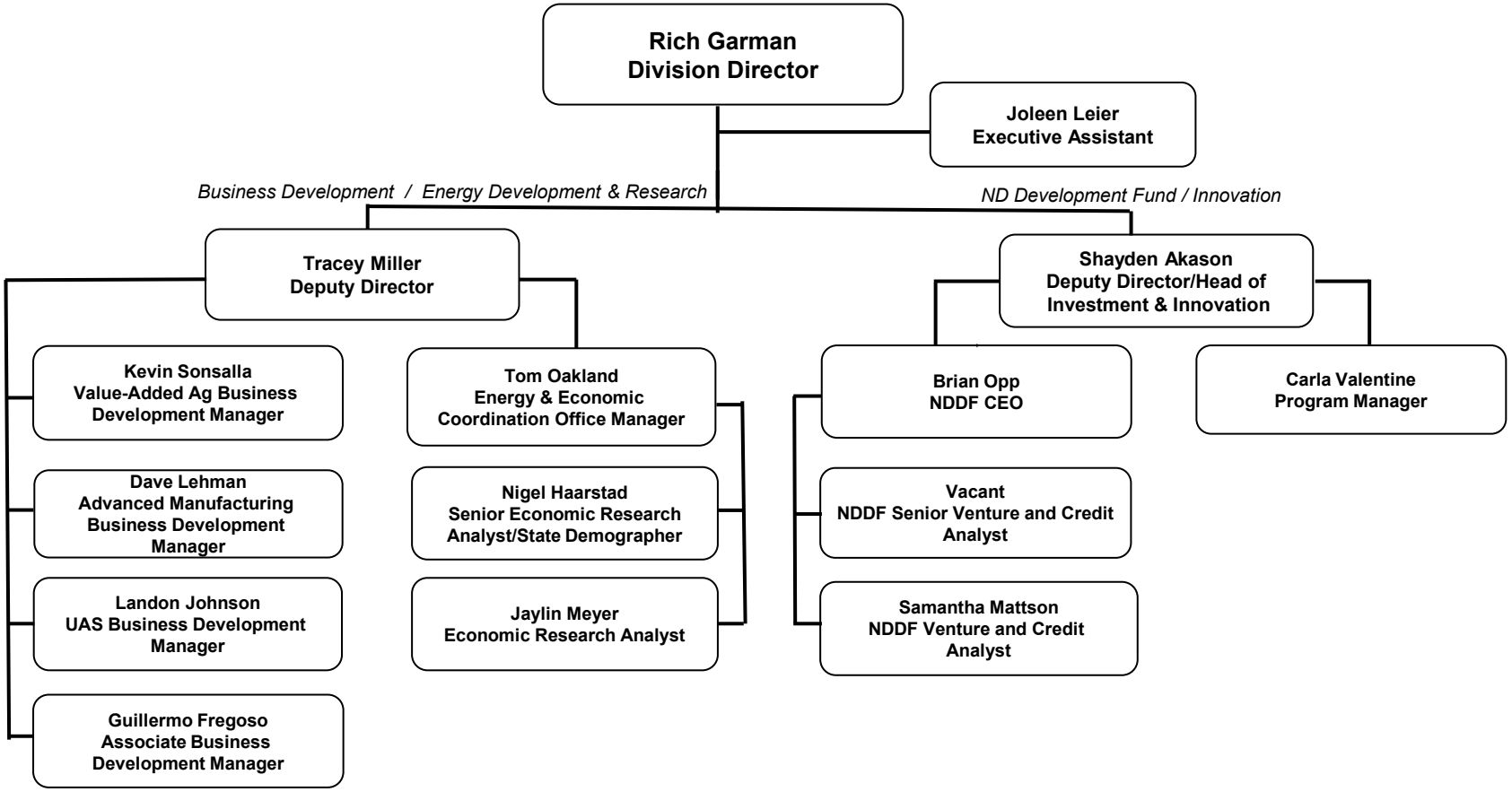
Division of Economic Development & Finance Organizational Chart



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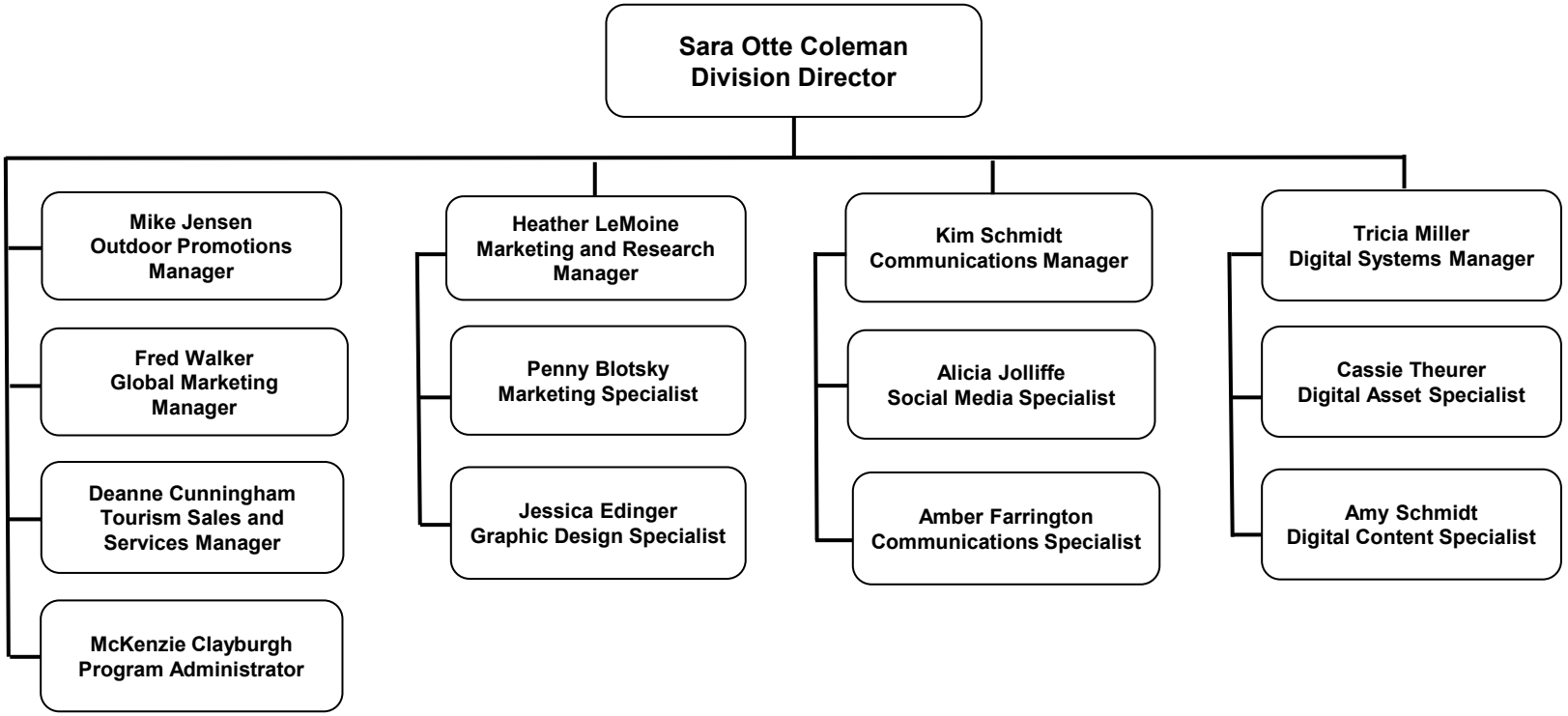
Division of Tourism and Marketing Organizational Chart



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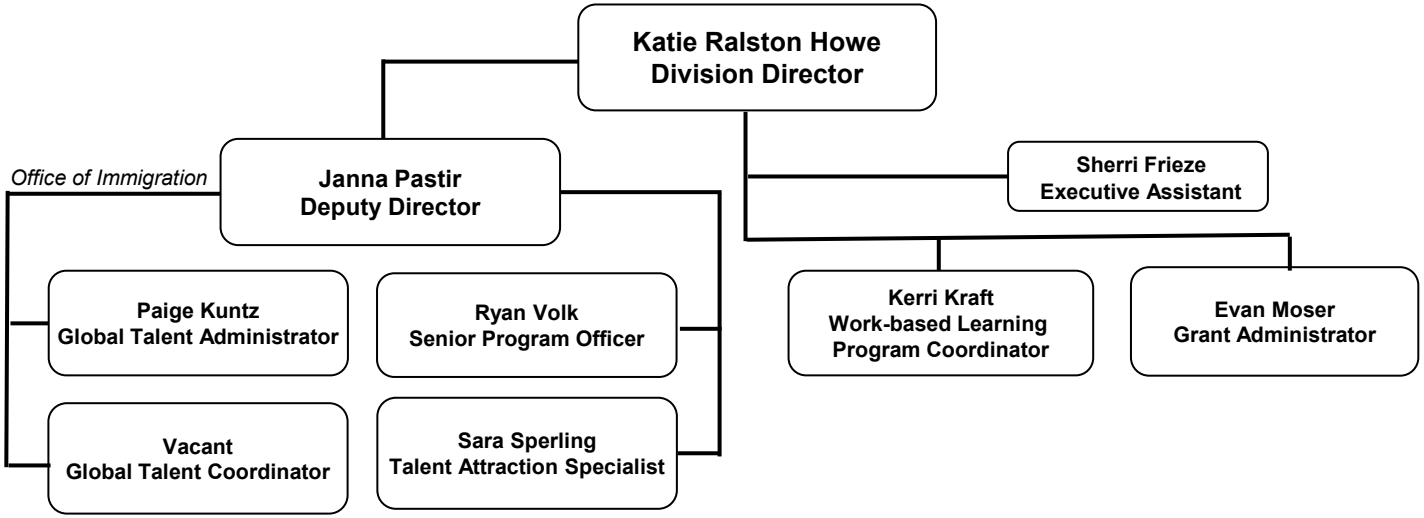
Division of Workforce Development Organizational Chart



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AmeriCorps

INDUSTRY FACTS

$900K
ANNUAL FUNDING

2,500
AMERICORPS MEMBERS IN ND

2.8 MILLION
HOURS OF SERVICE

$6.5 MILLION
IN EDUCATION AWARDS

FULFILLING A NEED

ServeND conducts an annual competition for AmeriCorps funding. The following types of organizations and agencies are eligible to participate:

- State and local nonprofit organizations
- Community and faith-based organizations
- State, local and higher education institutions
- State and local governments
- U.S. territories

MEETING NEEDS IN NORTH DAKOTA

Last year more than 200 Americans of all ages and backgrounds met local needs, strengthened communities, and expanded economic opportunity through national service in North Dakota. The AmeriCorps Agency invested more than $4.3 million in federal and local funding to support cost-effective community solutions, working hand in hand with local partners to empower citizens to solve problems.

AMERICORPS: HELPING COMMUNITIES

AmeriCorps state programs address critical needs specific to communities located in North Dakota. Programs are open to U.S. citizens, nationals, or lawful permanent resident aliens age 17 and older. Members may serve full or part-time over a period not to exceed 12 months. Individuals can serve as AmeriCorps members in North Dakota depending on the location of currently funded AmeriCorps projects. AmeriCorps grants provide assistance to eligible organizations and agencies to recruit, train and supervise AmeriCorps members in meeting critical community needs in the areas of:

- Education
- Disaster services
- Health
- Environmental stewardship
- Economic opportunity
- Service to veterans and military families

MEMBERSHIP BENEFITS

- Living allowances (established by project)
- Education awards for members (not to exceed the maximum federal college Pell Grant)
- Career development for members
- Community volunteer activity required by many colleges and universities

DID YOU KNOW?

218,019 volunteers contribute **15.6 million hours of service** statewide

Ranked 11th in the nation, **37.4% of North Dakota residents volunteer**

Volunteer service is worth an estimated **$377.8 million**

65.2% of state residents **do favors** for neighbors

25.5% of state residents **do something positive** for the neighborhood

39.7% of state residents **participate** in local groups or organizations

62.6% of state residents **donate** $25 or more to charity

PARTICIPATE AS AN ORGANIZATION

Serve ND is leading the challenge in our state to serve communities in need. The goal is to provide resources such as AmeriCorps funding to eligible North Dakota organizations and agencies committed to providing service. AmeriCorps funding helps organizations and agencies recruit, train and supervise AmeriCorps members to meet critical community needs.

AMERICORPS MEMBERS

AmeriCorps members meet pressing local needs across North Dakota, making a lasting impact in communities while gaining valuable skills and experience to advance their careers.

AmeriCorps members serve in one of three programs: AmeriCorps National Civilian Community Corps (NCCC), AmeriCorps state and national and AmeriCorps Volunteers In Service To America (VISTA). All programs engage volunteers at locations across the country through nonprofits, schools, public agencies, tribes, and community and faith-based groups.

- AmeriCorps State and National members engage in a diverse range of service projects at local and national organizations to address critical community needs of disaster services, economic opportunity, education, healthy futures, environmental stewardship and veterans and military families. Most AmeriCorps grant funding goes to the North Dakota State Commission on National and Community Service, the Governor-appointed State Service Commission, which in turn awards grants to organizations to respond to local needs.
- AmeriCorps VISTA taps the skills, talents, and passion of Americans of all ages to support community efforts to overcome poverty.
- AmeriCorps NCCC strengthens communities and develops leadership skills by contributing to public safety, environment, and disaster projects through direct, team-based service. Federal Emergency Management Agency (FEMA) Corps, a unit of NCCC, focuses solely on disaster preparedness, response, and recovery.

In exchange for their service, AmeriCorps members earn a Segal AmeriCorps Education Award that can be used to pay for trade school, college, graduate school, or to pay back qualified student loans. Since 1994, approximately 2,500 North Dakota residents have served approximately 2.8 million hours and earned education awards totaling more than $6.5 million.

For more information, contact Ryan Volk at rdvolk@nd.gov

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Apprenticeship Program

FACTS

OVER **100** APPROVED PROGRAMS WITH OVER 1,757 APPRENTICES, AND STILL GROWING

90% EMPLOYMENT RETENTION AFTER APPRENTICESHIP COMPLETION

29 EMPLOYERS WORKING UNDER THE COLLEGE PROGRAMS IN NORTH DAKOTA

Nearly 65% of current jobs do not require a college degree, but they do require some sort of post-secondary education. Apprenticeship fills this void.

WHAT IS AN APPRENTICESHIP?

An apprenticeship is a formal, on-the-job training program that typically has five components:

1. Employer involvement.
2. On-the-job training.
3. Related instruction.
4. Work experience and skills development.
5. Award of a college credit or nationally recognized industry credential. Apprenticeship programs can be sponsored by individual employers, joint employer and labor groups, and/or employers associations.

BENEFITS OF APPRENTICESHIP FOR THE WORKER

- Earn while they learn, receiving a paycheck from day one.
- Hands-on career training.
- Potential to earn college credit while working.
- Career advancement.
- Industry recognized credential.

For the Business

- An ongoing supply of skilled workforce, trained to fit your needs and work environment.
- Incentive to attract quality workers.
- Reduced turnover rates.
- Higher productivity.
- More diverse workforce.
- Federal and state programs for financial assistance may be available.

For North Dakota's Workforce System

- Job seekers can enter workforce quicker.
- Apprenticeship connects industry with education.

EMPLOYER RESOURCES

Outside of the apprentice's wages and benefits, other costs may include staff time to set up and manage the apprenticeship program and its curriculum, recruitment, mentorship time, equipment, and possibly tuition and classroom materials. However, financial resources may be available to employers:

Credential Funding
Funding to pay for industry recognized credentials.

Operation Intern
Matching funds for new apprenticeship wages.

Boot Camps
Accelerated, intense training to skill up individuals to prepare them for apprenticeships.

HOW TO GET STARTED

Conduct a brief company assessment.

- Jobs for which it is difficult to find workers with the right skills?
- Positions with high turnover? Occupations where a highly skilled workforce is retiring soon?
- Challenges helping workers keep pace with continuing industry advances?
- Positions requiring skills that can be learned on the job?
- Difficulty in attracting new and more diverse talent pools?

If you answered yes to a majority of these questions you may be an excellent fit for an apprenticeship program.

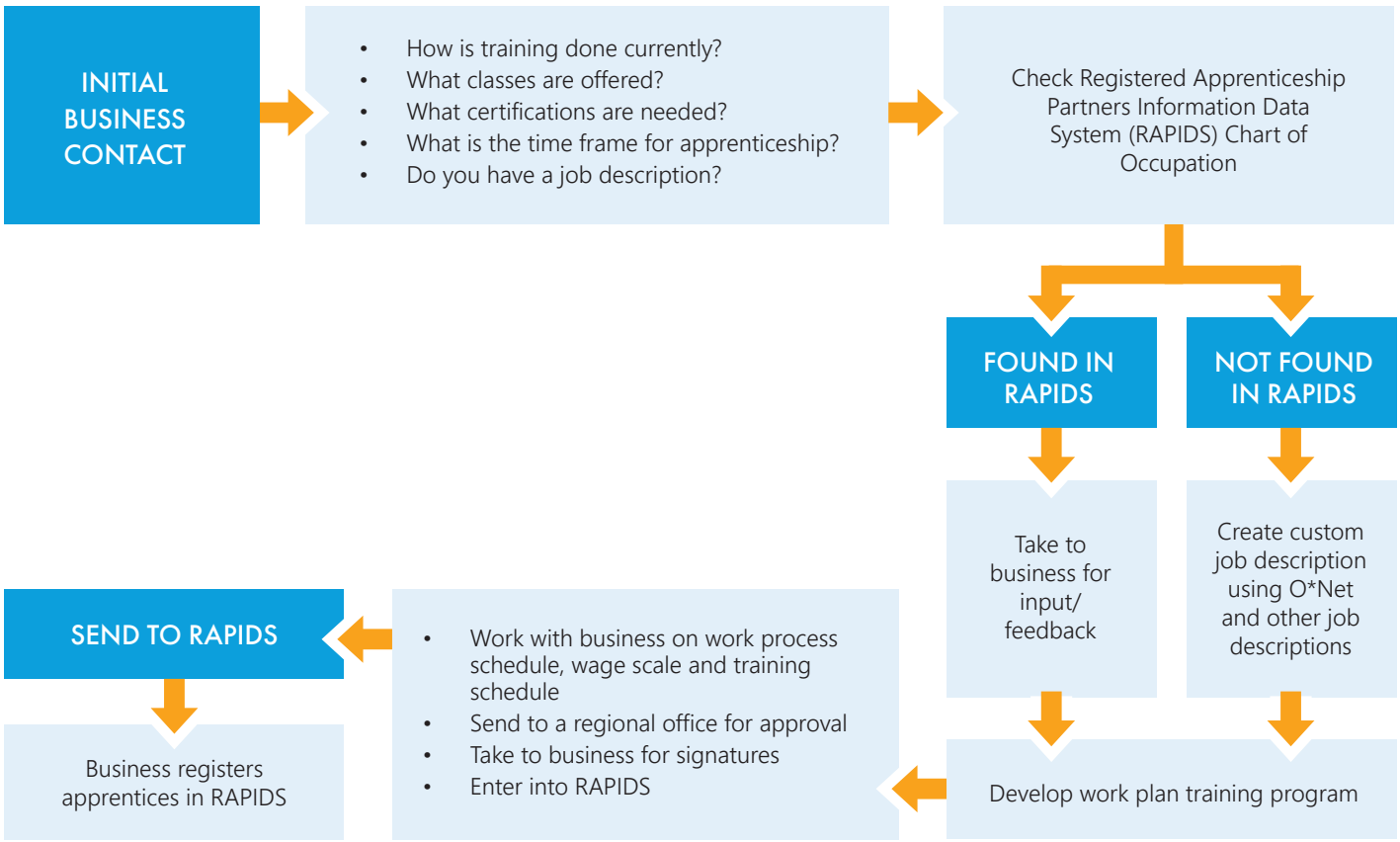
Conduct assessment on the specific occupation.

- How is the training done currently?
- What classes are offered?
- What certifications are needed or desired?
- What is the time frame for the apprenticeship?
- Is there a job description?
- What is the wage schedule of the occupation?

Contact the North Dakota apprenticeship program coordinator.

The apprenticeship program coordinator will assist the employer to explore financial resources that may be available for apprenticeship program development and help navigate through the program development process.

HOW AN APPRENTICESHIP PROGRAM IS ESTABLISHED



Updated 12.19.2024

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FIND THE goodlife in North Dakota

TALENT ATTRACTION

15K
POSTED JOBS IN NORTH DAKOTA

80%
OF LEADS ARE PEOPLE THAT HAVE NEVER VISITED ND

63%
OF LEADS ARE INTESTED IN MOVING WITHIN 6 MONTHS

100.6%
INCREASE IN LEADS FROM 2023 TO 2024

"I believe North Dakota is a gold mine of opportunity for people to find their fit and connect with their community."
–Charles, Mover from NC to Valley City

FIND THE GOOD LIFE

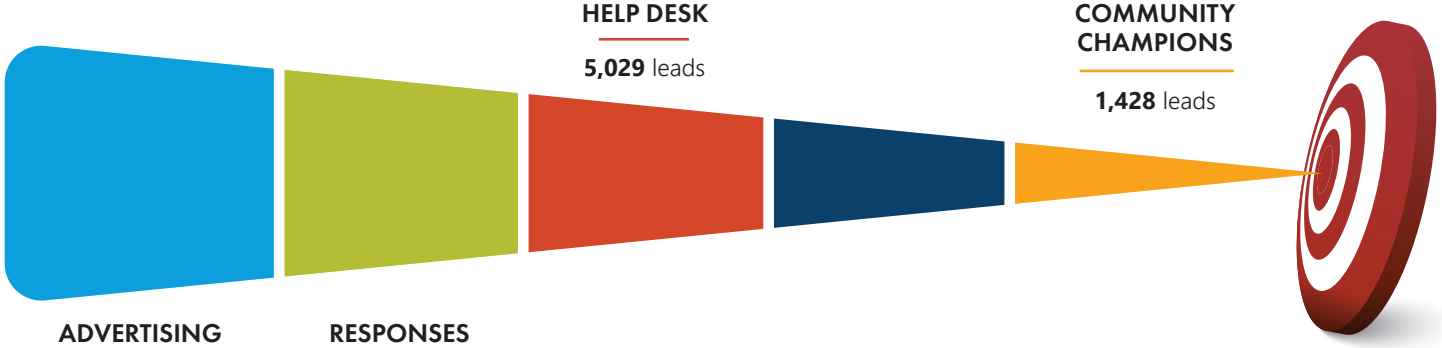
The North Dakota Department of Commerce implemented a national talent attraction program, Find the Good Life (FTGL), in June 2022. Since its launch, over 5,000 individuals interested in relocating to North Dakota have entered the pipeline designed to connect leads with local community champions. The community champions provide these individuals with additional materials to improve awareness and showcase the best of life in North Dakota, with the goal of motivating jobseekers to relocate to the state.

Research identified four primary personas likely to relocate to North Dakota. National media was placed to attract those personas: boomerangs (previous North Dakotans), young families, recent college graduates, and veterans, and to drive traffic to findthegoodlife.com. The website includes a relocation help desk that connects prospective residents with locals eager to share resources and real-life experiences about life in North Dakota. The relocation help desk utilizes three forms to collect information on career aspirations and lifestyle to help community champions personalize the conversation regarding the individual's relocation journey. Additionally, prospective residents who provide career information now enter the Candidate Marketplace, a tool for employers to directly access individuals with skills that could fill their open positions.

Find the Good Life is continuing to innovate and provide new ways to connect prospective residents with opportunities across North Dakota and to collaborate with communities and employers to leverage the state and its local talent attraction initiatives.

MARKETING CAMPAIGN EFFECTIVENESS

Marketing improves awareness and positions North Dakota as a potential new state for workers to consider. Advertising has been shown to increase the national perception of North Dakota and influence relocation even when the audience does not utilize the Help Desk and relocator tools.



ADVERTISING

Digital, social, emails, TV, Native, OOH, print, audio

$3 million invested in advertising from June 2022-February 2025 netted over 196.5 million impressions.

RESPONSES

Paid digital generated **781,786** total users.

Paid social generated **254,571** total users.

ENGAGED WITH HELP DESK

5,029 leads

ENTERED CANDIDATE MARKETPLACE

2,782 leads

CONNECTED TO COMMUNITY CHAMPIONS

1,428 leads

MADE THE MOVE TO ND

77 individuals to **17** communities attributable to the full talent pipeline

$3.85 million economic impact (+impact of accompanying family)

TOP INTERESTS OF **RELOCATORS**

1. Things to do, Festivals & Events
2. Outdoor Recreation
3. Remote Work & Entrepreneurial Opportunities
4. Food Scene
5. Arts & Entertainment

TOP RELOCATION **INTEREST**

- **67%** No Preference
- **12%** Larger Community
- **9%** Small Town
- **12%** Rural

TOP STATES FOR **RELOCATOR INTEREST**

- California
- Florida
- Texas
- Minnesota
- Arizona

TOP INDUSTRIES **RELOCATORS WORK IN**

- Business Mgt & Admin
- Healthcare
- Manufacturing
- Skilled Trades
- Retail & Food Services

Updated 03.04.2025

For more information, contact Sara Sperling at ssperling@nd.gov

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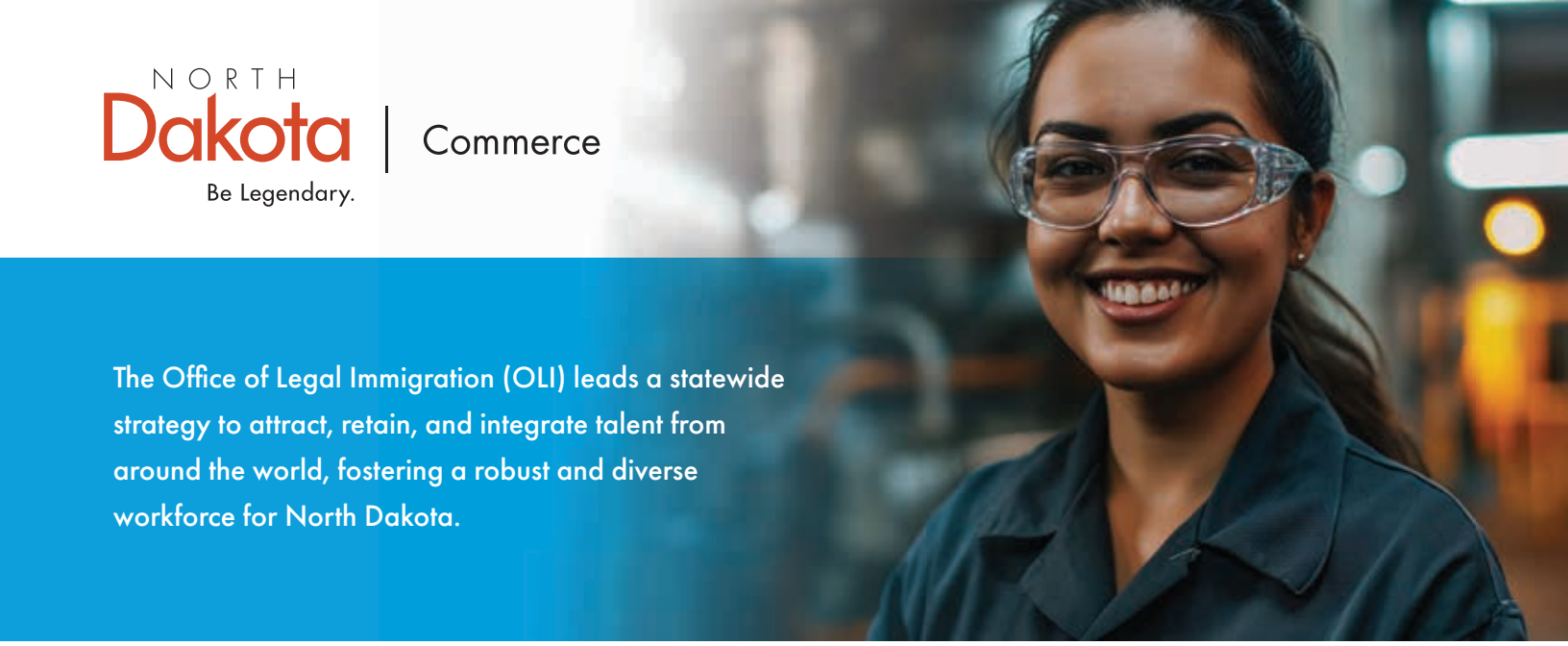

The Office of Legal Immigration (OLI) leads a statewide strategy to attract, retain, and integrate talent from around the world, fostering a robust and diverse workforce for North Dakota.

KEY OBJECTIVES

Attract and Retain Global Talent: Develop and implement a statewide strategy for recruiting and retaining highly skilled immigrants, both those already in the U.S. and those seeking new opportunities.

Empower Businesses and Communities: Advise and support businesses in navigating the legal immigration process, connecting them to resources and talent pipelines, and providing guidance on best practices. Collaborate with communities to develop welcoming environments for newcomers.

Foster Integration: Design pilot programs that assist businesses in integrating work-authorized immigrants into their workforce and equip communities with resources to support newcomers. Partner with other state agencies to ensure seamless integration services.

Statewide Coordination: Serve as a central hub for immigration-related activities, connecting stakeholders across state agencies, the governor's office, and the legislative body.

BUILDING A STRONG FOUNDATION

- A comprehensive study has been completed and serves as a road map to guide our work in a thoughtful, strategic, and effective way.
- OLI provides a robust education continuum for employers, communities, and interstate agencies through initiatives such as the Annual Global Talent Summit, webinars, presentations, and one-on-one meetings.
- As a trusted resource and collaborative thought partner, OLI works closely with these groups to drive meaningful outcomes.
- OLI bridges the gap between North Dakota and pools of qualified candidates, fostering connections that align workforce needs with global talent opportunities.
- To ensure success, OLI continually tracks these connections, assessing their viability, effectiveness, and overall impact on the workforce.

CONTACT US

Paige Kuntz, *Global Talent Administrator*
pemkuntz@nd.gov 701-328-7292

Janna Pastir, *Deputy Director*
jalpastir@nd.gov 701-328-5393

LEARN MORE
ndgov.link/OLI

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Operation Intern

FACTS

3,780
INTERNSHIP POSITIONS ASSISTED

515
BUSINESSES PARTICIPATING SINCE 2007

$5,000
MATCHING FUNDS AVAILABLE

Attracting workers to North Dakota is essential in helping to meet the state's current and future workforce needs. Internships provide a valuable way for students to make connections with businesses and identify career options in North Dakota. Operation Intern is designed to expand the number of internships, work experience and apprenticeship positions with North Dakota employers.

The program's primary focus is employers in the state's targeted industries: energy, advanced manufacturing, value-added agriculture, tourism and technology-based businesses, and autonomous systems. Funding may also be granted for other in-demand occupations on the Workforce Development Council's In-Demand Occupations Annual List. Government entities and non-profit organizations do not qualify for the program. Non-profit organizations in tourism and healthcare may be considered on a case-by-case basis, pending eligibility on the in-demand occupations list.

North Dakota businesses receive up to $5,000 in matching funds for the internships. Funding can be used for items needed for the intern to perform their internships, like wages, tools and equipment, essential training or tuition reimbursement. The funding is a one-to-one match.

The Workforce Development Division of the North Dakota Department of Commerce manages Operation Intern.

Updated 01.10.2025

"Interns are an important part of OmniByte history and future. I have been utilizing the Operation Intern program nearly since its inception. I have been a big supporter of having a solid internship program where we provide real-world work for students while realizing value-added output from them."

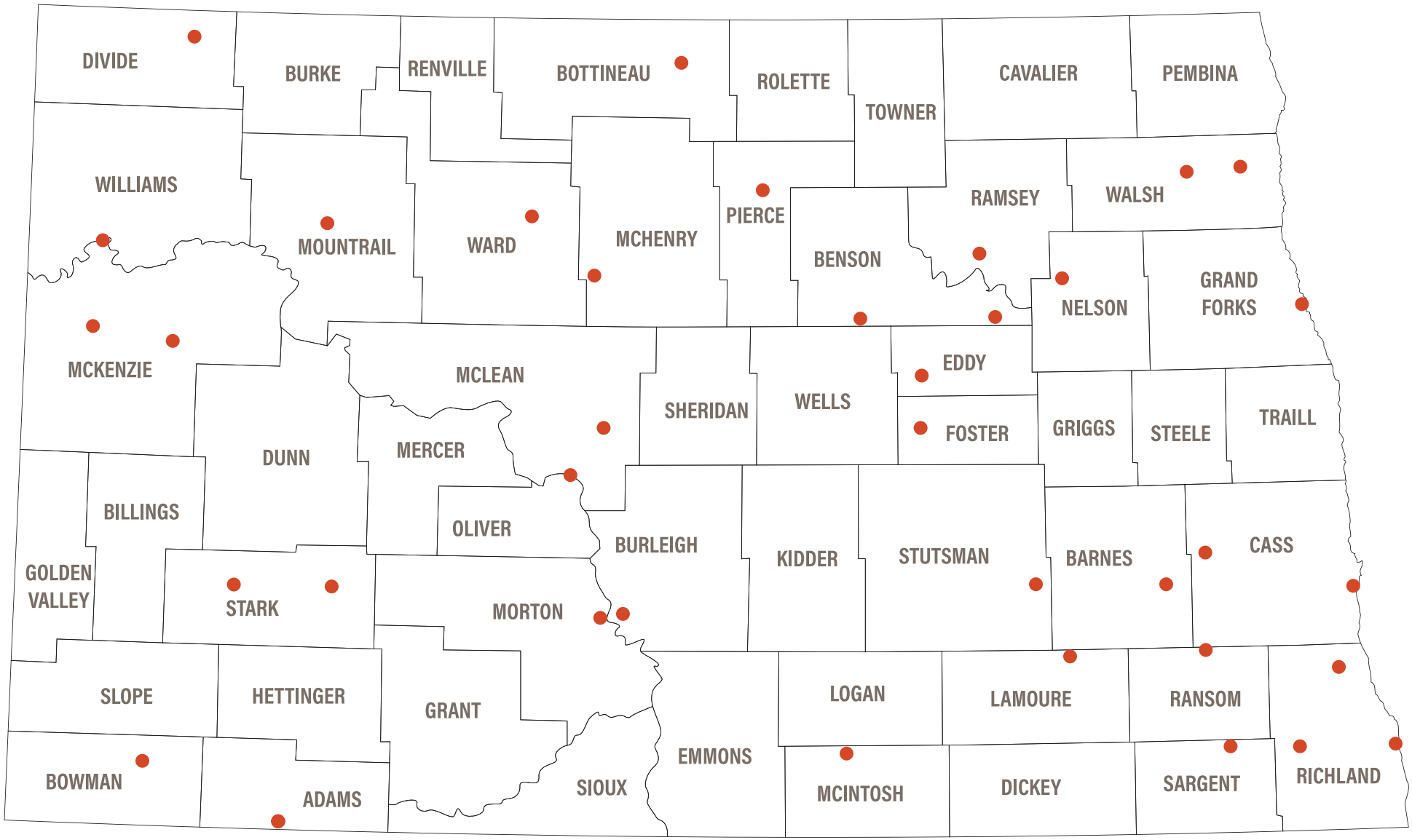
President and CEO Ray Berry of OmniByte Technology

"This apprenticeship program is important as this is a growing and important field with a limited number of graduates. It allows us to select solid employees and offer them the opportunity to develop new skills and earn higher wages."

Human Resources Manager Vicki Ham with Marvin Windows

For more information, contact opintern@nd.gov or visit ndgov.link/OpIntern

REGIONAL WORKFORCE IMPACT PROGRAM (RWIP) RECIPIENTS



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Technical Skills Training Grant

ELIGIBLE PROJECTS

Track A
New and expanding accelerated, non-degree training programs that prepare trainees for new jobs.

Funding available: Up to $200,000 with a dollar-for-dollar match throughout the lifetime of the grant program (not for incumbent workers).

Track B
Internal upskilling opportunities for incumbent workers to promote movement and advancement throughout the organization, create more comprehensive onboarding and new worker training programs, and/or provide safety training for employees.

Funding available: Up to $100,000 with a dollar-for-dollar match throughout the lifetime of the grant program.

Track C
Support workforce automation enhancement including but not limited to training and/or upskilling existing employees related to automation that has been implemented prior to the funding period; or to new or enhanced strategies, not to include the actual purchase of automation equipment.

Funding available: Up to $200,000 for training and/or upskilling existing workforce related to automation.; or up to $100,000 for a feasibility study, related to automation.

Updated 11.22.2024

BACKGROUND
The Technical Skills Training Grant was first developed in 2020 in response to the economic impacts of the COVID-19 pandemic. The program supported new and expanding accelerated skilled workforce training programs for displaced workers. The Technical Skills Training Grant program aims to offset the cost for program providers and employers in their effort to support the development of highly trained skilled workers to meet the demands of our labor market. Since the initial launch of this program, the following legislative assemblies provided additional funding to keep the program operational. Please visit **ndgov.link/TSTG** for more information.

PROGRAM OBJECTIVE
The Technical Skills Training Grant is designed to support eligible training providers and employers in their efforts to design and launch rapid, non-degree re-skilling and upskilling programs (with occupations listed on the In-Demand Occupations List), or expand capacity in existing programs. All tracks require a 1:1 match.

ELIGIBLE APPLICANTS
North Dakota colleges and universities, businesses, non-profit organizations, city/county municipals, and/or trades organizations/associations in North Dakota. Note: *Degree programs are not eligible for funding under this grant.*

Additional Eligibility
- Applicants must be registered and in good standing with the North Dakota Secretary of State's office.
- Training must take place in North Dakota.
- Majority of program participants must reside and intend to work in North Dakota.
- If tuition or training costs are part of the proposed application, the applicant may not pay those funds directly to the individuals receiving the education or training; the funds must be paid to the organization providing the education or training.
- Jobs for which workers are being trained must be on the In-Demand Occupations List.

For more information, contact Kerri Kraft at kkraft@nd.gov.

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Workforce Development Council

FACTS

81
SCHOOL DISTRICTS SUPPORTED BY AREA CAREER & TECHNOLOGY CENTERS

4,000+
JOBSEEKERS IN FIND THE GOOD LIFE PIPELINE

3,247
WIOA PARTICIPANTS IN PROGRAM YEAR 2023

110
LOCALLY-LED WORKFORCE INITIATIVES SUPPORTED SINCE 2022

For more information, contact Katie Ralston Howe at keralston@nd.gov

ROLE OF WORKFORCE DEVELOPMENT COUNCIL

The role of the North Dakota Workforce Development Council is to advise the governor and the public concerning the nature and extent of workforce development in the context of North Dakota's economic development needs and how to meet these needs effectively while maximizing the efficient use of available resources and avoiding unnecessary duplication of effort.

The Workforce Development Council consists of more than 30 members, with representation from industry; K-12, post-secondary and career and technical education; organized labor; Workforce Innovation and Opportunity Act (WIOA) state workforce partners and local and state elected officials.

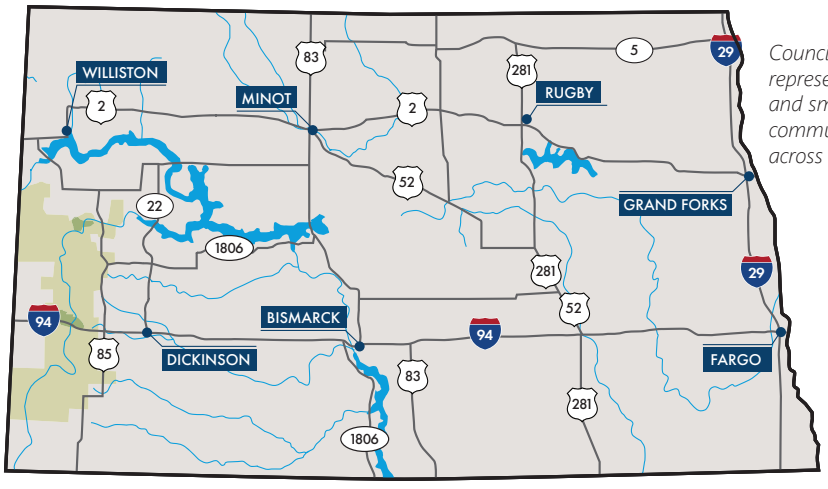
LETTER FROM THE CHAIR

Each biennium, the North Dakota Workforce Development Council produces a report of recommendations that are designed to help address the greatest workforce challenges faced by the state of North Dakota today and in the coming years.

These recommendations fall under five themes: earlier and more diverse career exploration, addressing the technical skills gap; removing barriers to employment; occupational licensing reform; and recruitment and retention of North Dakota workers.

Cindy Griffin

WDC MEMBER LOCATIONS



Council members represent large and small communities across the state

Updated 01.06.2025

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NORTH DAKOTA
Carbon Neutrality Opportunity

Carbon dioxide (CO_2) capture and storage technologies have become increasingly important as global markets focus on reducing the amount of CO_2 that is emitted into the atmosphere. As the state with the nation's largest dependence on out-of-state trade, a new focus on $52 trillion in private equity using environmental, social and governance (ESG) standards, new federal regulations and shifting consumer demand, North Dakota is committed to innovation in order to provide our companies optimal access to capital and natural resources. That commitment was solidified in May 2021, when Gov. Doug Burgum announced that the state will strive to become carbon-neutral by 2030. This goal will only be reached through innovation, not regulation. The recent Inflation Reduction Act increased federal incentives to $60-$85 per ton of CO_2 for utilization or storage. Capturing CO_2 from existing in-state and out-of-state facilities can bring a substantial financial benefit while sustaining North Dakota agriculture and energy production. **Carbon neutrality is not only good for the environment, it is also good for business. And our state has a great story to tell.**

NORTH DAKOTA'S GEOLOGY IS IDEAL

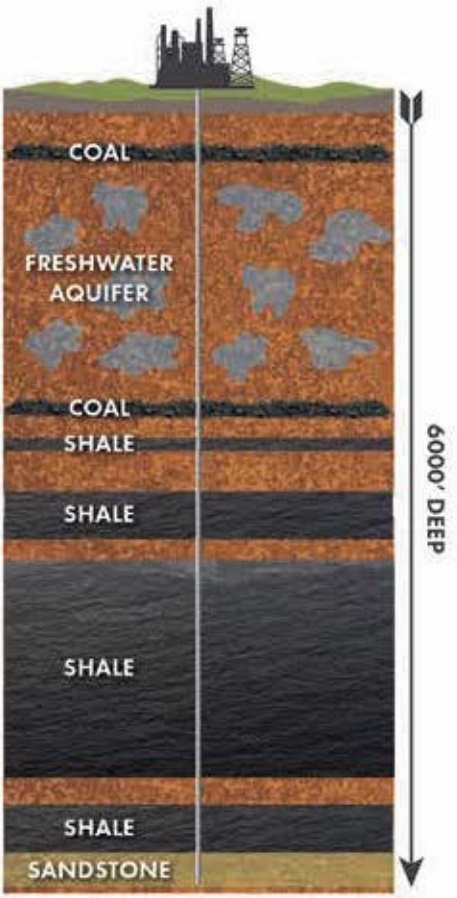
Proactive actions are already underway to fulfill this commitment. For example, Project Tundra in Oliver County, North Dakota, aims to build the largest carbon capture, utilization and storage (CCUS) facility in the world. Red Trail Energy and Blue Flint Ethanol are currently capturing and sequestering CO2 in ND. The Energy and Environmental Research Center (EERC) was instrumental in bringing these projects to reality.

North Dakota is uniquely positioned for this innovation given our geology is ideal for safe and permanent geologic storage of CO_2. A deep porous rock layer will hold the CO_2 more than a mile underground and overlying cap rock layers will seal the CO_2 in the storage zone. EERC estimates that North Dakota has capacity to sequester up to 25 billion tons of CO_2, over 4,400 years' worth of North Dakota's annual production!

DEVELOPING MARKETS FOR CO_2

North Dakota's older (conventional) oil fields: When the market is ready, CO_2 enhanced oil recovery (EOR) will revitalize older fields that are in declining stages of production, producing up to 1 billion additional barrels!

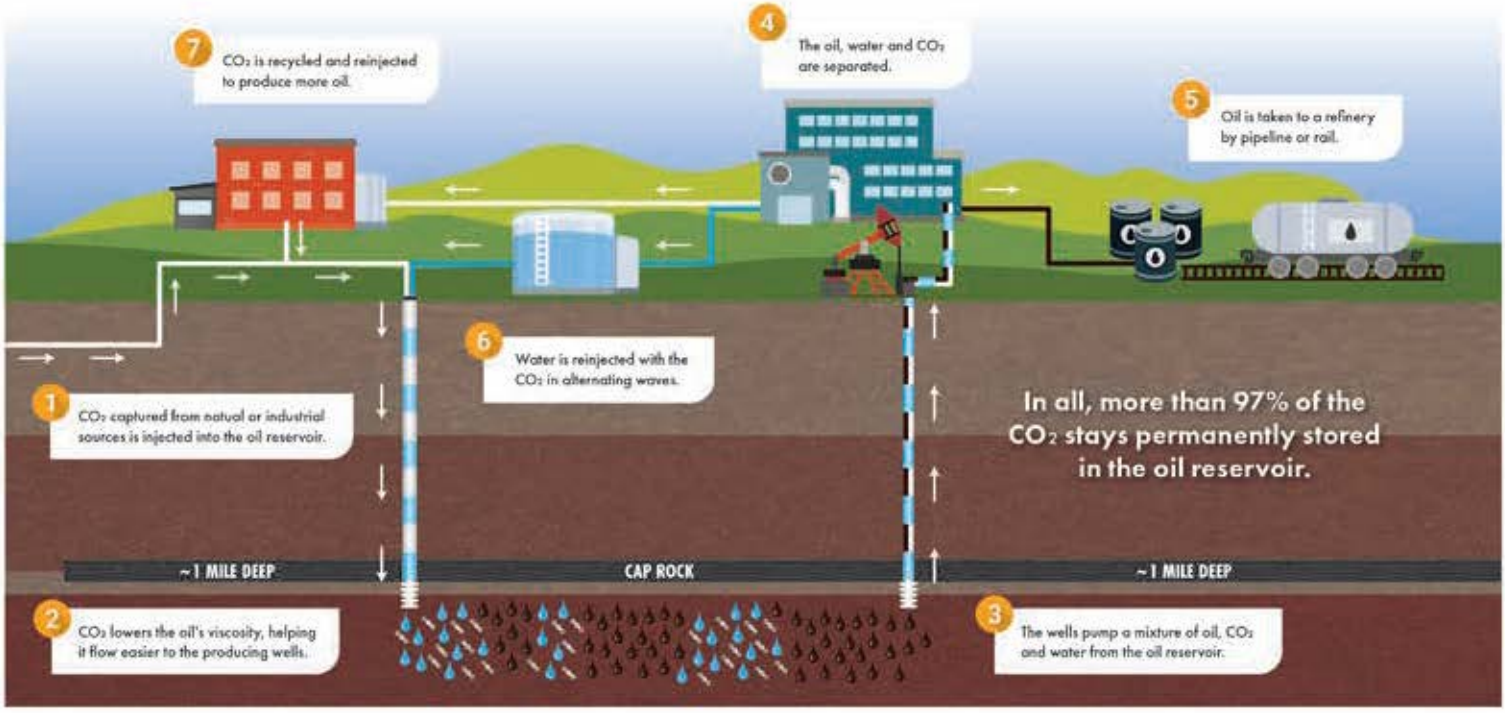
North Dakota's Bakken (unconventional) oil fields: When the technology is ready, CO_2 EOR can be applied to declining Bakken oil wells to improve production, unlocking up to 7 billion additional barrels from the Bakken and Three Forks shale!



Updated 01.07.2025

TERTIARY RECOVERY
(CO_2 Enhanced Oil Recovery)

In addition to carbon capture and storage, North Dakota is working on other ESG initiatives regarding reduction of CO_2 emissions such as using CO_2 for EOR, water recycling in oil fields, plastics manufacturing using excess and flared natural gas, geothermal energy production, and a recently announced partnership with Bakken Energy and Mitsubishi Power to create a blue hydrogen hub, composed of facilities that produce, store, transport and consume clean hydrogen.



CO2 CAPTURE AND UTILIZATION IN ND TODAY

1. Dakota Gasification Company began collecting over 2M tons per year of CO_2 in 2000 and transporting via pipeline Enhanced Oil Recovery (EOR) in Canada 25 years ago.
2. Red Trail Energy began capturing CO_2 from their ethanol production near Richardton ND and sequestering in 2022.
3. Harvestone's Blue Flint Ethanol facility near Underwood ND began capturing CO_2 off their ethanol production and sequestering in fall of 2023.
4. Additional EOR began in 2022 by Denbury in southwestern ND oilfields from CO_2 captured in Wyoming and transported via pipeline.
5. The ND Industrial Commission has multiple investments through the Clean and Sustainable Energy Authority in carbon capture technology for our coal-fired power plants. Those projects are ongoing.

Benefits

- Produces greener oil with a smaller carbon footprint because CO_2 is permanently stored in the process.
- Provides economic incentive to capture the industrial CO_2 as it is sold to offset the cost of capture.
- Enhances energy security with homegrown oil production.
- Generates and maintains well-paying jobs, tax base and viable communities.
- Reduces industrial CO_2 emissions into the atmosphere.

Safety

- Oil reservoirs can hold CO_2 the same way they've been holding other fossil fuels for millions of years.
- North Dakota's stable geology is ideal for CO_2 EOR.
- The oil industry has 40+ years of CO_2 EOR experience.
- Millions of additional barrels of oil have been safely produced (Texas, Montana, Mississippi and Saskatchewan).
- 4,000 miles of CO_2 pipelines in North America move CO_2 every day without incident.

For more information, please contact Tom Oakland at 701-328-5300

Sources for most of this information and additional research materials can be found on the EERC website at: pcor.undeerc.org/Resources.aspx

NORTH Dakota | Commerce

Energy and Natural Resources

INDUSTRY FACTS

ND RANKS
3rd LARGEST
IN NATIONAL OIL PRODUCTION

2nd
IN LOWEST COST ELECTRICITY IN THE U.S.

35%
OF ELECTRICITY GENERATION FROM RENEWABLE SOURCES

2nd LARGEST
KNOWN LIGNITE DEPOSIT IN THE WORLD

GROWING VALUE IN NORTH DAKOTA AGRICULTURE

North Dakota is the second-largest energy-producing state in the nation offering opportunities in oil and gas, coal and alternative energy production. North Dakota is a proactive producer and serves as a model in fostering innovative, long-term strategies to meet our nation's growing energy demand. The state strives with an "all of the above" approach in the development of its wide-ranging energy sector while meeting the need for energy security in an environmentally responsible manner. North Dakota offers a comprehensive package of incentives to stimulate growth in all energy sectors and creates a broad-based energy strategy that maximizes the state's resources.

ENERGY DEVELOPMENT INCENTIVES

Financial Incentives

- North Dakota Development Fund – Gap financing loan and equity program.
- Bank of North Dakota PACE Program – Interest buy down program.
- Bank of North Dakota Match Program – Loans at U.S. Treasury yield rate +0.25% to businesses other than retail that create new wealth, provide jobs and demonstrate considerable financial strength.
- Clean and Sustainable Energy program – Grant and funding options for research, development and commercialization of large scale innovative energy projects administered through the ND Industrial Commission.
- Renewable Energy Program – Grant and funding options to foster the development of renewable energy and related industrial technologies within a broad range of commercial applications. Overseen by the ND Industrial Commission.

Property Tax Exemptions

- Up to five-year property tax exemption. Additional five years available for agricultural processors or projects located on property leased from a governmental entity.
- Payment in lieu of a property tax exemption, in full or part. A company may negotiate a fixed or graduated rate for a period not to exceed 20 years. A privilege tax may be applied to coal conversion facilities.
- Exemptions on all personal property from property taxation except that of certain oil and gas refineries and utilities.

Corporate Tax Exemptions

- Five-year corporate income tax exemption for new or expanding primary sector business.

Updated 01.07.2025

ENERGY HIGHLIGHTS

Williston Basin crude oil export capacity included nearly 1.5 million barrels transported by pipeline per day and 800K barrels by rail per day, totaling nearly 2.3 million barrels per day.

33 North Dakota facilities process natural gas and have a capacity of over four billion cubic feet per day.

Electric vehicle charging stations continue to multiply. Additional $26M to be invested through 2026.

ND produces 35% of overall electricity with wind power, ranking 9th in the U.S.

Sales Tax Exemptions

- Sales and use tax exemptions on manufacturing and processing equipment.
- Sales and use tax exemptions may be granted for purchasing tangible personal property used to construct or expand electrical generating facilities, gas or liquefied natural gas processing facilities or oil refineries.
- Sales and use tax exemptions may be granted for purchasing tangible personal property used for carbon-dioxide enhanced oil or gas recovery, to extract or process by-products from coal gasification and to produce coal from a new mine.

Job Training Programs

- One-stop job training assistance – Both state and federal programs available for businesses.
- New Jobs Training Program – Grant program utilizing employee withholding tax.

SUPPORTING INFRASTRUCTURE

More Than 30K Miles of Pipeline

- 18 major crude oil pipelines, including Enbridge, Keystone, Marathon Petroleum and Dakota Access.
- Nine natural gas pipelines, including Alliance, Northern Border and WBI Energy.
- Four product pipelines, including Cenex, Kinder Morgan Cochin, Magellan, and NuStar Energy.

Rail Services

- Class 1 Carriers – BNSF and Canadian Pacific.
- Four regional lines.
- 38 container service/transloading facilities.
- 42 loop/ladder tracks.

North Dakota Port Services Inc. Serviced by BNSF

- Adjacent to mainline switch yard.
- Daily service and highway access.
- Fully operational intermodal facility with LNG capacity.

Electrical Capacity

- More than 41 million megawatt hours of electricity generated in 2023.
- More than half of state's generated electricity is exported.

NORTH DAKOTA ENERGY SITES

For more information, contact Tom Oakland at thomas.oakland@nd.gov

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Manufacturing

INDUSTRY FACTS

$5.66 BILLION
INDUSTRY OUTPUT 2023 PER BEA

108% GDP GROWTH
2012-2023 PER BEA

82%
OF ND EXPORTERS ARE SMALL BUSINESSES

7.6%
OF STATE GDP PER 2023 BEA STATS

Updated 1.08.2025

MANUFACTURING OPPORTUNITIES

Advanced manufacturing companies doing business in North Dakota include Doosan (Bobcat), John Deere, CNH Industrial, Air Liquide and Caterpillar.

Due to an abundance of energy, a skilled workforce, and a business-friendly climate (due in part to being the only state in the nation with its own state bank), North Dakota has enjoyed robust expansion in primary sector activity. Strong market growth, both domestically and internationally, has contributed to a healthy manufacturing economy.

Manufacturing and technology-based businesses in North Dakota face a serious threat from international competition. North Dakota manufacturers are not immune to the pressures of globalization and competition.

The Department of Commerce has concluded, through its work with manufacturing leaders and associations across the state, that future expansion of our manufacturing sector will come not from substantial labor growth, but rather from innovation and productivity gains, as well as a strong focus on developing foreign markets. State policy has been put into place to help stimulate and incentivize growth in this area.

PARTNERS

North Dakota Trade Office

The North Dakota Trade Office (NDTO) continues to increase its efforts to expand North Dakota's exports to high-demand foreign markets. In 2023, North Dakota led the nation in export growth, with a 45% increase over the previous year. Continued support and funding for the NDTO are essential to continued market growth for our state's manufacturers, producers, and exporters. Find more information at www.NDTO.com.

Impact Dakota

Impact Dakota is dedicated to providing world-class support and services to our friends and neighbors at North Dakota manufacturing and ag-processing companies. Our team of manufacturing industry experts conducts detailed needs assessments, outlines potential solutions, and provides technical assistance that delivers significant financial impacts. In 2024, our clients reported impressive results from the projects support provided by Impact Dakota, including $126.1M in total sales retained/gained, 781 jobs retained/gained, $2.2M in total cost savings, and $6.3M in total new investments. As the official representative of the MEP National Network in North Dakota, we are a key part of the U.S. Department of Commerce's nationwide Manufacturing Extension Partnership (MEP) network, which is integral to the United States Manufacturing Sector Infrastructure.

TRADE AND TRANSPORT BY THE NUMBERS

Two foreign trade zones

Two Canada-Mexico trade corridors

Top five export markets Canada, Mexico, Australia, Czech Republic, Germany

Five international airports

Two major interstates
I-94 East/West
and
I-29 North/South

Two Mainline Railroads
Burlington Northern Santa Fe and Canadian Pacific

Manufacturers in North Dakota account for **7.6% of the total output** in the state, employing 6.8% of the workforce.

Areas of service include, but are not limited to:

- **Workforce Development** — Enhancing skills and capabilities to meet the demands of modern manufacturing.
- **Advanced Manufacturing** — Implementing cutting-edge technologies and processes to improve efficiency and innovation.
- **Supply Chain Optimization** — Streamlining purchasing, supplier quality, and logistics to reduce risks & ensure a robust supply chain.
- **Continuous Improvement** — Driving ongoing enhancements in processes, efficiency, and productivity.
- **Regulatory Compliance** — Ensuring adherence to standards such as ISO9001, AS9100, ISO13485 QMS; Global Food Safety (HACCP, PCQI, SQF); Cybersecurity (NIST SP 800-171/CMMC); and OSHA Safety.
- **Business Operations Optimization** — Focusing on strategy, structure, people, methods, communications, metrics, and rewards to optimize overall business performance.

Impact Dakota is committed to fostering growth and excellence in North Dakota's manufacturing sector through our comprehensive and specialized services.

STRATEGIC INCENTIVE ADVANTAGES

Workforce

- New Jobs Training Program — Grant program reimbursing employee withholding taxes.
- Operation Intern – Grant program designed to create new internships and apprenticeships in North Dakota's target industries.
- Career Builders Scholarship and Loan Repayment Program – Public/private matching fund program to promote skilled workforce jobs requiring a two year degree or less.

Financial Incentives

- Angel Match Program - Matches early-stage equity investments into primary sector businesses up to $250,000.
- North Dakota Development Fund, Inc. — Gap financing loan and equity program.
- PACE Program — Interest buy-down program at Bank of North Dakota.
- MATCH Program — Loans at U.S. Treasury yield rate + 0.25%.
- Legacy Investment for Technology (LIFT) Loan Fund — Innovation loan fund to support technology. Low (0-2%) interest financing for research and development in target diversification sectors.

Income Tax Exemptions

- Five-year corporate income tax exemption for new or expanding primary sector business.

Sales Tax Exemptions

- Sales and use tax exemption on machinery and equipment.
- Utilities are not taxed in state.

Property Tax Exemptions

- Up to a five-year 100% property tax exemption.
- Additional five years are available for agricultural processors.
- Payment in lieu of a property tax exemption. A company may negotiate a fixed or graduated tax rate for a period not to exceed 20 years.
- Personal property is not taxed, including equipment, materials in process and accounts receivable.

Tax Credits

- Automation Tax Credit – Tax credit designed to promote factory automation in North Dakota.
- Investment tax credits for business investors.

For more information, contact David Lehman at dlehman@nd.gov

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UAS
(UNCREWED AIRCRAFT SYSTEMS)

INDUSTRY
FACTS

TOTAL INVESTMENT BY THE STATE OF NORTH DAKOTA
$118 MILLION

NORTHERN PLAINS UAS TEST SITE
A TOP PERFORMING TEST SITE

GRAND SKY
THE NATION'S FIRST UAS-FOCUSED BUSINESS PARK

THE NATION'S FIRST
BVLOS SYSTEM
VANTIS

NORTH DAKOTA UNCREWED AIRCRAFT SYSTEMS (UAS): THE NEXT GENERATION

North Dakota's uncrewed aircraft systems sector continues to lead the nation in supporting the agricultural and energy industries, commercializing intellectual property, and operationalizing federal requirements. To continue this growth and momentum, North Dakota must continue to invest in growing its Beyond Visual Line of Sight (BVLOS) network, support robust operations at the Northern Plains UAS Test Site (NPUASTS) and expand infrastructure at the Grand Sky UAS Park to support highly diverse and well-paying jobs as well as the national security mission.

GRAND SKY: THE NATION'S FIRST PRIVATE UAS PARK

Grand Sky, the nation's first UAS business and aviation park, is home for flight testing, UAS operations and research and development. Grand Sky offers build-to-suit locations and temporary facilities for commercial UAS development and testing, as well as defense related operations support and has attracted more than $100 million in private investment. Grand Sky offers access to secure defense networks, dark fiber, a 12,351-foot runway, uncongested airspace with less than 10 operations daily and more than 330 days of flying weather annually. Testing operations are supported with electronics component distributors, metal fabrication, 3D printing, and equipment support for the most demanding test requirements. Grand Sky partners like the Northern Plains UAS Test Site (NPUASTS) can support airspace needs. Grand Sky is home to one of the nation's first commercial BVLOS system.

VANTIS

North Dakota is a thriving ecosystem of uncrewed aircraft systems (UAS) for public and private use. Through the development of Vantis, a statewide network enabling UAS flights Beyond Visual Line of Sight (BVLOS), North Dakota is poised to become the nation's epicenter of commercial UAS activity. Vantis is the first such program of its scale in the U.S. To date more than 200 UAS and 68 manned aircraft test flights have been completed on Vantis, as the Northern Plains UAS Test Site works towards expanding the network across all of North Dakota. Commerce is recruiting new industries to assist with energy production and supporting small communities across the state. Autonomous development and the attraction of private equity throughout the agricultural sector continues at a rapid clip as well, including new start-up activity from Plug and Play.

Updated 1.08.2025

KEY NORTH DAKOTA GROWTH

$400 million in private sector investment.

Over 1,000 people employed by industry.

Almost 50 UAS companies call North Dakota home.

Federal partners include DoD, CBP and FFA.

INDUSTRY CLUSTERS

North Dakota's UAS ecosystem offers a unique blend of expertise and opportunity that makes it a top destination for companies such as:

- Northrop Grumman
- General Atomics
- Thales USA
- ISight RPV Services
- Packet Digital
- Thread
- Frontier Precision
- The Hive

SUCCESSES

- DoD selects Grand Sky to host "Sky Range" program under which 24 Global Hawks will be repurposed and modernized for a new national security mission.
- Packet Digital, a leading provider of batteries and charging systems for autonomous systems, opened a new manufacturing facility to increase its production capacity and meet growing demand for its innovative products.
- Growing presence of venture capital firms and accelerators supporting an already vibrant ecosystem.
- Pro-business environment that combines valuable UAS capabilities, amenities, and collaborations with state and local programs that help position UAS companies for success.

PREMIER TEST SITE ADVANTAGES

- Strong industry support
- Open terrain
- Robust energy and agriculture industry clusters
- Broad infrastructure, including Grand Sky Business Park and Northern Plains Test Site
- Research collaborations with UND and NDSU in areas such as autonomous systems and agriculture
- History and culture of aviation safety
- Uncongested airspace
- Climate diversity
- Unique testing locations and scenarios

For more information, contact Landon Johnson at ltjohnson@nd.gov

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Value-added Agriculture

INDUSTRY FACTS

$5.9 BILLION
AGRICULTURE EXPORTS ABROAD

24,800
FARMS ACROSS 38.5 MILLION ACRES

OVER
$11 BILLION
IMPACT

#1 IN 11 CROPS

NORTH DAKOTA LEADS THE NATION

North Dakota leads the nation in the production of the following commodities:

Sunflowers	Honey
Pinto beans	Oats
Canola	Wheat, durum
Flaxseed	Wheat, spring
Pink beans	Rye

GROWING VALUE IN NORTH DAKOTA AGRICULTURE

Agriculture is a leading industry in North Dakota, consistently ranking high in crop and livestock production. North Dakota offers tremendous opportunity in value-added agriculture, such as food processing and manufacturing, as only a small percentage of production is processed in-state.

A STATE POISED FOR ECONOMIC GROWTH

North Dakota has all the key elements for successful food processors with the potential for future growth. North Dakota is focused on developing and expanding markets for crops, livestock and bio-fuels. The state offers an array of incentives to encourage continued growth in the industry. Enhanced with attractive business incentives, North Dakota is drawing some of the world's most successful companies to the state. Cavendish Farms, Roman Meal, JR Simplot, Pro Gold and Minot Milling are just a few of the businesses taking advantage of North Dakota's legendary business climate and workforce. North Dakota leads the nation in the production of 11 crops and, with the application of industry leading technology and cutting edge farming practices, our production increases year over year, creating ongoing value-added opportunities.

PROCESSING AND PRODUCTION INCENTIVES

- North Dakota offers a range of agricultural processing and production incentives along with ease of access to local financing institutions – including the only state-owned bank in the nation
- Sales tax exemptions on construction materials
- Property tax exemption of up to five years for new or expanding businesses and up to 10 years for ag processors
- In lieu of property tax exemption, in full or part, a company may negotiate a fixed or graduated property tax rate for up to 20 years
- Corporate income tax exemption of up to five years for new or expanding manufacturers
- Wage and salary corporate income tax credit for new businesses
- Income tax credit for research expenditures
- Sales and use tax exemption for manufacturing equipment
- No personal property tax, including equipment, inventory, materials in process and accounts receivable
- Numerous grants and low-interest loans
- Assistance for job training and workforce development
- Lowest workers compensation premium rates in the United States

TOP 10 EXPORT COUNTRIES FROM NORTH DAKOTA

1. Canada
2. Mexico
3. Dominican Republic
4. Japan
5. Peru
6. Colombia
7. Panama
8. Spain
9. Chile
10. Jamaica

Source: U.S. Department of Commerce, International Trade Administration

DID YOU KNOW?

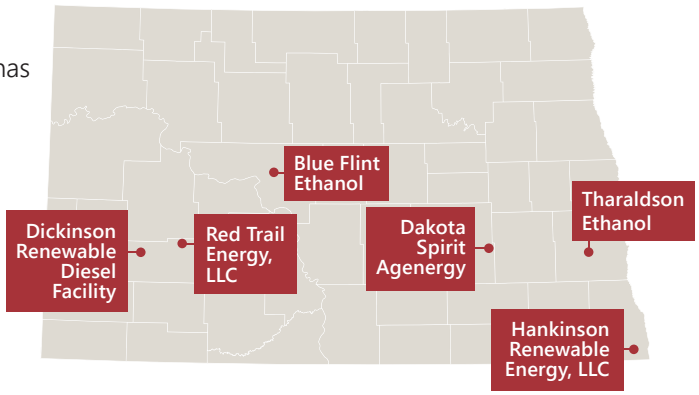
Wheat is produced in all 53 counties in North Dakota. Around 19,200 farms grow wheat — 74% spring, 25% durum and 1% winter wheat.

Beef cattle are raised in every North Dakota county with about 1.7M beef cattle and calves across the state. That's more than **2.2 cattle for every person** in North Dakota.

The state has 25 dairy farms that produce nearly **32 million gallons of milk** each year

There are approximately **12,487 head of bison** in North Dakota. They are raised for meat and hides.

North Dakota has **six renewable fuel facilities.**



For more information, contact Kevin Sonsalla at ksonsalla@nd.gov

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Development Fund

INDUSTRY FACTS

9,350
JOBS CREATED

915
PROJECTS FUNDED SINCE 1991

PRIMARY SECTOR
ECONOMIC DEVELOPMENT TOOL

Updated 2.24.2025

NDDF PROGRAMS

- North Dakota Development Fund
- Regional Rural Development Revolving Loan Fund
- Child Care Loan Program
- Angel Match Program
- Automate ND
- Advance ND

ECONOMIC DEVELOPMENT TOOL

The North Dakota Development Fund, Inc. (NDDF) was created through legislation in 1991 as an economic development tool. It provides flexible gap financing through debt and equity investments for new or expanding North Dakota primary sector businesses. The Development Fund makes investments of up to $3 million. The board of directors may adjust the limit when deemed appropriate.

The following criteria apply to Development Fund investments:

- The NDDF is governed by a board of directors.
- Financing is available to any North Dakota primary sector business project with the exception of production agriculture. Primary sector includes tourism and specific types of investor-owned agriculture.
- Primary sector includes individuals and businesses which, through the employment of knowledge or labor, add value to a product, process or service which results in the creation of new wealth.
- Funds may be used to provide working capital or to finance the purchase of fixed assets, but not to refinance existing debt.
- Applicants must have a financial commitment at stake. Usually, principals are required to have a minimum of 15% equity in the project.
- Principal shareholders with 20% or greater ownership are generally required to guarantee the debt. Other shareholders may also be required to guarantee.
- The NDDF administers the Angel Match Program which provides up to $250,000 in matching funds to venture-backable businesses headquartered in North Dakota. Investments are made on the same terms as matched dollars.
- Financing is available to any North Dakota licensed child care operator up to $1 million, based on availability of funds.

For more information,
contact Brian Opp @ brlopp@nd.gov

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Legacy Investment for Technology Loan Fund

APPLICATION CHECKLIST

1. Completed and signed LIFT Application Form (SFN 61662)
2. Required supplemental documents:
   a. A business plan
   b. Historical financial documents
   c. Three to five years of financial projections
   d. A pitch deck
   e. Organizational documents

LIFT LOAN TERMS INCLUDE:

- 0% interest for the first three years of the loan.
- 2% interest for the next two years of the loan.
- An interest rate equal to a standard Bank of North Dakota loan for all subsequent years.

Updated 12.05.2024

The Legacy Investment for Technology Loan Fund (LIFT) supports technology advancement by providing financing for commercialization of intellectual property within the state of North Dakota.

The use of the loan funds are available to enhance capacity and to the extent possible, leverage state, federal and private sources of funding. Loan funds may be used to conduct applied research, experimentation or operational testing within the state. Loan funds may not be used for capital or building investments or for research, academic or instructive programming, workforce training, administrative costs, or to supplant funding for regular operations of institutions of higher education.

Approval for LIFT applications shall be made by the LIFT Committee with the following considerations:

1. Deliver applied research, experimentation or operational testing in one or more of the diversification sectors to create information or data to enhance North Dakota companies or industries/companies making investments in North Dakota.
2. Lead to the commercialization or patent of an innovative technology solution.
3. Result in the development of a new company or expansion of an existing company that will diversify the state's economy through new products, investment or skilled jobs.

INDUSTRIES QUALIFIED

- **Advanced computing and data management**
- **Agriculture Technology**
- **Energy and value-added energy**
- **Health care**
- **Ag and value-added ag**
- **UAS**

PAVEWISE

A Bismarck/Fargo based construction technology company, specializing in real-time, on-site weather data solutions through its GroundTruth software and Hyperlocal Weather Stations. Originally focused on the asphalt paving industry, Pavewise has expanded its offerings to serve the broader construction market by streamlining operations and ensuring compliance with precise, up-to-the-minute weather insights. Currently Pavewise is advancing its weather station technology, helping construction teams automate processes and maintain regulatory compliance. Pavewise's commitment to innovation is transforming how the construction industry navigates unpredictable weather, reducing manual effort and optimizing project efficiency.

MAC Company

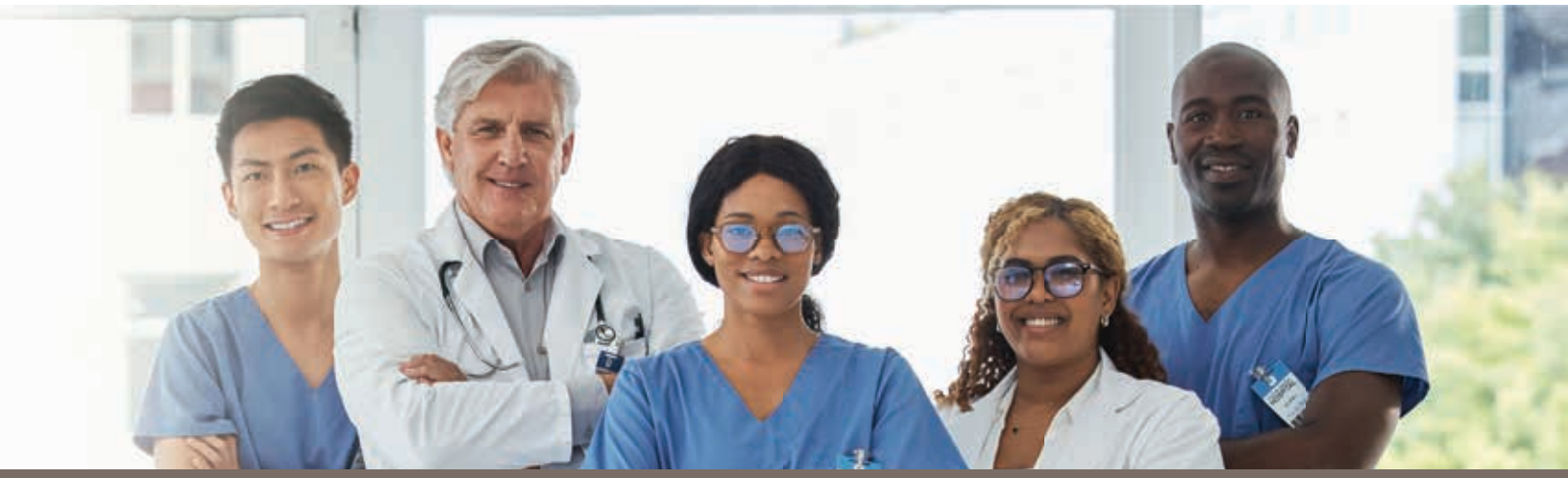
A West Fargo-based company that is producing an innovative small articulated loader, the SwingSteer, and mid-size ProSeries attachments. The design merges the benefits of traditional skid steers with those of articulated loaders. Currently MAC Company is launching these new products through direct sales, equipment dealers and rental companies. Support from LIFT was crucial in funding the commercialization and initial production of these products.

checkable

Checkable Health, a West Fargo based company, is developing the first at-home strep throat test kit and accompanying app, as well as developing other at-home diagnostic tests. LIFT support helped to move the founding team to the state and partner with a North Dakota clinical research partner to execute its trials. The company plans to create high-paying jobs in the bioscience industry.

FLOWCORE SYSTEMS

A Williston-based chemical injection automation solutions manufacturer, specializing in multi-patented high precision fluid dosing for the oil and gas industry. Currently, FlowCore Systems is working towards bringing their industry leading technology to the broader market by optimizing hardware requirements to offer a low-cost solution. Bringing innovation to the oil and gas sector, FlowCore's ongoing IOT integration development (FlowSite) allows for remote visibility and control, reducing well failure and chemical injection over-treatment.



For more information, contact Carla Valentine at crvalentine@nd.gov

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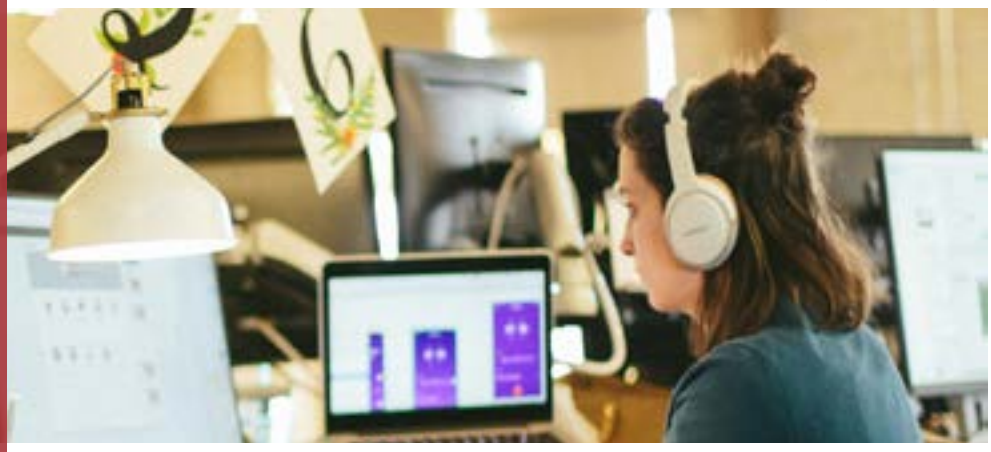
Economic Impacts from Legacy Investment for Technology Loan Fund (LIFT)

INDUSTRY FACTS



$514.9 MILLION
ANNUAL ECONOMIC OUTPUT INCREASE

$305.2 MILLION
ANNUAL GDP INCREASE

$156.2 MILLION
INCREASE IN PERSONAL INCOME

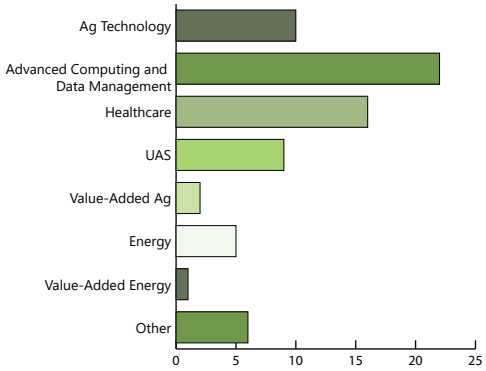
2,320
JOB CREATION ACROSS ALL INDUSTRIES

Updated 1.10.2025

The Legacy Investment for Technology Loan Fund (LIFT) approved $43.7 million (109%) of the appropriated $40 million for the first three biennia of the program The program has provided funding to 56 North Dakota businesses in eight industry sectors. The North Dakota Department of Commerce utilized the Regional Economic Model Tax Policy Insight (REMI Tax PI) to estimate the economic impact the awarded LIFT funds will have on North Dakota's economy through 2026.

- Increased Economic Output--North Dakota's yearly economic output is forecasted to increase by $514.9 million by 2026 because of economic activity supported by LIFT funds. This figure is a measure of the value of all goods and services, including business-to-business sales, above the baseline economic growth expected for North Dakota's economy without this investment.
- Increased Gross Domestic Product (GDP). North Dakota's GDP will increase by $305.2 million per year by 2026, according to this forecast. In contrast to economic input, GDP measures only value-added goods and services, or the value of the final product sold.

LIFT Recipients by Industry



- Increased Personal Income--Collectively, yearly personal income across the state will increase by $156.2 million in total by 2026, an increase of $91 per capita. This results in an average yearly personal income of $78,661, rather than the baseline forecast of $78,570 in the absence of the economic activity spurred by the LIFT program.
- Additional Jobs. The LIFT funds are expected to impact the creation of 2,320 new jobs across several industries by 2026. 1,135 of these jobs are direct impacts, with numbers of employees forecasted by the loan recipients. The economic output and personal income generated by these jobs drives the creation of indirect and induced employment in other areas of North Dakota's economy. This may include suppliers, manufacturers, or jobs made possible by the increase in personal income to the area.

METHODOLOGY

The REMI Tax-PI model is a structural economic forecasting and policy analysis model. The main idea behind economic impact analysis is that one more dollar spent in a local or regional economy results in a change greater than one dollar in the economic activity of the respective area. The REMI Tax-PI model is tailored to North Dakota's Economic Regions using historical data from reliable sources such as the Census Bureau, the Bureau of Economic Analysis, Bureau of Labor Statistics, Energy Information Administration, and other reliable data sources.

MAC Company

A West Fargo-based company that is producing an innovative small articulated loader, the SwingSteer, and mid-size ProSeries attachments. The design merges the benefits of traditional skid steers with those of articulated loaders. Currently MAC Company is launching these new products through direct sales, equipment dealers and rental companies. Support from LIFT was crucial in funding the commercialization and initial production of these products.

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For more information, contact Carla Valentine at crvalentine@nd.gov

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DIVISION OF COMMUNITY SERVICES

The North Dakota Department of Commerce Division of Community Services (DCS) was established to provide technical assistance to local governments and state agencies in the areas of community and rural planning and development, policy research and development and grant program implementation.

PROGRAMS INCLUDE:

State Energy Program

Promoting Energy Conservation and Efficiency

The State Energy Program (SEP) provides a range of grant resources for energy conservation related opportunities, including energy education, installation of energy efficient features in homes, businesses and political subdivision facilities, and new and expanding energy technologies. The programs state energy plan is funded through state and U.S. Department of Energy (DOE).

The SEP office administers the North Dakota energy efficiency grant, annual allocation of funds from DOE for program grants, Infrastructure, Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA) grants.

For more information on the SEP program and grants go to **ndgov.link@StateEnergy**

Community Development Block Grant

Developing Vibrant and Sustainable Communities

The Community Development Block Grant Program (CDBG), provided through the U.S. Department of Housing and Urban Development (HUD), provides financial assistance to local governments in the form of grants for public facilities, housing rehabilitation and economic development projects and public services. The primary beneficiaries of these projects must be low to moderate income individuals.

For more information go to **ndgov.link/CDBGApplication**

Weatherization/LIHEAP

Increasing Energy Efficiency for Low Income Persons

The Weatherization Assistance Program and the LIHEAP Weatherization Program impact low-income individuals across the state to:

- Increase energy efficiency in homes
- Strengthen the health and safety of the home
- Reduce total residential energy expenditures
- Provide conservation measures

Since 2001, more than 10,000 homes have been equipped with energy-conserving measures. They are programs of the U.S. Department of Energy and the U.S. Department of Health and Human Services. The Weatherization program shows an ROI of $2.78 in non-energy benefits for every $1 invested in the program.

For assistance, connect with the CAA in your region at **capnd.org**

Updated 01.07.2025

Manufactured Home Installation Program

Inspecting Manufactured Homes

Since 2003, the Division of Community Services has overseen the manufactured home installation program, where all new manufactured homes installed for residential purposes are completed by an inspector licensed by DCS. A minimum of 2 inspections are required on a double-wide home and one inspection on a single-wide home is required. ND currently has 61 installers and 16 licensed inspectors.

For more information go to **ndgov.link/ManufacturedHousing**

Community Services Block Grant

Fighting Poverty in North Dakota

The Community Services Block Grant (CSBG) Program assists communities and individuals in implementing anti-poverty programs. The program administers funding from the U.S. Department of Health and Human Services through the state's seven Community Action Agencies (CAAs), providing various services to low-income persons, including:

- Emergency assistance
- Money management
- Housing counseling
- Self-sufficiency services
- Case management and outreach
- Referral services

For assistance, connect with the CAA in your region at **capnd.org**

Community Development & Rural Prosperity (CDRP)

The CDRP team supports cities, counties and tribal entities throughout the state through strengthened collaboration and coordination of private, public and federal agencies. The Community Development team can be the catalyst for the communities to plan appropriately to grow and prosper.

Several best practices, planning grants and educational training webinars can be found at **ndgov.link/CDRP**

Renaissance Zone Program

The Renaissance Zone Program is a locally driven program for cities across North Dakota for redevelopment and economic investment that incorporates tax incentives to business and residential properties. Major revisions in the program occurred in 2023 which allows local entities to manage their growth and future.

For more information go to **ndgov.link/RenZone**

For more information, contact Maria Effertz at meffertz@nd.gov

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State Energy Program

STATE ENERGY PROGRAM APPLICATIONS

- Building Efficiency Projects
- Energy Education
- Energy Workforce Development
- Energy Planning

Updated 12.23.2024

The mission of the State Energy Program is to provide leadership to maximize the benefits of energy efficiency and renewable energy through technology deployment, communications and outreach activities, and access to new partnerships and resources.

While any organization may apply to the program, priority is given to schools, political subdivisions, state agencies and non-profits. The amount of funding available varies from year-to-year. Typically, awards range from $5,000 to $50,000.

The program year runs from July 1–June 30.

APPLICATION PROCESS

Applications are accepted at any time. However, in order to guarantee consideration for the upcoming program year, applications or a letter of intent detailing a description of the proposed project and budget must be received by March 1. The application form can be found at **ndgov.link/SEP**.

GUIDELINES

- Sub-recipients must maintain a SAM registration and valid UEI to be eligible.
- Funds may not be used for product development.
- A 20% match is required. The match may be cash or in-kind.
- Applicants must register as a vendor with the state.
- New construction projects are ineligible.

REIMBURSEMENT

Funds are provided on a reimbursement basis. The reimbursement form is available at **ndgov.link/SEP**. Appropriate supporting documentation must be included.

- Building projects of more than $250,000 are subject to Buy America – Build America (BABA) requirements. Building projects funded under the Infrastructure Investment and Jobs Act -State Energy Program (IIJASEP) grant are subject to Davis Bacon Requirements.
- Invoices must be included for all purchases of services or goods. If a purchase is over $10,000, three bids must be included. Contractors and vendors must not be debarred or suspended on the System for Award Management.
- If requesting reimbursement for employees, a timecard must be provided that shows the full amount of time of each employee. Hours worked on the grant project also must be designated.

For more information, contact Kevin Iverson at kciverson@nd.gov

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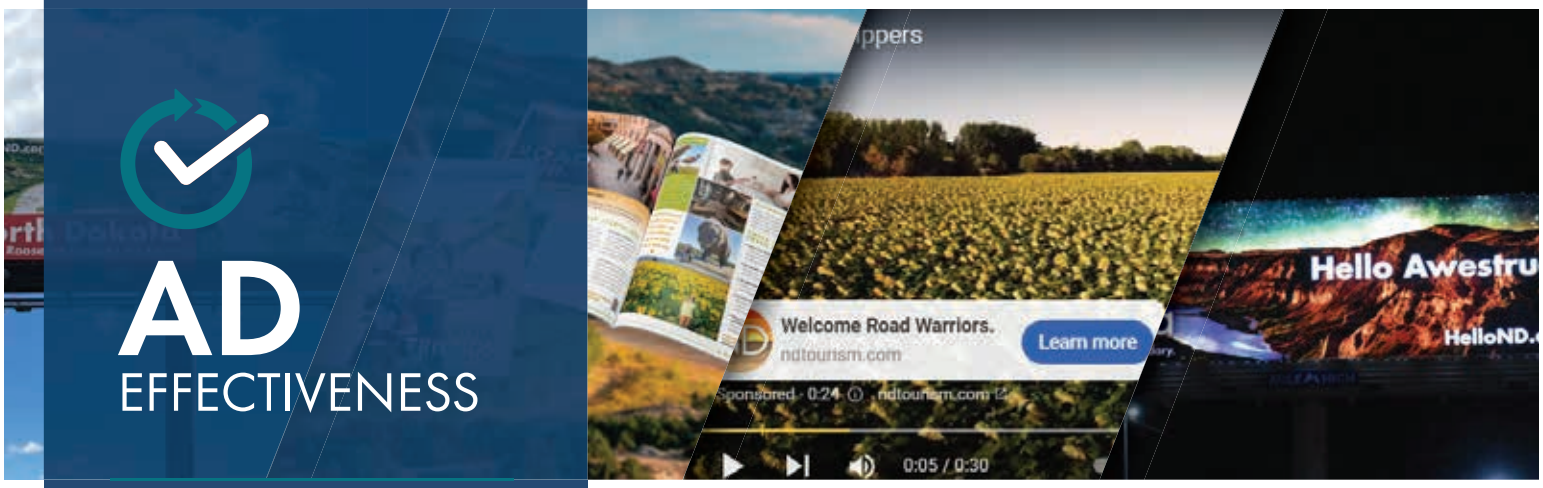
Elevating North Dakota's Image



AD EFFECTIVENESS

13%
AVERAGE IMAGE LIFT FROM ADVERTISING AWARENESS

MORE THAN
3.6 MILLION
VISITS TO NDTOURISM.COM IN 2024

DIGITAL CAMPAIGN HAD MORE THAN
17 MILLION
VIDEO COMPLETIONS

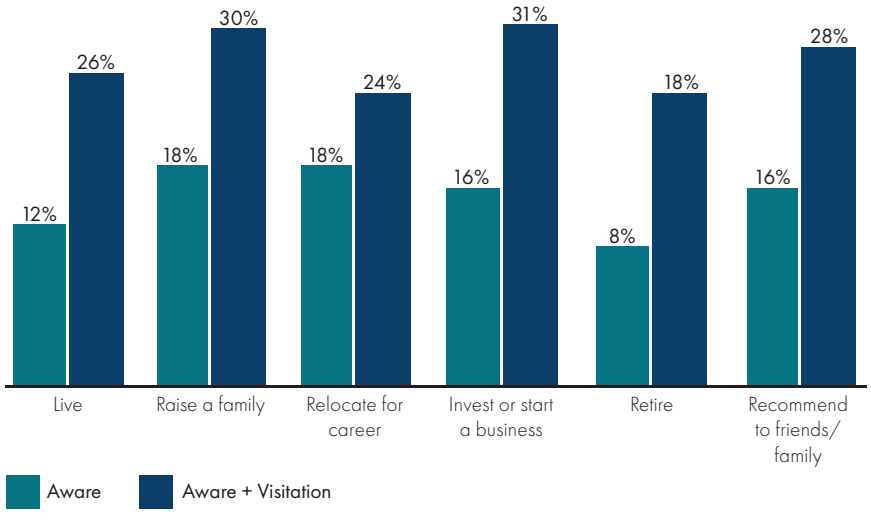
1.4 MILLION
ADDITIONAL ADVERTISING MOTIVATED TRIPS

TOURISM ADVERTISING ELEVATES NORTH DAKOTA'S IMAGE

Advertising is a powerful tool with the ability to change perceptions, attitudes and behaviors. Research shows that North Dakota Tourism's promotional campaigns create a "halo effect" that lifts image and diversifies the economy through increased visitation and makes North Dakota a more favorable place to visit, live, raise a family, work or advance your career, or invest or grow a business.

HALO EFFECT OF NORTH DAKOTA TOURISM MARKETING

Image Lift from Advertising Awareness



A national perception study confirmed North Dakota lacks general awareness and there is potential to influence the state's public image. North Dakota's destination advertising has a positive impact on overall image lift and perception of economic development attributes. Tourism advertising is the most visible and cost-effective tool for reaching those who can be motivated, not only to visit our state, but to consider North Dakota for relocation or business building.

SOLID ADVERTISING OUTREACH

Ongoing research monitors the performance of advertising and digital media's impact on visitation. In 2024, geolocation data showed a 23.5% lift in visitation from ad-exposed devices versus devices that did not receive ad impressions. With changing consumer behavior, a diverse media mix continues to be the most effective at reaching travelers.

TV / Radio
21 MILLION (2024)
76 MILLION (2023)

Print / Out-of-Home
234 MILLION (2024)
157 MILLION (2023)

Digital
132 MILLION (2024)
130 MILLION (2023)

Social Media
50 MILLION (2024)
14 MILLION (2023)

EARNED MEDIA TELLS THE NORTH DAKOTA STORY

Public and media relations efforts elevate North Dakota's image through proactive outreach and storytelling. In 2024, there were 3,429 media instances resulting in 6.1 billion audience impressions. An influencer campaign netted an additional 2.1 million impressions and nearly 126,000 social media engagements. In total, that's like every single person in the states of South Dakota, Montana, and Wyoming seeing a North Dakota tourism story, proving its legendary experiences reached far beyond its borders.

WHY INVEST IN MARKETING?

Tourism marketing **supports** North Dakota entrepreneurs and businesses by **raising awareness** of North Dakota.

Visitors spend on average $**9 million per day** in North Dakota.

Tourism marketing supports North Dakota's vibrant communities with visitation and spending in all **53 counties**.

The **$307 million** in tax revenues supported by visitor activity is a savings of **$960 per household**.

In 2023, there were more than **45k visitor-supported jobs** and **3,097 tourism-related businesses** in North Dakota.

For more information, contact Sara Otte Coleman at socoleman@nd.gov

Tourism Destination Development

NORTH Dakota | Commerce
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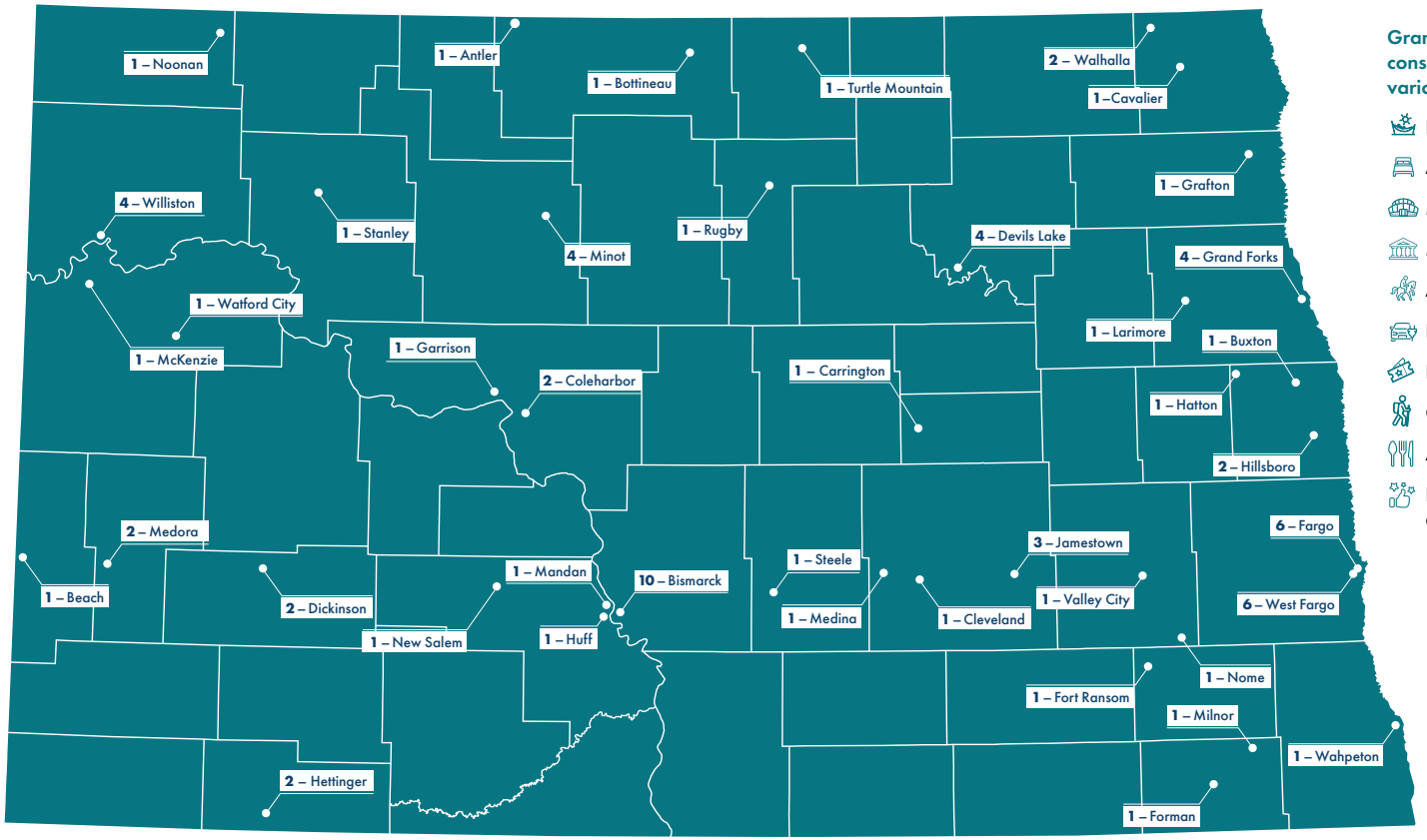
2023 Destination Development Grant Applications

The applications varied considerably in scope and appeal to unique visitor segments. New and expanded destination experiences will not only attract visitors but also improve our quality of life and workforce recruitment efforts.



Grant application projects vary considerably, appealing to various visitor sectors.

- Lake resorts
- Accommodations
- Multi- faceted venues
- Museums
- Activities
- Rentals
- Entertainment
- Outdoor recreation
- Amenities
- New and enhanced complete attraction experiences

$151.5 million in requests | 81 applications | 42 cities

For more information, contact Sara Otte Coleman at socoleman@nd.gov

Tourism destination development has the potential for economic and sociocultural effects that will positively impact further growth in our state. As our state continues to lead innovation in several economic development sectors, it is important to create a better quality of life for our residents by connecting resources to drive economic growth. In addition, we recognize the importance of developing unique tourism experiences that share our story with non-residents to increase tourism revenue and to bring awareness of North Dakota, which supports workforce talent recruitment to the state.

Good Bear Bay Lodge at Indian Hills Resort - The lodge sits on the shores of Lake Sakakawea, and offers a 4-bedroom, 2.5-bath living area for families or larger groups. It also has a full kitchen, living area, and an extended covered outdoor patio.

The Shores Event Center at Woodland Resort, Devils Lake - The Shores will feature panoramic views of Devils Lake, state of the art sound and lighting, outdoor patio and bar/catering on-site. The space can hold 400 people.

For more information, visit NDgov.link/DestinationDevelopment.

THE DESTINATION DEVELOPMENT GRANT

The Destination Development Grant Program was designed to support new and expanded destination attractions, resulting in new or improved experiences for visitors and residents across North Dakota.

List of Recipients:

- Good Bear Lodge at Indian Hills
- Bison World
- Bottineau Winter Park Snow Making
- Brews, Chews, and Views in Minot
- Dickinson Museum Center
- Expansion Project
- Frost Fire Park
- Huff Hills Ski Area
- Riverfront Festival Grounds
- Dakota Prairie Wings Lodge
- The Theodore Roosevelt Presidential Library
- Thrill Hills
- Turtle Mountain Comprehensive Tourism Plan
- Western Heritage
- Woodland Resort Guest Center

$25 million awarded to grow and expand tourism offerings in North Dakota.

Proposed Changes to the Destination Development Grant Program 2025-2027 Biennium

Application Criteria:

- **New Experiences:** Prioritize projects that introduce novel and unique experiences to North Dakota.
- **Defining North Dakota:** Projects should align with the state's identity and values, such as its natural beauty, cultural heritage, or historical significance.
- **Long-Term Impact:** Projects should have a lasting positive impact on the community and the state's tourism industry.
- **Timely Completion:** Projects should be realistic and achievable within the 2025-2027 biennium.

Project Categories:

- **New Experiences:** Support the development of entirely new attractions or experiences.
- **Major Expansions:** Fund significant expansions of existing attractions or facilities.
- **Operational Enhancements:** Provide funding for projects that improve the visitor experience or operational efficiency of existing businesses.

Grant Match and In-Kind Contributions:

- **Matching Funds:** Matching funds can be raised within 12 months prior to the grant award date.
- **In-Kind Contributions**: Acceptable in-kind contributions include:
  - Donated land (valued at fair market price)
  - Donated equipment (valued at fair market price)
  - In-house labor (excluding administrative, personnel, and programmatic costs)
  - Sales taxes on eligible expenses

Grant Administration:

- **Intermediary Entities:** Intermediary entities may apply to coordinate multiple projects that align with the grant criteria. However, they are responsible for ensuring that grant funds are used appropriately and that all projects meet the program's requirements.

By refining these criteria and guidelines, we can ensure that the Destination Development Grant Program continues to support innovative and impactful projects that enhance North Dakota's tourism industry.

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Travel and Tourism

INDUSTRY FACTS

25.6 MILLION
ANNUAL VISITORS

$3.3 BILLION
IN VISITOR SPENDING

MORE THAN
3,000
RELATED BUSINESSES AND ORGANIZATIONS

MORE THAN
45K JOBS

TOURISM DIVERSIFIES NORTH DAKOTA'S ECONOMY

Tourism is a powerful statewide industry, an opportunity for workforce and business recruitment, and a tool for community vitality. Residents benefit from visitor spending and tourism activities. North Dakota's tourism sector comprises five industries: lodging, food/beverage, recreation/arts/entertainment, transportation and retail. From restaurants to museums, service stations to golf courses.

TOURISM IS AN EXPORT COMMODITY

North Dakota's visitor economy grows when more people travel to and within the state, and visitors spend more time within a destination. Shopping, dining, purchasing transportation and lodging, buying event tickets, attending galleries, performances and sporting events and other activities all contribute to a stronger visitor economy.

FAST FACTS ABOUT NORTH DAKOTA'S TOURISM INDUSTRY

Revenue Source

Travel and tourism generated $3.3 billion in direct visitor spending and $307 million in visitor-paid taxes, buoying the state's economy in 2023.

Support Local Business

Tourism is a significant revenue source for hotels, lodges, restaurants, museums, art galleries, parks, fishing and hunting outfitters, casinos, sporting events, retail outlets, coffee shops, festivals, craft shops, golf courses and many other businesses. In 2023, there were more than 25.6 million visitors to and through North Dakota.

Economic Driver

There are more than 3,000 businesses and organizations offering countless attractions, events and tourism-related activities in the state.

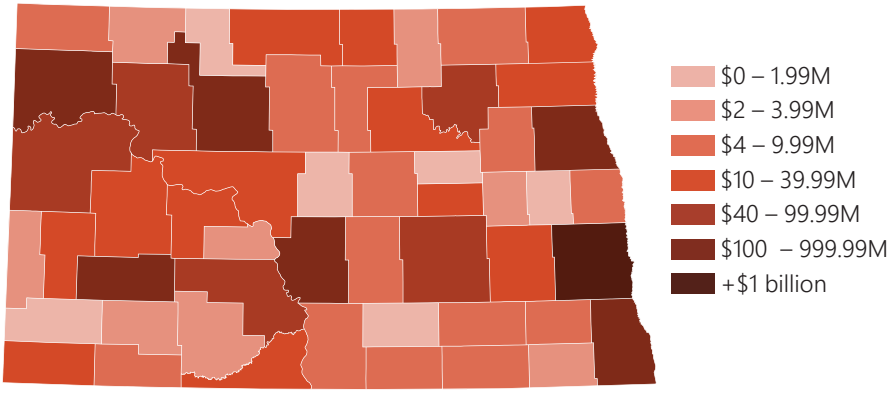
TOURISM IS A GATEWAY TO ECONOMIC AND WORKFORCE DEVELOPMENT

Businesses don't build in a location they know nothing about. People don't move to a location they've never visited. Tourism marketing and visitation are a gateway to a number of key economic development measures.

76% of new residents visited North Dakota before moving.

In 2024, $4.2 million was invested in paid advertising for North Dakota netting more than 438 million impressions. Advertising significantly contributed to a new record high in website traffic at more than 3.6 million visits.

VISITOR SPENDING BY COUNTY



Travel and tourism benefits every county in North Dakota, creating jobs, generating sales across dozens of sectors and improving our quality of life.

VISITOR SPENDING BRINGS OUTSIDE DOLLARS INTO NORTH DAKOTA'S ECONOMY, GENERATING TAX REVENUE, ADDITIONAL BUSINESS INCOME, JOBS AND A MORE DIVERSE ECONOMY.

$572 MILLION IN LODGING

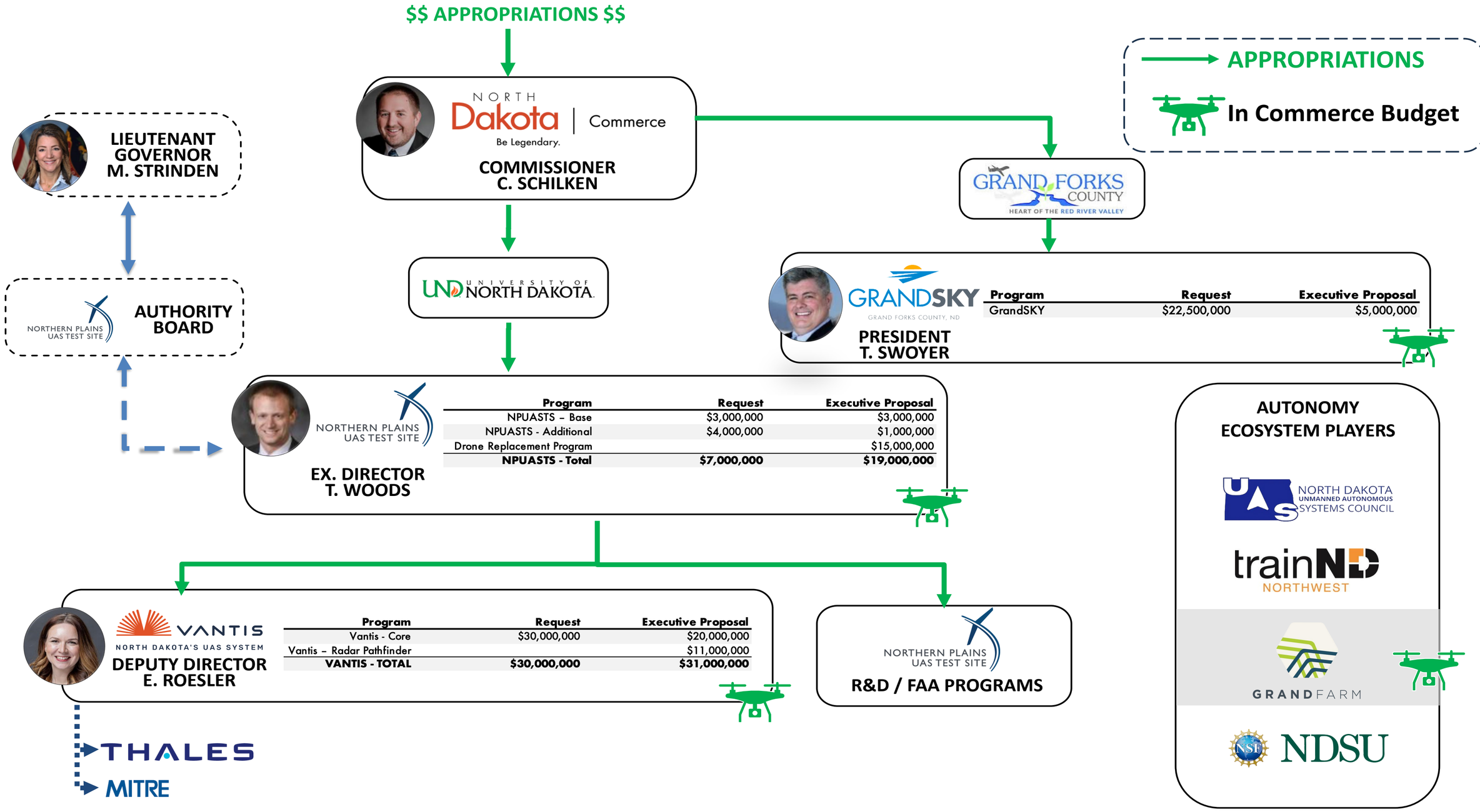
$949 MILLION IN FOOD AND BEVERAGES

$631 MILLION IN TRANSPORTATION

$506 MILLION IN RECREATION

$675 MILLION IN RETAIL

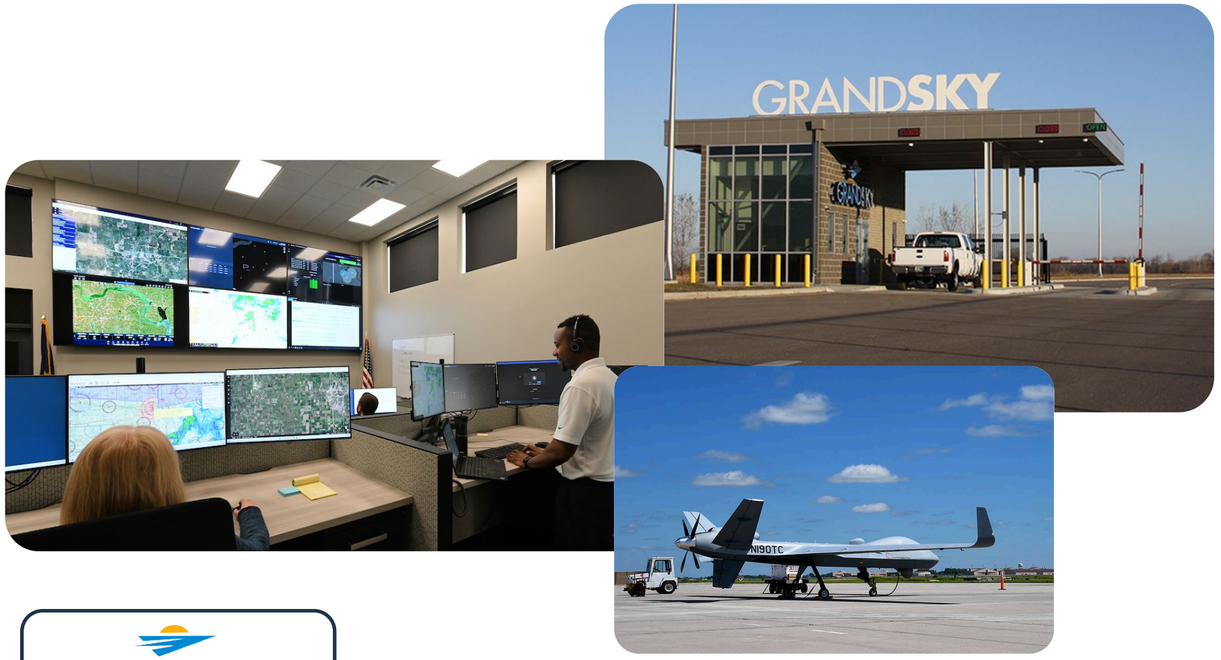
For more information, contact Sara Otte Coleman at socoleman@nd.gov


$$ APPROPRIATIONS $$
APPROPRIATIONS
In Commerce Budget
LIEUTENANT GOVERNOR M. STRINDEN
NORTHERN PLAINS UAS TEST SITE
AUTHORITY BOARD
NORTH Dakota | Commerce
Be Legendary.
COMMISSIONER C. SCHILKEN
UND UNIVERSITY OF NORTH DAKOTA
GRAND FORKS COUNTY
HEART OF THE RED RIVER VALLEY
GRANDSKY
GRAND FORKS COUNTY, ND
Program Request Executive Proposal
GrandSKY $22,500,000 $5,000,000
PRESIDENT T. SWOYER
NORTHERN PLAINS UAS TEST SITE
Program Request Executive Proposal
NPUASTS – Base $3,000,000 $3,000,000
NPUASTS - Additional $4,000,000 $1,000,000
Drone Replacement Program $15,000,000
NPUASTS - Total $7,000,000 $19,000,000
EX. DIRECTOR T. WOODS
VANTIS
NORTH DAKOTA'S UAS SYSTEM
Program Request Executive Proposal
Vantis - Core $30,000,000 $20,000,000
Vantis – Radar Pathfinder $11,000,000
VANTIS - TOTAL $30,000,000 $31,000,000
DEPUTY DIRECTOR E. ROESLER
THALES
MITRE
NORTHERN PLAINS UAS TEST SITE
R&D / FAA PROGRAMS
AUTONOMY ECOSYSTEM PLAYERS
NORTH DAKOTA UNMANNED AUTONOMOUS SYSTEMS COUNCIL
trainND NORTHWEST
GRANDFARM
NSF NDSU

NORTHERN PLAINS UAS TEST SITE

NPUASTS is one of seven FAA-designated test sites, housed at the University of North Dakota and funded through the ND Department of Commerce. For the last 11 years, the NPUASTS has been advancing UAS and advanced air mobility (AAM) integration, positioning ND as policy and integration leaders in aviation.

- **Key roles:** Federal Recognition: Supports the FAA and DOT in shaping national aviation policy.
- **Expertise:** Provides leadership in aviation operations, safety, and R&D for cutting-edge technology.
- **Collaboration:** Partners with industry and government Economic
- **Impact:** Strengthens North Dakota's economy and offers opportunity for young professionals. Has up to $8M spending authority on Federal Contracts.



VANTIS
NORTH DAKOTA'S UAS SYSTEM

Vantis, established in 2021, is a statewide beyond-visual-line-of-sight (BVLOS) network administered by the Northern Plains UAS Test Site (NPUASTS). It combines physical infrastructure (radar and communication radios) with digital systems (airspace management and mission planning) to enable safe and scalable UAS operations.

Key benefits:

- **Airspace Safety:** Monitors airspace and flights to prevent conflicts.
- **Unlocking Critical Use Cases:** Supports medical deliveries, agriculture and energy inspections, and first responder operations.
- **Expanding Coverage:** Currently spans 3,000+ square miles in Western ND, with new volumes launching in Grand Forks, Fargo, and other areas in 2025-2026.
- **National Leadership:** Setting policy standards & only State to work exclusively with FAA to receive radar data.

GRANDSKY
GRAND FORKS COUNTY, ND

Since 2013, GrandSKY, located in Grand Forks County, has been charged with operating the only commercial UAS flight test and operations center in the U.S. By way of enhanced use land agreement with the County of Grand Forks and U.S. Air Force, GrandSKY enables shared infrastructure, including a runway, aprons, air traffic control and radar services, and emergency response. GrandSKY is a destination for DoD and commercial clients who bring innovations and jobs to ND.

Key facts:

- **Key Tenants:** Northrop Gruman, General Atomics and Vantis
- **State Investment:** Since 2013, North Dakota has invested $33M in GrandSKY infrastructure.
- **Private Sector Growth:** This investment has leveraged $159M in private sector funding for facilities, aircraft, and equipment—a 4.81:1 return on state dollars.
- **Job Creation:** GrandSKY has created 269 direct jobs, with an average salary of $117,928, in one of the fastest-growing sectors of aviation.

Legacy Investment for Technology (LIFT) Loan Fund
Companies Awarded Since Inception

Biennium	Company	Industry	Location	Awarded*	g	Comments	Project
2019-21	Access Point Technologies EP, Inc.	Healthcare	Fargo	$1,000,000	Existing		Medical devices such as catheters and systems for treating cardiac arrhythmias.
2019-21	Airtonomy, Inc.	UAS	Grand Forks	$1,000,000	Startup		A SaaS company that provides push-button-easy drone inspections and autonomous, AI-powered data analysis.
2019-21	Appareo Systems LLC	Ag Technology	Fargo	$2,500,000	Existing	Company Exit	Funding of Precision Chemical Application Project for precision agriculture.
2019-21	Bushel, Inc.	Ag Technology	Fargo	$1,000,000	Existing		Connect the grain industry through digital infrastructure (Bushel Connect).
2019-21	Checkable Medical	Healthcare	Fargo	$600,000	Startup		End-to-end platform that allows consumers to test their symptoms at home and get a treatment plan without having to go to the doctor.
2019-21	FarmQA	Ag Technology	Fargo	$1,000,000	Existing		Real-time monitoring of acreage
2019-21	First-I (KSI Video)	UAS	Grand Forks	$850,000	Startup		A drone in a box system.
2019-21	Genesis Feed Technologies LLC	Ag Technology	Fargo	$300,000	Startup	Funds Returned	Platform for soybean industry to assist ingredient buyers with real-time ingredient value and quality.
2019-21	Golden Path Solutions	Advanced Computing & Data Mgn	Fargo	$180,000	Startup		Technology platform that connects employers and students using school partnerships and tuition reimbursement to get the right student with the right education for future employers.
2019-21	Harvest Profit	Ag Technology	West Fargo	$425,000	Startup	Funds Returned Company Exit	Farm management software focused on cost and profit tracking.
2019-21	HubEdge	Advanced Computing & Data Mgn	Grand Forks	$500,000	Startup		Software to help airlines and airports optimize and efficiently manage ground operations including gate assignments and aircraft parking.
2019-21	Infinite Leap	Healthcare	Fargo	$1,000,000	Existing	Company Exit	Internet of Things (IoT) technology for healthcare providers.
2019-21	Krampade	Healthcare	Grand Forks	$500,000	Startup		Manufacture high potassium performance drink mixes to prevent cramping and aid in enhancing performance during and recovery after exercise.
2019-21	Leveridge	Ag Technology	Fargo	$800,000	Startup		Commercialization of the agronomy, grain, patronage and scale software for ag industry.
2019-21	Mobile Recon Systems	UAS	Grand Forks	$500,000	Startup		UAS focusing on functional flexibility with higher payloads than most small UAS devices can handle.
2019-21	Omnibyte Technologies	Advanced Computing & Data Mgn	Fargo	$340,000	Existing		Provide technology mobile applications for technical services for field service orgianizations.
2019-21	Prototype Garage LLC	Ag Technology	Fargo	$500,000	Existing		Harvester and waste processing equipment for ag industry.
2019-21	Signum LLC	Advanced Computing & Data Mgn	Richardton	$250,000	Startup		Internet of Things (IoT) solution for remote monitoring of assets and processes with custom devices, connectivity, and analysis tools.

Legacy Investment for Technology (LIFT) Loan Fund

Companies Awarded Since Inception

Biennium	Company	Industry	Location	Awarded*	g	Comments	Project
2019-21	Tailorie, Inc.	Advanced Computing & Data Mgr	Grand Forks	$750,000	Startup		with brands relevent to what's important to the consumer.
2019-21	Three Farm Daughters	Value Added Ag	Grand Forks	$500,000	Startup		Food company making high fiber pasta
2019-21	TracFrac	Advanced Computing & Data Mgr	Bismarck	$500,000	Startup		A monitoring platform for oil and natural gas well activity.
2021-23	701x	Ag Technology	Fargo	$750,000	Startup		GPS enabled eartag for herds
2021-23	Access Point Technologies EP, Inc.	Healthcare	Fargo	$750,000	Existing		Medical devices such as catheters and systems for treating cardiac arrhythmias.
2021-23	Advest Marketing	Advanced Computing & Data Mgr	Fargo	$500,000	Startup		A tool that creates and grades video ads based on conversion rates using AI
2021-23	Airial Robotics	UAS	Grand Forks	$500,000	Startup		UAS platform developed to fly longer, further, faster and carry more payload.
2021-23	Airtonomy	UAS	Grand Forks	$1,000,000	Existing		A SaaS company that provides push-button-easy drone inspections and autonomous, AI-powered data analysis.
2021-23	Be More Colorful	Advanced Computing & Data Mgr	Fargo	$500,000	Existing		Virtual reality workforce development solution - a pilot program with Career and Tech Education engaging k12 districts.
2021-23	Checkable Medical	Healthcare	Fargo	$500,000	Startup		End-to-end platform that allows consumers to test their symptoms at home and get a treatment plan without having to go to the doctor.
2021-23	Corvent Medical	Healthcare	Fargo	$1,000,000	Startup		A mechanical ventilator capable of being used in a various environments from hospital or transport.
2021-23	Dakota Energy Systems	Energy	Grand Forks	$500,000	Startup		Hydro electric power system using pressurized flow in pipes
2021-23	Elinor Coatings	Other	Fargo	$750,000	Existing		Solutions for corrosion and surface protection - chromate free primers for aluminum, steel, and multi-metal applications
2021-23	Fenworks	Advanced Computing & Data Mgr	Grand Forks	$500,000	Startup		A software platform to host esports for k-12 schools
2021-23	First-I LLC	UAS	Grand Forks	$150,000	Startup		A drone in a box system.
2021-23	FlowCore Systems	Energy	Williston	$750,000	Existing		Chemical injection automation company with precise fluid measurement technology in the oil and gas industry
2021-23	Imricor Medical Systems	Healthcare	Fargo	$1,500,000	Existing		MRI compatible cardiac ablation catheter manufacturing facility in ND
2021-23	Lincoln Therapeutics	Healthcare	Grand Forks	$2,000,000	Startup		Developing intranasal spray pharmaceutical products to be used for emergency and military
2021-23	Maison Safiyaa	Advanced Computing & Data Mgr	Fargo	$1,000,000	Startup		Vertically integrated, made to order, global luxury womens wear brand
2021-23	Mobile Recon Systems	UAS	Grand Forks	$400,000	Startup		UAS focusing on functional flexibility with higher payloads than most small UAS devices can handle.

Legacy Investment for Technology (LIFT) Loan Fund

Companies Awarded Since Inception

Biennium	Company	Industry	Location	Awarded*	g	Comments	Project
2021-23	Prototype Garage LLC	Other	Fargo	$600,000	Existing		expansion of cutting-edge processing and recycling waste process equipment
2021-23	SafetySpect	Healthcare	Grand Forks	$1,250,000	Startup		Technology decontaminates invisible organic residues and biological or viral threats to safeguard soldiers in foreign contamination threats.
2021-23	Tailorie, Inc.	Advanced Computing & Data Mgn	Grand Forks	$250,000	Startup		Social discovery platform connecting consumers with brands relevent to what's important to the
2021-23	TERRACOH Development	Value Added Energy	Bismarck	$748,790	Existing		CO2 sequestration below ground
2021-23	Thaea	Advanced Computing & Data Mgn	Fargo	$250,000	Startup		Specializes in network management software that allows users to grow and manage their networks.
2021-23	TheraTec	Healthcare	Fargo	$1,000,000	Startup		Medical SaaS for musculoskeletal rehabilitation.
2021-23	TruWeather Solutions	UAS	Grand Forks	$250,000	Existing		Develop and commercialize UAS weather products.
2021-23	Vigilant Aerospace	UAS	Grand Forks	$500,000	Existing	Funds Returned	UAS focused on detect and avoid software
2021-23	WeClean Local	Advanced Computing & Data Mgn	Bismarck	$500,000	Startup		A tech-based cleaning service
2023-25	Protosthetics	Healthcare	Fargo	$250,000	Startup		The Galileo program is a suite of hardware (3D printing devices), software and services for the orthotic and protosthetic clinics to make medical devices on-site
2023-25	Bushel, Inc.	Ag Technology	Fargo	$1,000,000	Existing		AgTech Company developing software (Bushel Passport) to integrate the Bushel mobile app data with the Bushel Farm Account
2023-25	Three Farm Daughters	Value Added AG	Grand Forks	$500,000	Existing		Food company making high fiber pasta
2023-25	PaveWise	Advanced Computing & Data Mgn	Bismarck	$250,000	Startup		Asphalt paving app to help contractors proactively improve quality control
2023-25	MAC Company	Other	West Fargo	$1,000,000	Startup		SwingSteer loader with better visibility and low ground disturbance.
2023-25	Vetnexus	Advanced Computing & Data Mgn	Fargo	$200,000	Startup		Software SaaS company for veterinary care clinics
2023-25	Trimyxs	Other	Fargo	$282,600	Startup		Attachment to a push lawnmower to trim while
2023-25	ThermaSolutions	Healthcare	Fargo	$250,000	Startup		Technology to create an environmentally friendly green Ethylene Oxide sterilizaiton plant in ND
2023-25	Fenworks	Advanced Computing & Data Mgn	Grand Forks	$750,000	Startup		Fenworks furnishes k-12 schools with access to STEM activities such as Drone Racing and Esports in ND, SD, MN, and soon to be WY
2023-25	Uncle Charlie's Gourmet Snacks	Other	Fargo	$200,000	Startup		Uncle Charlie's Gourmet Snacks created uniquely flavored, high-quality snack foods
2023-25	Aigen	Ag Technology	Fargo	$250,000	Startup		Aigen Inc is a agtech startup tackling solve herbicide-resistance weed problem using solar-powered autonomous ground robots that mechanically weed and collect data for growers.
2023-25	RxE2	Healthcare	Fargo	$500,000	Startup		Transform clinical trials industry through IP

Legacy Investment for Technology (LIFT) Loan Fund

Companies Awarded Since Inception

Biennium	Company	Industry	Location	Awarded*	g	Comments	Project
2023-25	ChippAI	Advanced Computing & Data Mgr	Fargo	$400,000	Startup		Building a payment solution for generative AI developers. Allows developers to charge users based on how much they use rather than a monthly subscription.
2023-25	FamGenix	Advanced Computing & Data Mgr	Fargo	$500,000	Existing		A software company that captures family health history information and allows clinicians to access their history for hereditary diseases.
2023-25	BrAIn, Inc	Healthcare	Fargo	$750,000	Startup		Developing a diagnostic platform which combines a high content neuronal imaging platform with an AI algorithm to diagnose neurological diseases.
2023-25	PaveWise	Advanced Computing & Data Mgr	Bismarck	$500,000	Existing		Asphalt paving app to help contractors proactively improve quality control
2023-25	Valence NGS	Energy	Williston	$1,000,000	Existing		Micro flare gas capture facilities for the oil and gas industry.
2023-25	Blue Comply	Energy	Fargo	$250,000	Startup		Wireless IoT Methane Sensing Apparatus used to monitor methane emissions for oil and gas storage tank hatches.
2023-25	Verdethos	Advanced Computing & Data Mgr	Fargo	$750,000	Startup		Ag tech company with a supply chain management platform for sustainability, automation, and traceability of raw materials.
2023-25	BWR Innovations	Energy	Fargo	$750,000	Startup		Fuel cell technology for a renewable energy grid.
2023-25	Corvent Medical	Healthcare	Fargo	$296,500	Startup	One-Time Funding Round	Medical ventilator and digital gateway for real time transfer of data
2023-25	Dynon Avionics	Other	Fargo	$296,500	Existing	One-Time Funding Round	Avionic systems for light aircraft
2023-25	Project Phoenix	Advanced Computing & Data Mgr	Fargo	$100,000	Existing	One-Time Funding Round	Automates the creation of secure and efficient APIs
2023-25	Valor Victoria	Advanced Computing & Data Mgr	West Fargo	$351,000	Existing	One-Time Funding Round	Rail logistics sftware boosting customer efficiency and transparancy

1/24/2025 - The LIFT program currently has $1,750,000 available for awarding loans. A one-time funding round is planned for May 2025. Following this round, the remaining funds are expected to be minimal, leading to a temporary closure of the program to new applications.

North Dakota Development Fund Projects July 1, 2021 to Current

Company	City	Biennium	Date Invested	NDDF Investment	Program	Funding Type	Sector	Description
Lucit, LLC	Bismarck	21-23	8/1/2021	$600,000	NDDF	Convertible Note	Technology	Software development
701x, Inc	Fargo	21-23	9/15/2021	$500,000	NDDF	Convertible Note	Ag/Technology	Product development and launch
Wee Folk Childcare	Bismarck	21-23	11/15/2021	$100,000	Childcare	Loan	Childcare	Building purchase and improvements
SafetySpect, Inc	Grand Forks	21-23	11/19/2021	$480,000	NDDF	Convertible Note	Medical Device	Working capital to scale operations in North Dakota
Cerilon GLT ND Inc	Trenton	21-23	11/29/2021	$3,000,000	Rural Fund	Convertible Note	Energy	Working capital for FEL2 phase
Academy of Kids	Grand Forks	21-23	1/26/2022	89,000.00	Childcare	Term	Childcare	Building improvements
Hoefer Group	Dunseith	21-23	2/24/2022	2,250,000.00	Rural Fund	LOC	Manufacturing	Inventory, working capital, letter of credit
Airtonomy, Inc	Grand Forks	21-23	3/17/2022	1,000,000.00	NDDF	SAFE	UAS	Working capital to sustain growth in advance of Series A funding
Project Phoenix	Fargo	21-23	4/1/2022	150,000.00	NDDF	Convertible Note	Technology	Commercialization of cloud-based software hosting platform
Checkable Medical, Inc	West Fargo	21-23	4/29/2022	1,000,000.00	NDDF	SAFE	Medical Device	Working capital for product refinement and clinical trials
Crew Properties LLC	Williston	21-23	5/27/2022	100,000.00	Childcare	Term	Childcare	Building purchase
Christ United Child Care, LLC	West Fargo	21-23	6/29/2022	95,000.00	Childcare	Term	Childcare	Working capital
Legacy Childcare, LLC	West Fargo	21-23	7/13/2022	100,000.00	Childcare	Term	Childcare	Building improvements and purchase equipment
Corvent Medical, Inc	Fargo	21-23	8/1/2022	3,000,000.00	NDDF	Revenue Based	Medical Device	Working capital, product certification and commercialization
Chess 7205 2nd, LLC	Williston	21-23	8/5/2022	100,000.00	Childcare	Term	Childcare	Building purchase and improvements
Legacy Childcare, LLC DBA Legacy Childcare 2.0	West Fargo	21-23	8/12/2022	100,000.00	Childcare	Term	Childcare	Building, equipment purchase and working capital
Be More Colorful, LLC	Fargo	21-23	10/31/2022	725,000.00	NDDF	Term	Technology	Working capital for product expansion and commercialization
KMC Enterprises, LLC	Fargo	21-23	1/5/2023	145,000.00	NDDF	Term	Manufacturing	Purchase equipment and inventory, and working capital
Aaron McwWilliams dba McStash Mills, LLC	Hillsboro	21-23	2/13/2023	60,000.00	Rural Fund	Term	Manufacturing	Refinance existing NDDF note and equipment purchase
Landtrust, Inc	Fargo	21-23	2/21/2023	600,000.00	NDDF	Term	Technology	Working capital to scale operations in North Dakota
Sheyenne Learning Academy, Inc.	West Fargo	21-23	5/16/2023	50,000.00	Childcare	Term	Childcare	Purchase equipment and working capital
Chapul Farms ND One LLC	Jamestown	21-23	5/22/2023	592,500.00	NDDF	Convertible Note	Agriculture	Working capital for FEL3 phase
Explorer's Academy Horace, LLC	Horace	21-23	6/5/2023	100,000.00	Childcare	Term	Childcare	Working capital
The Gingerbread House Learning Center LLC	West Fargo	21-23	6/30/2023	61,500.00	Childcare	Term	Childcare	Purchase existing daycare business and building
The Gingerbread House Learning Center LLC	West Fargo	21-23	6/30/2023	61,500.00	Childcare	Term	Childcare	Purchase existing daycare business and building
Kids Connection L.L.C.	Fargo	23-25	7/6/2023	100,000.00	Childcare	Term	Childcare	Purchase equipment and working capital
River of Life Church	Fargo	23-25	7/20/2023	10,000.00	Childcare	Term	Childcare	Working capital
CAFF Property	Grand Forks	23-25	8/2/2023	100,000.00	Childcare	Term	Childcare	Building improvements
Colossal Bioscience	Fargo	23-25	9/13/2023	$2,999,999.76	NDDF	Equity	Technology	Working capital
Kleven Properties LLC	Bottineau	23-25	9/11/2023	$300,000	Childcare	Term	Childcare	Building purchase and improvements
Vineyard 2nd Generation, Inc.	Fargo	23-25	9/6/2023	$100,000	Childcare	Term	Childcare	Working capital and purchase equipment
Explorer's Academy Jamestown	Jamestown	23-25	10/17/2023	$100,000	Childcare	Term	Childcare	Building expansion
Explorer's Academy Hillsboro	Hillsboro	23-25	10/17/2023	$100,000	Childcare	Term	Childcare	Building improvements and working capital
Airtonomy, Inc., DBA Thread.One	Grand Forks	23-25	12/11/2023	$500,000	NDDF	LOC	UAS	Working capital to stand up Fargo office and fund accounts receivable
Heilman Properties LLC	Minot	23-25	1/30/2024	$450,000	Childcare	Term	Childcare	Building construction
Sweetlife Land Company	Fargo	23-25	3/20/2024	$655,700	Childcare	Term	Childcare	Building expansion
YMCA of Cass and Clay Counties	Fargo	23-25	3/28/2024	$1,000,000	Childcare	Term	Childcare	Building construction
Landtrust, Inc.	Fargo	23-25	4/26/2024	$1,250,000	NDDF	Equity	Technology	Buyout WonderFund ND investment
Cerilon GLT ND	Trenton	23-25	5/1/2024	$32,000,000	NDDF	Equity	Energy	Working capital for FEL3 phase
Valence Natural Gas Solutions	Williston	23-25	5/10/2024	$3,000,000	NDDF	Term	Energy	Working capital for product commercialization
Blue Bowtie Properties	Bismarck	23-25	5/15/2024	$472,500	Childcare	Term	Childcare	Purchase existing daycare business and building
Early Foundation	Horace	23-25	5/21/2024	$100,000	Childcare	Term	Childcare	Working capital
Vorbeck Materials Corp	Grand Forks	23-25	6/1/2024	$2,000,000	NDDF	Revenue Based	Manufacturing	Working capital to scale operations in North Dakota
Rise Above Childcare Center	Fargo	23-25	6/26/2024	$260,000	Childcare	Term	Childcare	Purchase existing daycare business
St. Monica's Montessori	Fargo	23-25	6/27/2024	$750,000	Childcare	Term	Childcare	Building purchase and expand existing operations
701x Inc.	Fargo	23-25	9/16/2024	$1,062,500	NDDF	Term	Ag/Technology	Working capital to acquire and integrate a complimenting business
Theratec, Inc.	Horace	23-25	9/17/2024	$150,000	NDDF	Term	Technology	Working capital for operations and due diligence fees related to Series A funding
Explorers Academy Jamestown, LLC	Jamestown	23-25	10/2/2024	$296,250	Childcare	Term	Childcare	Building improvements and working capital
Small World Daycare LLC	Dickinson	23-25	10/29/2024	$307,500	Childcare	Term	Childcare	Building construction
Kids 1st Daycare LLC	Surrey	23-25	10/31/2024	$229,250	Childcare	Term	Childcare	Purchase building
Airtonomy, Inc., DBA Thread.One	Grand Forks	23-25	11/5/2024	$1,999,993	NDDF	Equity	UAS	Working capital to sustain growth in advance of Series B funding
Little Miracles Learning Center LLC	Walcott	23-25	11/6/2024	$339,723	Childcare	Term	Childcare	Building expansion
Checkable Medical, Inc	West Fargo	23-25	12/18/2024	$1,000,000	NDDF	SAFE	Medical Device	Working capital for product certification
Shining Lights Children's Program, LLC	Hillsboro	23-25	12/30/2024	$160,000	Childcare	Term	Childcare	Building purchase and expand existing operations
Total				**$66,852,916**				

As of January 24, 2025, the North Dakota Development Fund (NDDF) has a balance of $53,706,584.82 after accounting for all funding commitments. The NDDF anticipates making investments totaling $25–$30 million during the first half of 2025, leaving approximately $24 million available for investments throughout the remainder of the 2025–2027 biennium.

#42250

2024

NORTH DAKOTA DEVELOPMENT FUND

ANNUAL REPORT

SUPPORTING BUSINESS GROWTH THROUGH FINANCING AND INVESTMENT

NORTH Dakota
Be Legendary. | Commerce

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Letter from the CEO

In 2024, the Development Fund's total revenue increased by 900%, reflecting an increase of $87,403,045. Consequently, the Fund's total revenue at the end of the year was $97,110,938. Operating revenues decreased by 3.43%, amounting to $45,481, leading to operating revenues of $1,281,038 for the year. Cash flow exhibited a positive trend. The Fund experienced a 62.2% increase in cash flow, which resulted in an additional $11, 428,463. This brought The Fund's total cash flow to $29,803,262 for the year.

The Fund's principal payments collected in 2024 amounted to $2,123,811, marking a 6.95% decrease from 2023. This increase in total revenue is primarily attributed to $95,000,000 in state appropriations to the Fund and increased interest income on deposits. The decrease in operating revenues is due to decreased interest income on loans.

Equity investments yielded $125,000 in dividend payments in 2024, increasing from $120,000 received in 2023. General and Administrative expenses rose by 10.31%, reaching $656,829 in 2024, mainly due to staff salary and benefits, and increases in travel and general operating expenses.

Operating Income (loss) before non-operating revenues and expenses decreased by $8,596,363 from $282,934 in 2023 to ($8,313,429) in 2024. This decrease was attributable to a higher provision for allowance for losses.

Interest income on deposits increased 1,538.53%, from $50,469 in 2023 to $829,900 in 2024. The increase resulted from larger balances carried at the Bank of North Dakota and investments in certificates of deposit.

The net position increased by $87,516,471, from $36,574,136 at the end of 2023 to $124,090,607 at the end of 2024. The change in net position is attributable to $95,000,000 in state appropriations into the Fund and increased interest income on deposits.

Noncurrent net assets, excluding equipment, increased by $24,027,963, reaching $37,722,036 in 2024. The noncurrent assets consist of the Fund's loan and equity investments with loans increasing by $26,530,487 to $55,710,695 and equity investments increasing by $5,150,000 to $13,526,201 in 2024. This increase is attributed to the conversion of convertible debt to equity and general new loan and investment growth.

Loan charge-offs decreased by $2,459,453, to $150,000 in 2024. Interest receivable on loans increased by $197,587 to $388,481 in 2024.

The current portion of loans receivable decreased from $2,303,128 in 2023 to $1,208,696 in 2024. The decrease was attributable to loan maturities and increased company equity investments. Cash and cash equivalents increased by $11,428,463 (62.2%), reaching $29,803,262 in 2024. The increase was attributable to $95,000,000 of state appropriations transferred into the Fund while partially offset by an increase in the Fund's investing activities.

The Fund strategically invests excess funds into longer-term deposits for a higher rate of return to coincide, with the funding commitments to companies for loans and equity investments, particularly in "Primary Sector" businesses in the State of North Dakota.

In the fiscal year 2024, the Development Fund provided funding for 20 projects, amounting to $46,248,200, demonstrating a commitment to supporting economic growth in North Dakota.

Brian Opp, CEO
North Dakota Development Fund, Inc.

Board of Directors

The governor appoints an eight-member board of directors that oversees the North Dakota Development Fund, Inc. (NDDF). Board members must serve in executive capacities in the following areas: private sector manufacturing, finance, exported services, tourism, and industrial technology and research. The board must include the Department of Commerce commissioner or his designee, at least one member who is enrolled in a federally recognized North Dakota Native American tribe who need not serve in an executive capacity, and at least one member from a rural area.

Jim Albrecht – Wahpeton
President
Manufacturing/Rural Sector

Erik Barner – Fargo
Vice President
Finance Sector

Rob Lindberg – Bismarck
Secretary/Treasurer
Industrial Technology and Research Sector

Joel Brown – Watford City
Industrial Technology and Research Sector

Lindsay Ulrickson – Minot
Finance Sector

Anthony Bauer – Belcourt
Native American Representative

Jeff Thomas – Fargo
Finance Sector

Joshua L. Teigen – Fargo
North Dakota Department of Commerce Commissioner Agency

Development Fund Staff Members

Brian Opp
Chief Executive Officer

Shayden Akason
Deputy Director – Economic Development & Finance, Head of Investments and Innovation

Samantha Mattson
Venture and Credit Analyst

Jessica Hutchinson
Associate Venture and Credit Analyst

Tools for Economic Development

North Dakota Development Fund, Inc. is a statewide nonprofit development corporation within Commerce's Division of Economic Development and Finance (ED&F). It has the authority to take equity positions in, to provide loans to, or use other financing mechanisms to provide capital for new or expanding primary sector businesses in North Dakota. The NDDF's principal mission is to provide flexible financing to catalyze the development and expansion of businesses in the state of North Dakota.

NORTH DAKOTA DEVELOPMENT FUND'S MISSION STATEMENT

Provide flexible financing to catalyze the development and expansion of businesses in the State of North Dakota.

PHILOSOPHY

- The Fund is a flexible financing tool.
- The Fund takes a disciplined approach to making informed underwriting decisions.
- The applicant(s) must have a realistic financial commitment at stake.
- The Fund is a team player in community economic development projects.
- Economic development starts at the local level. The community must be involved and supportive.
- The Fund connects entrepreneurs, investors, and the community with resources for assistance.
- The Fund favors projects that have the greatest potential for private financing and community support.

INVESTMENT PRINCIPLES

- To approve investments that have an economically productive or socially desirable purpose within the state and meet the Fund's credit standards.
- To maintain a diversified portfolio of investments that will limit the overall risk in the portfolio.
- To position the Fund to adapt to varying economic, technological, and competitive conditions.
- To manage the Fund within Commerce's goals and objectives, appropriate risk limitations, and applicable laws and regulations.
- To leverage Fund investments with additional sources of public/private financing.

The NDDF provides flexible gap financing to new or expanding primary sector businesses in North Dakota. Funds are available through direct loans, participation loans, subordinated debt, and equity investments.

NDDF Programs

CHILD CARE LOAN PROGRAM

The North Dakota Development Fund, Inc. is authorized to provide financial assistance to new and expanding child care providers through the Child Care Loan Program.

Eligible Organizations
Licensed profit, nonprofit and public child care facilities. Faith-based organizations are eligible but must follow all appropriate federal guidelines if receiving federal subsidies.

Eligible Uses
The Child Care Loan Program funds may be used for acquiring, leasing, or remodeling real estate facilities, purchasing equipment or working capital.

BORROWER	Any licensed child care provider
FUNDING LIMIT	Up to $1,000,000 per location and based on availability of funds. The Child Care Loan program can fund 100% of projects up to $100,000. Projects over $100,000 must have a 50% match by a combination of owners equity and a loan from a financial institution. (e.g., for the construction of a childcare facility costing $600,000, the NDDF's max participation is $300,000, with the remaining dollars coming from a combination of owners equity/loan from a financial institution).
INTEREST RATE	2.5% - Fixed
TERM	1-10 years for loans $100,000 or less, dependent upon project. Loans greater than $100,000 will follow the terms established by the financial institution, or set by NDDF staff.
MINIMUM EQUITY REQUIREMENT	At the discretion of staff.
CREDIT SCORE REQUIRED	640 or higher, otherwise an additional, qualified guarantor is needed.
PERSONAL/CORPORATE GUARANTEES	Yes
QUALIFICATIONS	A licensed North Dakota child care provider.
COST AND FEES	$250

North Dakota Development Fund, Inc.

The NDDF provides flexible gap financing to new or expanding primary sector businesses in North Dakota. Funds are available through direct loans, participation loans, subordinated debt, equity investments, and other financing mechanisms.

USE OF FUNDS

The NDDF funds may be used to provide working capital or to finance the purchase of fixed assets, but not to refinance existing debt. Funds may be used to purchase real property and equipment, expand existing facilities, provide working capital, and purchase inventory.

DEBT	
BORROWER	Any primary sector business
FUNDING LIMIT	Up to $3,000,000
INTEREST RATE	Subject to risk of project
TERM	1-10 years, dependent upon project
MINIMUM EQUITY REQUIREMENT	15%
PERSONAL/CORPORATE GUARANTEES	Yes
COST AND FEES	1% of capital deployed plus any legal fees incurred by NDDF

EQUITY	
BORROWER	Any primary sector business
FUNDING LIMIT	Up to $3,000,000
INTEREST/RETURN ON INVESTMENT	Subject to risk of project
TERM	1-10 years, dependent upon project
MINIMUM EQUITY REQUIREMENT	15%
PERSONAL/CORPORATE GUARANTEES	No
COST AND FEES	1% of original loan or equity balance plus any legal fees incurred by NDDF

Regional Rural Development Revolving Loan Fund

The NDDF administers the Regional Rural Development Revolving Loan Fund, which provides flexible gap financing to primary sector businesses located in a community of less than 8,000 in population or located more than five miles outside of city limits. Funds are available through direct loans, participation loans, subordinated debt, equity investments, and other financing mechanisms.

USE OF FUNDS

The Regional Rural Development Revolving Loan Fund funds may be used to provide working capital or to finance the purchase of fixed assets, but not to refinance existing debt. Funds may be used to purchase real property and equipment, expand existing facilities, provide working capital, and purchase inventory.

DEBT	
BORROWER	Any primary sector business
FUNDING LIMIT	Up to $3,000,000
INTEREST RATE	Subject to risk of project
TERM	1-10 years, dependent upon project
MINIMUM EQUITY REQUIREMENT	15%
PERSONAL/ CORPORATE GUARANTEES	Yes
COST AND FEES	1% of capital deployed plus any legal fees incurred by NDDF
MISCELLANEOUS	For businesses located in cities with a population of less than 8,000 or more than 5 miles outside city limits

EQUITY	
BORROWER	Any primary sector business
FUNDING LIMIT	Up to $3,000,000
INTEREST/RETURN ON INVESTMENT	Subject to risk of project
TERM	1-10 years, dependent upon project
MINIMUM EQUITY REQUIREMENT	15%
PERSONAL/ CORPORATE GUARANTEES	No
COST AND FEES	1% of original loan or equity balance plus any legal fees incurred by NDDF
MISCELLANEOUS	For businesses located in cities with a population of less than 8,000 or more than 5 miles outside city limits

Angel Match Program

The Angel Match Program (AMP) supports early-stage primary sector North Dakota businesses by matching investor commitments up to $250,000 per business. The AMP is administered by the North Dakota Development Fund (NDDF), Inc. Funds for the AMP were provided through the U.S. Department of Treasury State Small Business Credit Initiative (SSBCI).

AMOUNT

Maximum match of $250,000 per business.

FEE

$200/hour for legal fees incurred by the NDDF.

TERMS

Peri Pasu with angel investors in round.

PROCESS

- Business raises funds via an eligible investment vehicle and receives soft commitments from investors.
- Business submits the application and supporting documentation to NDDF (see application for list of required documents).
- The NDDF reviews for SSBCI compliance and alignment, then sends to legal for review.
- NDDF board of directors approves or denies applications.
- The NDDF issues commitment or denial letter. If approved, the NDDF issues a commitment letter and sets a closing date. If denied, the NDDF sends a denial letter.
- The NDDF and matched investors will sign investment agreement on the same date.
- Funds are advanced to company.
- The NDDF communicates with the business for reporting requirements going forward.

ELIGIBLE BUSINESSES

- Business must be registered with the North Dakota Secretary of State.
- Must be certified as a primary sector business through the North Dakota Department of Commerce.
- Must be headquartered in North Dakota and remain headquartered in North Dakota for as long as SSBCI capital is at risk.
- Must be in, and remain in, compliance with state and federal securities laws.
- Business must have fewer than 250 employees at the time of investment.
- No principal of the business has been convicted of a sex offense against a minor (as such terms are defined in section 111 of the Sex Offender Registration and Notification Act (42 U.S.C. §16911)).

ELIGIBLE INVESTORS

- May be individuals, LLCs, a business, a trust, or an investment fund. An investment from a principal is not an eligible matching investment.
- Investment funds must be in, and remain in, compliance with state and federal securities laws.

ELIGIBLE INVESTMENTS

Total funding round, including AMP funds, shall not exceed $2 million.

- Eligible Investment Vehicles: convertible notes, SAFE, direct equity investment.
- Matched investments must close on the same date as the AMP investment. The AMP cannot match any retroactive investments.
- The AMP may only match private investments. Dollars invested that originated from a public entity (i.e.: ND Department of Commerce, county funds, city funds, federal funds, etc.) are not eligible for the match.
- For each investment resulting from this program, the investee must provide assurance that the investment proceeds will not be used for an impermissible purpose under the SSBCI program as set forth in the SSBCI Treasury Guidelines. The NDDF has full discretion to deny matching an investment regardless of whether it meets the established criteria. Business must submit annual reporting metrics.

Automate ND

The North Dakota Development Fund, Inc. (NDDF) received $5 million in American Rescue Plan Act (ARPA) funding during the 67th Legislative Assembly Special Session to create Automate ND, a grant program addressing workforce shortages by enabling companies to invest in automation equipment. This initiative helps companies increase productivity, improve working conditions, and drive revenue growth, all while contributing to North Dakota's economic expansion.

The Automate ND program received overwhelming interest, with 42 projects across 21 communities requesting over $11.8 million. We were able to fund 17 projects. To keep up with growing demand, it's vital that we recruit and retain a qualified workforce while also supporting automation investments. North Dakota has a history of innovation, and this program is another step in helping businesses stay at the forefront of innovation.

Key ROI findings from the initial funding round are:

- **Significant State Investment Leverage:** The State's investment of $5M in Automate ND grants was met with $7.1M in private sector matching funds, covering $12.2M in total automation project costs. According to the National Association of Manufacturers (NAM), every dollar invested in manufacturing generates a $2.60 return in direct and indirect economic impacts. This results in an overall impact of $31.7M dollars to North Dakota.
- **Substantial Labor Savings:** The 17 funded projects are projected to save more than 100,000 labor hours annually, translating to an estimated 48 full-time equivalent (FTE) positions. This efficiency gain allows manufacturers to reallocate resources to higher-value tasks, driving innovation and growth. Companies reported upskilling would result in a $2-3/hr. increase.
- **Rapid Return on Investment:** Awardees report an average projected break-even time of just 24 months.
- **Productivity and Capacity Increases:** Companies projected an average productivity increase of 151% (Median 61%) with revenue increases ranging from $360,000 to $14.9M annually.
- **Positive Workforce Impacts:** Companies report that automation is facilitating upskilling and internal mobility, addressing labor shortages, improving recruitment and retention, reducing the need for demanding, repetitive labor, and supporting sustained business growth. Increased employee safety was also a recurring theme.

Company	City	Amount of Funding
Precision Equipment Manufacturing, LLC	Fargo	$97,233.02
Agri-Cover, Inc.	Jamestown	$282,924.00
Amber Waves, Inc.	Richardton	$142,382.16
Marv Haugen Enterprises, Inc.	Casselton	$267,862.50
Northland Truss Systems, Inc.	Abercrombie	$483,431.73
ComDel Innovation, LLC	Wahpeton	$500,000.00
The Dairy Dozen	Milner	$500,000.00
YMI Industries, Inc.	Grand Forks	$71,519.00
DR Millwork Company (dakBUILT)	Kindred	$130,655.00
FlexTM, Inc.	Wahpeton	$128,687.56
Integrity Steel Supply, LLC	Mapleton	$500,000.00
Malach USA, LLP	Valley City	$500,000.00
Mid-Mac Marketing, Inc. (MidMach)	Jamestown	$500,000.00
Champ Industries USA, Inc.	Fargo	$240,514.00
Blue Flint Ethanol, LLC	Underwood	$28,500.00
PS Industries Incorporated (PSI)	Grand Forks	$325,604.42
Wood Products, Inc. (dba American Woods)	Grand Forks	$299,609.58

Total Funding: $4,998,922.97

The awarded projects span various industries, including manufacturing, agriculture, and advanced technology, focusing on automating essential processes.

North Dakota Development Fund

BY THE NUMBERS

1991
NDDF Inception

$3.09
$1
Return on investment

9,350
Jobs created since fund inception

Investing in
915
North Dakota projects since inception

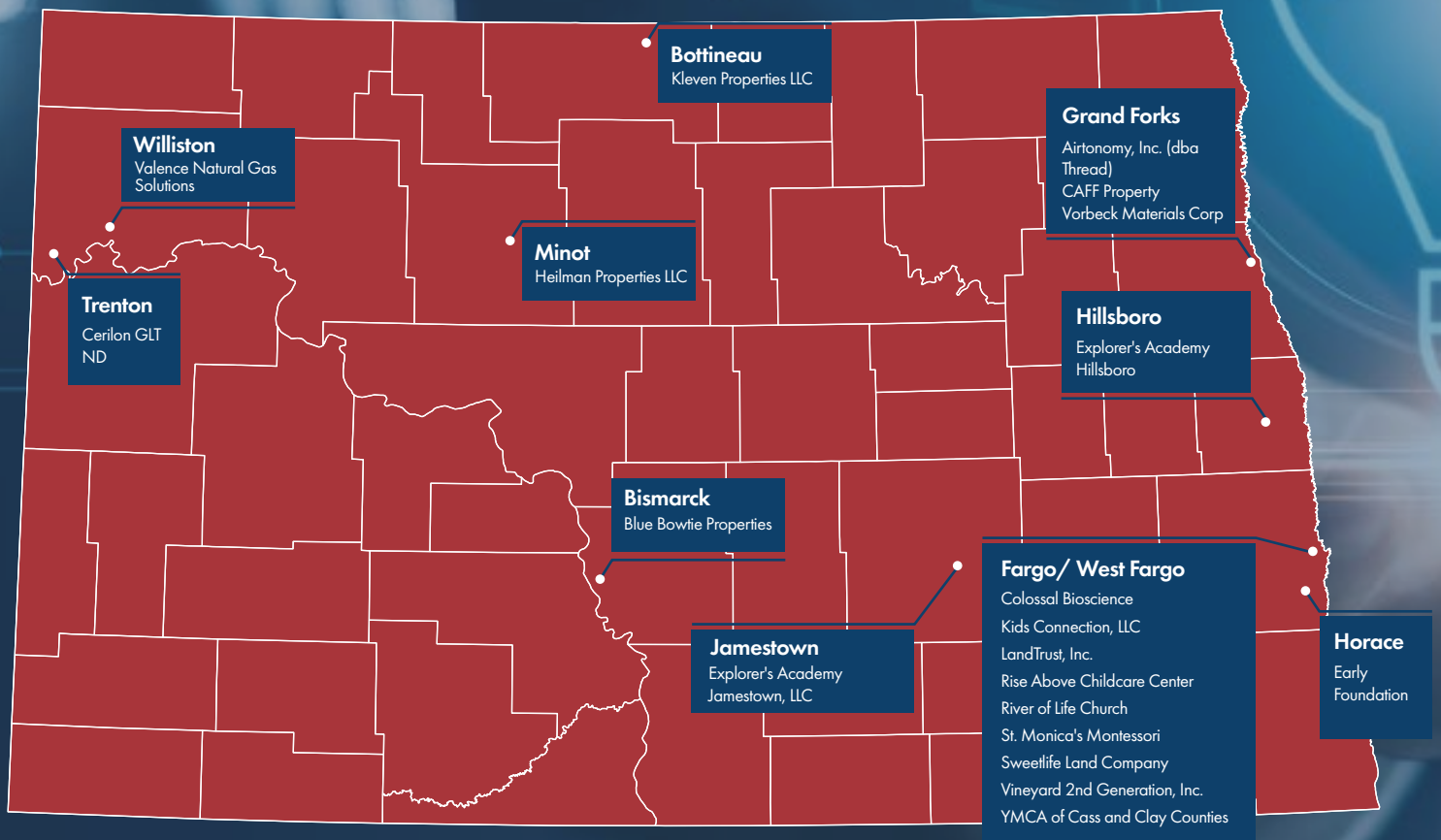
Business Sectors
INCLUDE:

- Technology
- Value-Added Agriculture
- Value-Added Energy
- Manufacturing
- Child Care

Return on Investment represents private funding invested alongside NDDF funds. The NDDF's $32 million investment in Cerilon GLT ND was excluded due to the scale of the investment, the stage of the project, and the anticipated project timeline.

North Dakota Investment Locations

JULY 1, 2023 - JUNE 30 2024



Development Fund Projects

JULY 1, 2023 - JUNE 30, 2024

Company	City	Amount of Funding
Kids Connection, LLC	Fargo	$100,000
River of Life Church	Fargo	$10,000
CAFF Property	Grand Forks	$100,000
Colossal Bioscience	Fargo	$3,000,000
Kleven Properties, LLC	Bottineau	$300,000
Vineyard 2nd Generation, Inc.	Fargo	$100,000
Explorer's Academy Jamestown	Jamestown	$100,000
Explorer's Academy Hillsboro	Hillsboro	$100,000
Airtonomy, Inc., DBA Thread. One	Grand Forks	$500,000
Heilman Properties, LLC	Minot	$450,000
Sweetlife Land Company	Fargo	$655,700
YMCA of Cass and Clay Counties	Fargo	$1,000,000
Landtrust, Inc.	Fargo	$1,250,000
Cerilon GLT ND	Trenton	$32,000,000
Valence Natural Gas Solutions	Williston	$3,000,000
Blue Bowtie Properties	Bismarck	$472,500
Early Foundation	Horace	$100,000
Vorbeck Materials Corp.	Grand Forks	$2,000,000
Rise Above Childcare Center	Fargo	$260,000
St. Monica's Montessori	Fargo	$750,000

Total Funding: $46,248,200

NORTH DAKOTA DEVELOPMENT FUND

Company Spotlights

FENWORKS EMPOWERING INNOVATION

Empowering Students Through Esports and Innovation
Fenworks, a North Dakota-based leader in esports and high-tech after-school activities, has achieved remarkable growth with support from the North Dakota Development Fund's Angel Match Program.

Key Achievements

- **Expansion**: Grew from 16 schools in 2021 to over 150 across North Dakota, Minnesota, South Dakota, and Wyoming for the 2024-25 season.
- **Innovative Programs**: Building on its traction in North Dakota, Fenworks introduced drone racing league and a sanctioned esports league in South Dakota.
- **Inclusive Partnerships**: Partnered with Special Olympics North Dakota and South Dakota to create inclusive programs.

Economic Impact

- **Creation of Local Jobs**: Fenworks employs 17 full-time staff, most based in Grand Forks.
- **Enhanced Software Development**: Added an in-house developer to continuously improve its software platform.

701X DRIVING INNOVATION IN LIVESTOCK MANAGEMENT

Empowering Ranchers with Data-Driven Solutions
701x, a North Dakota-based agritech company, is transforming livestock management through cutting-edge hardware and software solutions designed to improve efficiency and data accuracy on ranches.

Key Achievements

- **Enhanced Efficiency**: Developed a mobile app that digitizes calving records and streamlines data entry at the chute during key processes like weaning and pregnancy checks.
- **Innovative Hardware**: Introduced the xTpro GPS ear tag with satellite connectivity and the Bluetooth-enabled xTlite tag to track animal behavior and health.
- **Strategic Acquisition**: Acquired DigitalBeef, serving over 9,000 ranches, to integrate registry software with herd management tools seamlessly.

Economic Impact

- **Operational Improvements**: Reduced labor and data entry burdens for ranchers by automating data collection.
- **Expanded Market Reach**: Launched satellite-enabled tracking for improved adoption in remote regions and international markets.
- **Improved Herd Management**: Released estrus detection technology, helping ranchers increase conception rates through better timing of artificial insemination.

Financial Statements
June 30, 2024 and 2023

North Dakota Development Fund, Inc., A Component Unit of the State of North Dakota

EideBailly

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November 5, 2024

To the Board of Directors
North Dakota Development Fund, Inc.
Bismarck, North Dakota

We have audited the financial statements of North Dakota Development Fund, Inc. as of and for the year ended June 30, 2024, and have issued our report thereon dated November 5, 2024. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards*

As communicated in our letter dated August 5, 2024, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of North Dakota Development Fund, Inc. solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding internal controls during our audit in our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated November 5, 2024.

Emphasis of Matter

As discussed in Note 1, the financial statements of the North Dakota Development Fund, Inc. are intended to present the financial position, changes in financial position, and cash flows of only that portion of the business-type activities and the aggregate remaining fund information of the State of North Dakota that is attributable to the transactions of the North Dakota Development Fund, Inc.. They do not purport to, and do not, present fairly the financial position of the State of North Dakota as of June 30, 2024 and 2023, the changes in its financial position, or its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about North Dakota Development Fund, Inc.'s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of North Dakota Development Fund, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about North Dakota Development Fund, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the North Dakota Development Fund, Inc.'s basic financial statements. The combining financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combined financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2024 on our consideration of the North Dakota Development Fund, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of North Dakota Development Fund, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering North Dakota Development Fund, Inc.'s internal control over financial reporting and compliance.

Bismarck, North Dakota
November 5, 2024

The discussion and analysis of the financial performance of the North Dakota Development Fund, Inc. that follows is meant to provide additional insight into the Development Fund's activities for the years ended June 30, 2024 and 2023. Please read it in conjunction with the Development Fund's financial statements and footnotes, which are presented within this report.

Financial Highlights

Total revenue increased by $87,403,045 (900%) to $97,110,938. Operating revenues decreased by $45,481 (3.43%) to $1,281,038. Cash flow increased by $11,428,463 (62.2%) to $29,803,262. The Fund collected $2,123,811 in principal payments in 2024, which was a decrease of $4,302,497 (66.95%) from 2023. The increase in total revenue is primarily attributed to $95,000,000 in state appropriations into the Fund and increased interest income on deposits. These appropriations comprised $65,000,000 for fertilizer facility loan funding and $30,000,000 from the legacy earnings fund. The decrease in operating revenues is due to decreased interest income on loans. The decrease in the total principal funds collected was, in part, attributable to the Fund receiving a lower payout of loans compared to 2023 and an increased proportion of the portfolio invested in company equity.

The Fund received $125,000 in dividend payments in 2024 from equity investments made, compared to $120,000 in dividend payments received in 2023.

General and Administrative expense increased by $61,393 (10.31%) from $595,436 in 2023 to $656,829 in 2024. The increase was attributable to the staff salary and benefits and increases in travel and general operating expenses.

Operating Income (loss) before non-operating revenues and expenses increased by $8,596,363 from $282,934 in 2023 to ($8,313,429) in 2024. The decrease in the operating income (loss) in 2024 was attributable to a higher amount of provision for allowance for losses.

Interest income on deposits increased by $779,251 (1,538.53%) from $50,649 received in 2023 to $829,900 received in 2024. The increase was the result of larger balances carried at the Bank of North Dakota and investments in certificates of deposit.

Net position increased by $87,516,471 from $36,574,136 at the end of year 2023 to $124,090,607 at the end of year 2024. The change in net position increased by $78,852,163 from $8,664,308 in 2023 to $87,516,471 in 2024. The increase was attributable to $95,000,000 in state appropriations into the Fund and increased interest income on deposits. The appropriations comprised $65,000,000 for fertilizer facility loan funding and $30,000,000 from the legacy earnings fund.

Noncurrent net assets (excluding equipment) increased by $24,027,963 from $13,629,658 in 2023 to $37,722,036 in 2024. The noncurrent assets consist of the Fund's loan and equity investments. The loan investments increased by $26,530,487 from $29,180,208 in 2023 to $55,710,695 in 2024. Equity investments increased by $5,150,000 to $13,526,201 in 2024 from $8,376,201 in 2023. This increase is attributed to the conversion of convertible debt to equity and general new loan and investment growth.

Loan charge-offs decreased by $2,459,453 from $2,609,453 in 2023 to $150,000 in 2024.

Interest receivable on loans increased by $197,587 to $388,481 in 2024.

Current portion of loans receivable decreased from $2,303,128 in 2023 to $1,208,696 in 2024. The decrease is attributable to loan maturities and increased company equity investments.

Cash and cash equivalents increased by $11,428,463 (62.2%) to $29,803,262 (cash balance is before loan and investment unfunded commitments). The increase in Cash and cash equivalents was attributable to $95,000,000 of state appropriations transferred into the Fund while partially offset by an increase in the Fund's investing activities.

The Fund does invest their excess funds into longer term deposits for a higher rate of return to coincide with the funding commitments made by the Fund to companies for loans and equity investments, which are not required to be funded in the short-term. The Fund has invested more funds in longer term certificates of deposit, which are at a higher rate of return earning more deposit interest and putting the funds to work in loan and equity investments to "Primary Sector" businesses in the State of North Dakota.

20 projects were funded totaling $46,248,199.76 from July 1, 2023 to June 30, 2024.

Required Financial Statements

The discussion and analysis are intended to serve as an introduction to the Development Fund's financial statements. The financial statements of the Development Fund provide accounting information similar to that of many other business entities. The Balance Sheet summarizes the assets and liabilities, with the difference between the two reported as net position. It also serves as a basis for analysis of the soundness and liquidity of the Development Fund. The statement of Revenues, Expenses and Changes in Net position summarize the Development Fund's operating performance for the year. The statements of Cash Flows summarize the flow of cash through the Development Fund as it conducts its business.

Condensed Statements of Net Position
June 30, 2024 and 2023, and 2022

Assets	2024	2023	2022
Current assets	$ 86,400,439	$ 22,868,821	$ 17,534,091
Capital assets, net	64,415	105,097	145,779
Noncurrent assets	37,657,621	13,629,658	10,250,480
Total noncurrent assets	37,722,036	13,734,755	10,396,259
Total assets	$ 124,122,475	$ 36,603,576	$ 27,930,350
Liabilities and Net Position			
Current liabilities	$ 31,868	$ 29,440	$ 20,522
Investment in capital assets	64,415	105,097	145,779
Restricted	13,477,236	12,808,615	12,447,491
Unrestricted	110,548,956	23,660,424	15,316,558
Total net position	124,090,607	36,574,136	27,909,828
Total liabilities and net position	$ 124,122,475	$ 36,603,576	$ 27,930,350

Cash and Cash Equivalents and Certificates of Deposit

Cash and cash equivalents and certificates of deposit consist of deposits with the Bank of North Dakota and are included in the current and noncurrent assets section of the balance sheet. Additional discussion of cash and cash equivalents and certificates of deposit can be found in Note 2 to the financial statements.

Equity Investments

Equity investments consist of capital investments in new or expanding primary sector businesses in or relocating to North Dakota and are included in noncurrent assets. Additional discussion of equity investments can be found in Note 3 to the financial statements.

Loans Receivable

Loans receivable consist of loans to new or expanding primary sector businesses in or relocating to North Dakota and are included in current and noncurrent assets in the balance sheet. Additional analysis of loans receivable can be found in Note 4 to the financial statements.

Condensed Statement of Revenues, Expenses and Changes in Net Position
For the Years Ended June 30, 2024 and 2023, and 2022

	2024	2023	2022
Operating Revenues	$ 1,281,038	$ 1,326,519	$ 1,727,934
Nonoperating Revenue	95,829,900	8,381,374	128,086
Total Revenue	97,110,938	9,707,893	1,856,020
Operating Expenses			
General and administrative	656,829	595,436	494,553
Depreciation expense	40,682	40,682	39,322
Bad debt expense	8,896,956	407,467	4,068,675
	9,594,467	1,043,585	4,602,550
Change in Net Position	87,516,471	8,664,308	(2,746,530)
Net Position, Beginning of Year	36,574,136	27,909,828	30,656,358
Net Position, End of Year	$ 124,090,607	$ 36,574,136	$ 27,909,828

Contacting the North Dakota Development Fund's Financial Management

The information in this report is intended to provide the reader with an overview of the Development Fund's accountability for those operations. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the North Dakota Development Fund, PO Box 2057, Bismarck, ND 58502-2057.

North Dakota Development Fund, Inc.

Statements of Net Position

June 30, 2024 and 2023

	2024	2023
Assets		
Current Assets		
Cash and cash equivalents	$ 29,803,262	$ 18,374,799
Certificates of deposit	55,000,000	2,000,000
Interest receivable on loans	388,481	190,894
Current portion of loans receivable	1,208,696	2,303,128
Total current assets	86,400,439	22,868,821
Noncurrent Assets		
Certificates of deposit	-	-
Loans receivable, net of current portion and allowance	33,032,621	13,354,658
Equity Investments, net	4,625,000	275,000
Capital assets, net	64,415	105,097
Total noncurrent assets	37,722,036	13,734,755
Total assets	$ 124,122,475	$ 36,603,576
Liabilities and Net Position		
Current Liabilities		
Accrued expenses	$ 31,868	$ 29,440
Net Position		
Investment in capital assets	64,415	105,097
Restricted for		
Regional Rural Development	9,051,640	10,002,507
Child Care	4,218,095	620,942
Small Business Technology	-	975,356
State Small Business Credit Initiative	207,501	1,209,810
Unrestricted	110,548,956	23,660,424
Total net position	124,090,607	36,574,136
Total liabilities and net position	$ 124,122,475	$ 36,603,576

See Notes to Financial Statements

North Dakota Development Fund, Inc.

Statements of Revenues, Expenses and Changes in Net Position

Years Ended June 30, 2024 and 2023

	2024	2023
Operating Revenues		
Interest income on loans	$ 1,065,786	$ 1,119,081
Dividend income	125,000	125,000
Other	90,252	82,438
	1,281,038	1,326,519
Operating Expenses		
General and administrative	656,829	595,436
Depreciation expense	40,682	40,682
Provision for losses (change in allowance)	8,896,956	407,467
	9,594,467	1,043,585
Operating Income (Loss)	(8,313,429)	282,934
Nonoperating Revenue		
Interest income on deposits	829,900	50,649
State appropriations	95,000,000	8,330,725
Total nonoperating revenue	96,659,800	8,432,023
Change in Net Position	87,516,471	8,664,308
Net Position, Beginning of Year	36,574,136	27,909,828
Net Position, End of Year	$ 124,090,607	$ 36,574,136

See Notes to Financial Statements

North Dakota Development Fund, Inc.
Statements of Cash Flows
Years Ended June 30, 2024 and 2023

	2024	2023 (as Restated)
Operating Activities		
Interest and dividend income received	$ 1,823,098	$ 1,295,254
Other receipts	90,255	82,438
Payments to vendors	(654,401)	(586,518)
Net Cash from Operating Activities	1,258,952	791,174
Investing Activities		
Purchase of equity investments	(4,770,000)	(1,980,000)
Purchase of certificates of deposit	(54,000,000)	-
Redemption of certificates of deposit	1,000,000	-
Disbursements of business loans	(29,184,300)	(11,372,233)
Principal payments received on business loans	2,123,811	6,426,308
Net Cash used for Investing Activities	(84,830,489)	(6,925,925)
Non-Capital Financing Activity		
State appropriations	95,000,000	8,330,725
Net Change in Cash and Cash Equivalents	11,428,463	2,195,974
Cash and Cash Equivalents, Beginning of Year, as Restated	18,374,799	16,178,825
Cash and Cash Equivalents, End of Year	$ 29,803,262	$ 18,374,799
Reconciliation of Operating Income (Loss) to Net Cash from (used for) Operating Activities		
Operating income (loss)	$ (8,313,429)	$ 282,934
Adjustments to reconcile operating income (loss) to net cash used for operating activities		
Depreciation	40,682	40,682
Provision for loan losses	8,476,958	(1,572,533)
Provision for equity investment losses	420,000	1,980,000
Reclassification of interest income on cash equivalents and certificates of deposit	829,900	50,649
Changes in assets and liabilities		
Accrued expenses	2,428	8,918
Interest receivable	(197,587)	524
Net Cash from Operating Activities	$ 1,258,952	$ 791,174
Supplemental Schedule of Non-cash Investing Activities		
Renewal of certificates of deposit	$ -	$ -
Loans converted to equities	$ 2,147,847	$ 4,596,201
Conversion of allowance for loans to allowance for equities	$ (380,000)	$ (4,571,201)

See Notes to Financial Statements

North Dakota Development Fund, Inc.

Statements of Fiduciary Net Position – Fiduciary Funds

June 30, 2024 and 2023

	Custodial Funds	
	2024	2023
Assets		
Cash and Cash Equivalents	$ 70,559	$ 70,858
Net Position		
Restricted	$ 70,559	$ 70,858

North Dakota Development Fund, Inc.

Statements of Changes in Fiduciary Net Position – Fiduciary Funds

Years Ended June 30, 2024 and 2023

	Custodial Funds	
	2024	2023
Additions		
Loan payments received on loans owned by the Bank of North Dakota	$ 389,770	$ 55,033
Loan payments received on loans owned by the McKenzie County JDA	79,514	-
Total additions	469,284	55,033
Deductions		
Loan payments remitted to Bank of North Dakota	390,069	54,036
Loan payments remitted to McKenzie County JDA	79,514	-
Total deductions	469,583	54,036
Change in Net Position	(299)	997
Net Position, Beginning of Year	70,858	69,861
Net Position, End of Year	$ 70,559	$ 70,858

Note 1 - Summary of Significant Accounting Policies

Organization and Nature of Activities

The North Dakota Development Fund, Inc. (the Corporation) was established pursuant to Chapter 10-30.3 of the North Dakota Century Code as amended by the passage of Senate Bill 2058 during the 1991 legislative session. The Corporation is a statewide nonprofit development corporation with the authority to take equity positions in; to provide loans to; or to use other innovative financing mechanisms to provide capital for new or expanding primary sector businesses in North Dakota or relocating to North Dakota.

The Corporation uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain corporate functions or activities.

The following activities are used by the Corporation:

Development Fund

The Development Fund is used to account for fund investments, including equity positions, loans, loan guarantees, and other innovative financing mechanisms for new or expanding primary sector businesses in North Dakota or relocating to North Dakota.

Regional Rural Development Revolving Loan Fund

The Regional Rural Development Revolving Loan Fund is used to account for fund investments including equity positions, loans, loan guarantees, or debt financing on a matching basis to new or expanding primary sector businesses in rural areas.

Small Business Technology Investment Fund

The Small Business Technology Fund is used to provide matching investments to startup technology-based businesses. This fund was extinguished during the year ended June 30, 2024 and remaining net assets of the Small Business Technology Investment Fund were transferred to the Development Fund.

Child Care Fund

The Child Care Fund is used to account for fund investments including loans and loan guarantees for new or expanding child-care facilities in North Dakota.

Development Fund Venture Capital Loan Program

The Development Fund Venture Capital Loan Program is used to provide flexible financing through debt and equity investments for new or expanding businesses in the state of North Dakota.

State Small Business Credit Initiative (SSBCI)

The State Small Business Credit Initiative is used to provide support to small businesses and entrepreneurs by giving them access to capital needs to create job opportunities.

American Rescue Plan Act (ARPA)

The American Rescue Plan Act is used to provide support to small businesses and entrepreneurs by giving them access to capital needs to create job opportunities.

The Corporation may form additional corporations, partnerships or other forms of business associations in order to further its mission.

The Director of the Department of Commerce Division of the Economic Development and Finance shall appoint the Chief Executive Officer of the Corporation. All investments, contracts, partnerships, limited liability companies, and business transactions of the Corporation are the responsibility of the Chief Executive Officer and the eight-member Board of Directors, who are appointed by the Governor.

Reporting Entity

In accordance with Governmental Accounting Standards Board (GASB) Statements, the Corporation should include all component units over which the Corporation exercises such aspects as (1) appointing a voting majority of an organization's governing body and (2) has the ability to impose its will on that organization or (3) the potential for the organization to provide specific financial benefits to, or impose specific burdens on the Corporation. GASB further defined reporting units as a legally separate, tax exempt affiliated organization that meet all of the following criteria:

- The economic resources of the organization entirely or almost entirely directly benefit the Corporation or its constituents, and
- The Corporation or its component units are entitled to or can otherwise access, a majority of the economic resources of the organization, and
- The economic resources that the Corporation is entitled to, or can otherwise access, are significant to the Corporation.

Based upon criteria set forth in GASB, no organizations were determined to be part of the reporting entity. The Corporation is included as part of the primary government of the State of North Dakota's reporting entity.

Basis of Accounting

The Corporation is presented in the accompanying financial statements as a proprietary fund type – an enterprise fund.

An enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public or other funds on a continuing basis be financed or recovered primarily through user charges. The Corporation operates primarily with appropriations from the general fund of the State of North Dakota.

As a proprietary fund type, the Corporation accounts for its transactions using the accrual basis of accounting. Revenues are recognized for its transactions when they are earned, and expenses are recognized when they are incurred.

Custodial Funds – These funds account for assets held by the Corporation in a custodial capacity as an agent on behalf of others. The Corporation's custodial fund are used to account for loan payment deposits on loans owned by the Bank of North Dakota and McKenzie County Job Development Authority (JDA) that are serviced by the Corporation, and accordingly, net position is restricted for these purposes.

Revenue and Expense Recognition

The Corporation presents its revenues and expenses as operating or non-operating based on recognition definitions from GASB. Operating activities are those activities that are necessary and essential to the mission of the Corporation. Operating revenues include all charges to customers, research contracts and grants, dividends earned on equity investments and interest earned on loans. Revenues from non-exchange transactions and state appropriations that represent subsidies or gifts to the Corporation, as well as investment income, are considered non-operating since these are either investing, capital or noncapital financing activities. Operating expenses are all expense transactions incurred other than those related to investing, capital or noncapital financing activities. Revenues received for capital financing activities, as well as related expenses, are considered neither operating nor non-operating activities and are presented after non-operating activities on the accompanying Statement of Revenues, Expenses, and Changes in Net Position.

Concentration of Credit Risk

Loans receivable and equity investments consist primarily of loans and equity investments to new or expanding businesses in North Dakota or relocating businesses to North Dakota. The Corporation performs credit evaluations and maintains a security interest until related loans are collected.

Cash Equivalents

The Corporation considers all highly liquid investments purchased with maturity of three months or less to be cash equivalents.

Certificates of Deposit

Certificates of deposit are recorded at cost.

Equity Investments

The Corporation records its equity investments at cost adjusted for impairment as determined by the Board of Directors. The impairment of equity investments is included in unrestricted net position. Realization of the carrying value of these investments is subject to future developments inherent in such investments (see Note 3).

Among the factors considered in determining whether an impairment of an investment has occurred are the cost of the investment, development since the acquisition of the investment, the financial condition and operating results of the issuer, the long-term potential of the business of the issuer, and other factors generally pertinent to the valuation of investments. The Development Fund has relied on financial data of investees and, in many instances, on estimates by the management company and of the investee company as to the potential effect of future developments.

Expense Allocation

The Development Fund pays all expenses of the Corporation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Material estimates that are particularly susceptible to significant change in the near-term relate to the determination of the allowance for loan losses and valuation of equity investments.

Capital Assets and Depreciation

All capital assets are recorded in the accompanying financial statements at cost. Donated capital assets are stated at acquisition value at the time of donation. Equipment with a cost greater than $5,000 is capitalized and reported in the accompanying financial statements. The Corporation's capital assets are being depreciated on a straight-line basis over estimated useful life of 5 years.

Loans

Loans are reported at their outstanding unpaid principal adjusted for charge-offs and the allowance for loan losses.

Interest income is accrued on the unpaid principal balance. The accrual of interest on loans is discontinued at the time the loan is 90 days delinquent unless the credit is well secured and in process of collection. Loans are placed on non-accrual or charged-off at an earlier date if collection of principal or interest is doubtful. All current year interest accrued but not collected for loans that are placed on non-accrual or charged off is reversed against interest income. All prior year interest accrued but not collected is charged-off against the allowance for loan losses. The interest on these loans is accounted for on the cash-basis or cost-recovery method, until qualifying for return to accrual. Loans are returned to accrual status when all principal and interest amounts contractually due are brought current and future payments are reasonably assured.

The Corporation has determined that the accounting for nonrefundable fees and costs associated with originating or acquiring loans does not have a material effect on their financial statements. As such, these fees and costs have been recognized during the period they are collected and incurred, respectively.

Allowance for Loan Losses

The allowance for loan losses is established as losses are estimated to have occurred through a provision for loan losses charged to earnings. Loan losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries, if any, are credited to a recovery account.

The allowance for loan losses is evaluated on a regular basis by management and is based upon management's periodic review of the collectability of the loans in light of historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral and prevailing economic conditions. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available.

A loan is considered impaired when, based on current information and events, it is probable that the Corporation will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed. Impairment is measured on a loan-by-loan basis by either the present value of expected future cash flows discounted at the loan's effective interest rate, the loan's obtainable market price, or the fair value of the collateral if the loan is collateral dependent. The Corporation separately identifies individual loans for impairment disclosures by rating them on a scale of 1 to 6.

Restricted Resources

It is the North Dakota Development Fund, Inc.'s policy to first apply restricted resources when an expense is incurred for which both restricted and unrestricted resources are available.

Note 2 - Deposits

The Corporation is required to maintain its deposits at the Bank of North Dakota (a related party). As of June 30, 2024, the Corporation had the following:

	Book Balance	Maturity Date
Bank of North Dakota		
Cash and cash equivalents	$ 29,803,262	N/A
Certificates of deposit	$ 55,000,000	9/19/2024

Cash equivalents consist of money market deposit accounts.

As of June 30, 2023, the Corporation had the following:

	Book Balance	Maturity Date
Bank of North Dakota		
Cash and cash equivalents	$ 18,374,799	N/A
Certificates of deposit	$ 2,000,000	9/9/2023

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of investments will adversely affect the fair value of the investments.

Custodial and Concentration of Credit Risk

For deposits, the custodial credit risk is that, in the event of the failure of a depository financial institution, the Corporation will not be able to recover collateral securities that are in possession of an outside party. The Corporation's deposits are uncollateralized. All of the Corporation's deposits are with the Bank of North Dakota.

Note 3 - Equity Investments

Equity investments in affiliates as of June 30, 2024 and 2023 are as follows:

	2024	2023
Development Fund	$ 2,654,997	$ 1,272,497
Regional Rural Development Revolving Loan Fund	877,850	877,850
Small Business Technology Fund	-	50,000
Development Fund Venture Capital	7,428,354	4,195,854
State Small Business Credit Initiative	2,565,000	1,980,000
	13,526,201	8,376,201
Allowance for impairment	(8,901,201)	(8,101,201)
	$ 4,625,000	$ 275,000

Among the factors considered in determining whether an impairment of an investment has occurred are the cost of the investment, development since the acquisition of the investment, the financial condition and operating results of the issuer, the long-term potential of the business of the issuer, and other factors generally pertinent to the valuation of investments. The Corporation has relied on financial data of investees and, in many instances, on estimates by the management company and of the investee company as to the potential effect of future developments.

The Corporation acquired its investment by direct purchase from the issuer under investment representations, and the Board of Directors valued the securities on the premise that they may not be sold without registration under the Securities Act of 1933. The price of securities purchased was determined by direct negotiation between the Corporation and the seller.

Changes in the valuation allowance for equity investments as of June 30, 2024 and 2023 are as follows:

	2024	2023
Balance, beginning of year	$ 8,101,201	$ 1,550,000
Provision for equity investment losses	420,000	1,980,000
Conversion of allowance for loans to allowance for equities	380,000	4,571,201
Balance, end of year	$ 8,901,201	$ 8,101,201

Note 4 - Loans Receivable

Loans receivable at June 30, 2024 and 2023 are as follows:

	2024	2023
Development Fund	$ 34,933,117	$ 11,874,158
Regional Rural Development Revolving Loan Fund	7,860,332	8,446,995
Child Care Program	5,836,700	1,808,005
State Small Business Credit Initiative	435,000	65,000
Development Fund Venture Capital	6,645,546	6,986,050
	55,710,695	29,180,208
Allowance for loan losses	(21,469,378)	(13,522,422)
Loans receivable, net of allowance for loan losses	34,241,317	15,657,786
Less current portion of loans receivable	1,208,696	2,303,128
Loans receivable, net of current portion	$ 33,032,621	$ 13,354,658

Changes in the allowance for loan losses as of June 30, 2024 and 2023 are as follows:

	2024	2023
Balance, beginning of year	$ 13,522,422	$ 22,275,610
Provision for loan losses (reserve decrease)	8,476,956	(1,572,534)
Conversion of allowance for loans to allowance for equities	(380,000)	(4,571,201)
Write-offs	(150,000)	(2,609,453)
Balance, end of year	$ 21,469,378	$ 13,522,422

Note 5 - Capital Assets

A statement of changes in capital assets for the years ended June 30, 2024 and 2023 is as follows:

	Balance 07/01/23	Additions	Deletions	Balance 06/30/24
Computer software	$ 203,412	$ -	$ -	$ 203,412
Accumulated depreciation	(98,315)	(40,682)	-	(138,997)
	$ 105,097	$ (40,682)	$ -	$ 64,415

	Balance 07/01/22	Additions	Deletions	Balance 06/30/23
Computer software	$ 203,412	$ -	$ -	$ 203,412
Accumulated depreciation	(57,633)	(40,682)	-	(98,315)
	$ 145,779	$ (40,682)	$ -	$ 105,097

Note 6 - Commitments and Contingencies

Development Fund

The Board of Directors has approved equity investments, loans, grants and guaranty of collections at June 30, 2024 for which funds have not been disbursed or written agreements entered into in the approximate amount of $14,547,000.

Regional Rural Development Revolving Loan Fund

The Board of Directors has approved equity investments, loans, and guaranty of collections at June 30, 2024 for which funds have not been disbursed or written agreements entered into in the approximate amount of $3,000,000.

Note 7 - Related Party Transactions

The financial statements of the North Dakota Development Fund, Inc. include loans receivable in entities partially owned by members of the Board of Directors. The financial statements include four related party loans receivable, respectively, as of June 30, 2024 and 2023. The related party loan receivables have a gross loan balance of $3,878,000 and $3,830,000, respectively, as of June 30, 2024 and 2023. The related party loan receivables have a reserve allowance of ($2,378,000) and ($2,330,000), respectively, as of June 30, 2024 and 2023.

Contracted salaries and benefits for North Dakota Department of Commerce employees incurred by the Corporation totaled $487,708 and $388,752, respectively, for the years ended June 30, 2024 and 2023.

See Note 9 for state appropriations.

During the year ended June 30, 2024, North Dakota Development Fund, Inc. purchased an equity investment from Wonder Fund North Dakota, an entity of which the State of North Dakota has an investment interest, in the amount of $1,250,000.

Note 8 - Risk Management

North Dakota Development Fund, Inc. is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The following are funds/pools established by the State for risk management issues:

The 1995 Legislative Session established the Risk Management Fund (RMF), an internal service fund, to provide a self-insurance vehicle for funding the liability exposures of state agencies resulting from the elimination of the state's sovereign immunity. The RMF manages the tort liability of the state, its agencies' employees, and the University System. All state agencies participate in the RMF and their fund contribution was determined using a projected cost allocation approach. The statutory liability of the State is limited to a total of $250,000 per person and $1,000,000 per occurrence.

The Corporation participates in the North Dakota Fire and Tornado Fund and the State Bonding Fund through the policies of the North Dakota Commerce Department. North Dakota Commerce Department pays an annual premium to the Fire and Tornado Fund to cover property damage to personal property. Replacement cost coverage is provided by estimating replacement cost in consultation with the Fire and Tornado Fund. The Fire and Tornado Fund is reinsured by a third-party insurance carrier for losses in excess of one million dollars per occurrence during a twelve-month period. The State Bonding Fund currently provides the Agency with blanket fidelity bond coverage in the amount of $2,000,000. The State Bonding Fund does not currently charge any premium for this coverage.

The Corporation participates in the North Dakota Workforce Safety and Insurance, (WSI) an Enterprise Fund of the State of North Dakota. WSI is a state insurance fund and a "no fault" insurance system covering the State's employers and employees financed by premiums assessed to employers. The premiums are available for the payment of claims to employees injured during employment.

There have been no significant reductions in insurance coverage from the prior year and settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

Note 9 - State Appropriations

During the year ended June 30, 2024, the Corporation received a state appropriation of $65,000,000 from the Strategic Investment and Improvements Fund in accordance with the requirements of House Bill No. 1018. During the year ended June 30, 2024, the Corporation received a state appropriation of $30,000,000 from the Strategic Investment and Improvements Fund in accordance with the requirements of Senate Bill No. 2015.

During the year ended June 30, 2023, the Corporation received a state appropriation of $5,000,000 from the North Dakota General Fund of American Rescue Plan Act (ARPA) program funds. As of June 30, 2024, no ARPA funds had been expended. In addition, the Corporation received a state appropriation of $3,330,466 from the North Dakota Department of Commerce for the State Small Business Credit Initiative program.

Note 10 - Restatement

In its previously issued financial statements, the Corporation had a classification misstatement in its statement of cash flows for the year ended June 30, 2023. Management corrected the error by recording the following prior period adjustment to the business-type activities:

Statements of Cash Flows For the year ended June 30, 2023	Business-Type Activities
Provision for loan losses, as previously reported	$ (4,181,986)
Restatement for charge-offs being a separate component in the statement of cash flows	2,609,453
Provision for loan losses, as restated	$ (1,572,533)
Charge-offs, as previosly reported	$ 2,609,453
Restatement for charge-offs being a separate component in the statement of cash flows	(2,609,453)
Charge-offs, as restated	$ -

Supplementary Information
June 30, 2024 and 2023

North Dakota Development Fund, Inc.

North Dakota Development Fund, Inc.
Combining Statements of Net Position
June 30, 2024 and 2023

	Development Fund	Regional Rural Development Revolving Loan Fund	Child Care Fund	Small Business Technology	Development Fund Venture Capital	State Small Business Credit Initiative	American Rescue Plan Act (ARPA)	2024	2023 (Memorandum only)
Assets									
Current Assets									
Cash and cash equivalents	$ 18,583,435	$ 5,511,804	$ 15,850	$ -	$ 442,312	$ 207,501	$ 5,042,360	$ 29,803,262	$ 18,374,799
Certificates of deposit	55,000,000	-	-	-	-	-	-	55,000,000	2,000,000
Interest receivable on loans	3,364	2,457	4,649	-	378,011	-	-	388,481	190,894
Current portion of loans receivable	488,698	376,774	302,236	-	40,988	-	-	1,208,696	2,303,128
Total current assets	74,075,497	5,891,035	322,735	-	861,311	207,501	5,042,360	86,400,439	22,868,821
Noncurrent Assets									
Loans receivable, net of current portion and allowance	23,671,444	3,160,605	4,769,110	-	1,431,462	-	-	33,032,621	13,354,658
Intrafund balances	873,750	-	(873,750)	-	-	-	-	-	-
Equity investments, net	625,000	-	-	-	4,000,000	-	-	4,625,000	275,000
Capital assets, net	64,415	-	-	-	-	-	-	64,415	105,097
Total noncurrent assets	25,234,609	3,160,605	3,895,360	-	5,431,462	-	-	37,722,036	13,734,755
Total assets	$ 99,310,106	$ 9,051,640	$ 4,218,095	$ -	$ 6,292,773	$ 207,501	$ 5,042,360	$ 124,122,475	$ 36,603,576
Liabilities and Net Position									
Current Liabilities									
Accrued expenses	$ 31,868	$ -	$ -	$ -	$ -	$ -	$ -	$ 31,868	$ 29,440
Total liabilities	31,868	-	-	-	-	-	-	31,868	29,440
Net Position									
Investment in capital assets	64,415	-	-	-	-	-	-	64,415	105,097
Restricted	-	9,051,640	4,218,095	-	-	207,501	-	13,477,236	12,808,615
Unrestricted	99,213,823	-	-	-	6,292,773	-	5,042,360	110,548,956	23,660,424
Total net position	99,278,238	9,051,640	4,218,095	-	6,292,773	207,501	5,042,360	124,090,607	36,574,136
Total liabilities and net position	$ 99,310,106	$ 9,051,640	$ 4,218,095	$ -	$ 6,292,773	$ 207,501	$ 5,042,360	$ 124,122,475	$ 36,603,576

North Dakota Development Fund, Inc.

Combining Statements of Revenues, Expenses and Changes in Net Position

Years Ended June 30, 2024 and 2023

	Development Fund	Regional Rural Development Revolving Loan Fund	Child Care Fund	Small Business Technology	Development Fund Venture Capital	State Small Business Credit Initiative	American Rescue Plan Act (ARPA)	2024	2023 (Memorandum only)
Operating Revenues									
Interest income on loans	$ 305,064	$ 354,962	$ 62,778	$ -	$ 342,981	$ 1	$ -	$ 1,065,786	$ 1,119,081
Dividend income	-	-	-	-	125,000	-	-	125,000	125,000
Other	58,645	911	6,311	-	23,487	898	-	90,252	82,438
	363,709	355,873	69,089	-	491,468	899	-	1,281,038	1,326,519
Operating Expenses									
General and administrative	604,297	-	-	-	-	49,978	2,554	656,829	595,436
Depreciation expense	40,682	-	-	-	-	-	-	40,682	40,682
Provision for losses (change in allowance)	7,086,883	1,364,816	(57,639)	-	(452,104)	955,000	-	8,896,956	407,467
	7,731,862	1,364,816	(57,639)	-	(452,104)	1,004,978	2,554	9,594,467	1,043,585
Operating Income (Loss)	(7,368,153)	(1,008,943)	126,728	-	943,572	(1,004,079)	(2,554)	(8,313,429)	282,934
Nonoperating Revenue									
Interest income on deposits	737,245	58,076	425	32	2,114	1,770	30,238	829,900	50,649
State appropriations	95,000,000	-	-	-	-	-	-	95,000,000	8,330,725
Total nonoperating revenue	95,737,245	58,076	425	32	2,114	1,770	30,238	95,829,900	8,381,374
Transfers	(2,494,612)	-	3,470,000	(975,388)	-	-	-	-	-
Change in Net Position	85,874,480	(950,867)	3,597,153	(975,356)	945,686	(1,002,309)	27,684	87,516,471	8,664,308
Net Position, Beginning of Year	13,403,758	10,002,507	620,942	975,356	5,347,087	1,209,810	5,014,676	36,574,136	27,909,828
Net Position, End of Year	$ 99,278,238	$ 9,051,640	$ 4,218,095	$ -	$ 6,292,773	$ 207,501	$ 5,042,360	$ 124,090,607	$ 36,574,136

North Dakota Development Fund, Inc.

Combining Statements of Cash Flows

Years Ended June 30, 2024 and 2023

	Development Fund	Regional Rural Development Revolving Loan Fund	Child Care Fund	Small Business Technology	Development Fund Venture Capital	State Small Business Credit Initiative	American Rescue Plan Act (ARPA)	2024	2023 (Memorandum only)
Operating Activities									
Interest and dividend income received	$ 1,044,452	$ 413,725	$ 60,019	$ 32	$ 272,862	$ 1,770	$ 30,238	$ 1,823,098	$ 1,295,254
Other receipts	58,647	912	6,311	-	23,486	899	-	90,255	82,438
Payments to vendors	(601,869)	-	-	-	-	(49,978)	(2,554)	(654,401)	(586,518)
Net Cash from (used for) Operating Activities	501,230	414,637	66,330	32	296,348	(47,309)	27,684	1,258,952	791,174
Non-Capital Financing Activities									
State appropriations	95,000,000	-	-	-	-	-	-	95,000,000	8,330,725
Transfers	(2,494,612)	-	3,470,000	(975,388)	-	-	-	-	-
Net Cash from (used for) Financing Activities	92,505,388	-	3,470,000	(975,388)	-	-	-	95,000,000	8,330,725
Investing Activities									
Purchase of equity investments	(1,250,000)	-	-	-	(3,000,000)	(520,000)	-	(4,770,000)	(1,980,000)
Purchase of certificates of deposit	(54,000,000)	-	-	-	-	-	-	(54,000,000)	-
Redemption of certificates of deposit	-	1,000,000	-	-	-	-	-	1,000,000	-
Disbursements of business loans	(24,295,016)	-	(4,406,284)	-	(48,000)	(435,000)	-	(29,184,300)	(11,372,233)
Principal received on business loans	1,003,556	586,663	377,588	-	156,004	-	-	2,123,811	6,426,308
Net Cash from (used for) Investing Activities	(78,541,460)	1,586,663	(4,028,696)	-	(2,891,996)	(955,000)	-	(84,830,489)	(6,925,925)
Net Change in Cash and Cash Equivalents	14,465,158	2,001,300	(492,366)	(975,356)	(2,595,648)	(1,002,309)	27,684	11,428,463	2,195,974
Cash and Cash Equivalents, Beginning of Year	4,118,277	3,510,504	508,216	975,356	3,037,960	1,209,810	5,014,676	18,374,799	16,178,825
Cash and Cash Equivalents, End of Year	$ 18,583,435	$ 5,511,804	$ 15,850	$ -	$ 442,312	$ 207,501	$ 5,042,360	$ 29,803,262	$ 18,374,799

North Dakota Development Fund, Inc.
Combining Statements of Cash Flows
Years Ended June 30, 2024

	Development Fund	Regional Rural Development Revolving Loan Fund	Child Care Fund	Small Business Technology	Development Fund Venture Capital	State Small Business Credit Initiative	American Rescue Plan Act (ARPA)	2024	2023 (Memorandum only) (as Restated)
Reconciliation of Operating Income (Loss) to Net Cash from (used for) Operating Activities									
Operating income (loss)	$ (7,368,153)	$ (1,008,943)	$ 126,728	$ -	$ 943,572	$ (1,004,079)	$ (2,554)	$ (8,313,429)	$ 282,934
Adjustments to reconcile operating (loss) income to net cash from (used for) operating activities									
Depreciation	40,682	-	-	-	-	-	-	40,682	40,682
Provision for loan losses	6,461,885	1,364,816	(57,639)	-	272,896	435,000	-	8,476,958	(1,572,533)
Provision for equity investment losses	625,000	-	-	-	(725,000)	520,000	-	420,000	1,980,000
Reclassification of interest income on cash equivalents and certificates of deposit	737,245	58,076	425	32	2,114	1,770	30,238	829,900	50,649
Changes in Assets and Liabilities									
Accrued expenses	2,428	-	-	-	-	-	-	2,428	8,918
Interest receivable	2,143	688	(3,184)	-	(197,234)	-	-	(197,587)	524
Net Cash from (used for) Operating Activities	$ 501,230	$ 414,637	$ 66,330	$ 32	$ 296,348	$ (47,309)	$ 27,684	$ 1,258,952	$ 791,174
Supplemental Schedule of Non-cash Investing Activities									
Renewal of certificates of deposit	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Loans converted to equities	$ 972,497	$ 877,850	$ -	$ -	$ 232,500	$ 65,000	$ -	$ 2,147,847	$ 4,596,201
Conversion of allowance for loans to allowance for equities	$ (82,500)	$ -	$ -	$ -	$ (232,500)	$ (65,000)	$ -	$ (380,000)	$ (4,571,201)

Independent Auditor's Specific Comments Requested by the North Dakota Legislative Audit and Fiscal Review Committee

Governor of North Dakota
The Legislative Assembly

Board of Directors
North Dakota Development Fund, Inc.
Bismarck, North Dakota

The Legislative Audit and Fiscal Review Committee requires a separate audit summary from certified public accountants performing audits of state agencies. The separate audit summary regarding the June 30, 2024 audit of the North Dakota Development Fund, Inc. (the Corporation) is as follows:

Purpose of the Audit

North Dakota Development Fund, Inc. is a component unit of the financial statements of the state of North Dakota. The purpose of the audit of the Corporation is to express an opinion on the financial statements of the Corporation.

The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and in accordance with *Government Auditing Standards*, will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually and in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Type of Audit Opinion

We issued an unmodified opinion on the financial statements of the Corporation.

Findings and Recommendations

We have the following findings and recommendations that we communicated as a result of our audit. For further details on the findings, please see the schedule of findings and responses.

- 2024-001 – Preparation of Financial Statements
- 2024-002 – Material Proposed Audit Adjustments including Restatement
- 2024-003 – Lack of Segregation of Duties
- 2024-004 – Loan Interest Income Accounting and Reconciliation
- 2024-005 – Loan and Equity Investment Risk Rating Controls

Status of Prior Recommendations

Prior finding 2023-001 was repeated in the current year as finding 2024-001.

Prior finding 2023-002 was repeated in the current year as finding 2024-002.

Prior finding 2023-003 was repeated in the current year as finding 2024-003.

Prior finding 2023-004 was repeated in the current year as finding 2024-004.

Explanations of Significant Audit Adjustments and Misstatements

See page 31 for material audit adjustments that were identified as a result of the audit procedures performed which were brought to the attention of, and corrected by, management. Also, a restatement audit adjustment in the amount of $2,609,453 was proposed in the statement of cash flows for the year ended June 30, 2023, as noted in Note 10 of the financial statements.

Disagreements with Management or Difficulties Encountered during the Audit

No disagreements with management arose during the course of the audit.

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Other Audit Report Highlights

None

Cost of the Audit Compared to the Prior Audit

The cost of the 2024 North Dakota Development Fund, Inc. audit was $49,000.

The cost of the 2023 North Dakota Development Fund, Inc. audit was $49,000.

This report is intended solely for the information and use of the Legislative Audit and Fiscal Review Committee, North Dakota Development Fund, Inc. Board of Directors and other state officials and legislative committees and is not intended to be and should not be used by anyone other than these specified parties.

Eide Bailly LLP

Bismarck, North Dakota
November 5, 2024

	Debit	Credit
Business-Type Activities:		
Intrafund transfers - NDDF	$ 2,444,612	
Intrafund transfers - Small Business Technology	1,025,388	
Intrafund transfers - Child Care Fund		$ 3,470,000
To adjust for trial balance not balancing by fund.		
Interest Income	116,113	
Interest Receivable		116,113
To adjust interest receivable and interest income to actual		
Interest receivable - Small Business Technology	36,287	
Loans receivable - Small Business Technology	50,000	
Reserve for equity loss - Small Business Technology	50,000	
Equity investments - Small Business Technology		50,000
Interest income - Small Business Technology		36,287
Fund transfers - Small Business Technology		50,000
To close out dissolved Small Business Technology fund		
Equity investments	1,613,050	
Reserve for equity investment losses	9,936,108	
Provision for loan losses	11,466,109	
Fund transfers	50,000	
Provision for equity investment losses		11,516,109
Reserve for loan losses		9,936,108
Loans receivable		1,613,050
To appropriately classify loans, equities, reserves, and provisions for losses		
Reserve for Loan and Equity Investment Loss	458,622	
Provision for Loan and Equity Investment Loss		458,622
To adjust reserve for loan and equity investment loss to actual		
Interest receivable	2,686,826	
Interest income		2,686,826
To adjust for client's improper accounting of nonaccrual loans		

	Debit	Credit
Aggregate Remaining Fund		
Net Position, July 1, 2023 - Custodial Fund		2,299
Custodial Fund Expense	390,069	
Custodial Fund Revenue		387,770
To record current year activity of the custodial fund		

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Governor of North Dakota
The Legislative Assembly

Board of Directors
North Dakota Development Fund, Inc.
Bismarck, North Dakota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the business-type activities and the aggregate remaining fund information of the North Dakota Development Fund, Inc., a component unit of the State of the North Dakota, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise North Dakota Development Fund, Inc.'s basic financial statements, and have issued our report thereon dated November 5, 2024

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered North Dakota Development Fund, Inc.'s internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of North Dakota Development Fund, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of North Dakota Development Fund, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2024-001, 2024-002, 2024-003, 2024-004, and 2024-005 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether North Dakota Development Fund, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

North Dakota Development Fund, Inc.'s Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on North Dakota Development Fund, Inc.'s responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Responses. North Dakota Development Fund, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bismarck, North Dakota
November 5, 2024

2024-001 Preparation of Financial Statements
Material Weakness

Criteria: Proper controls over financial reporting include the ability to prepare financial statements and accompanying notes to the financial statements that are materially correct.

Condition: The North Dakota Development Fund, Inc. does not have an internal control system designed to provide for the preparation of the financial statements being audited.

Cause: North Dakota Development Fund, Inc. does not have staff trained in reporting standards for the financial statements and notes to the financial statements.

Effect: Inadequate controls over financial reporting of the North Dakota Development Fund, Inc. result in the more than remote likelihood that the North Dakota Development Fund, Inc. would not be able to draft the financial statements and accompanying notes to the financial statements that are materially correct without the assistance of the auditors.

Recommendations: It is important that you be aware of this condition for financial reporting purposes. Management and the Board should continually be aware of the financial reporting of the North Dakota Development Fund, Inc. and changes in reporting requirements.

Views of responsible officials: Since it is not cost-effective for an organization our size to have staff to prepare audit-ready financial statements, we have chosen to hire Eide Bailly, a public accounting firm, to prepare the audit financial statements as part of their annual audit of North Dakota Development Fund, Inc.

2024-002 Material Proposed Audit Adjustments including Restatement
Material Weakness

Criteria: A good system of internal accounting control should provide for the proper reconcilements of all general ledger accounts and adjustments of those accounts to the reconciled balances. This also includes accounting for transactions in accordance with generally accepted accounting principles.

Condition: We identified misstatements in North Dakota Development Fund, Inc.'s financial statements causing us to propose material audit adjustments including a restatement audit adjustment. A number of the adjustments were related to the Corporation's improper classification between loans and equity investments. In addition, there were errors with rolling beginning balances and the financial statements did not balance intra-fund.

Cause: The Organization does not have a document that details transactions outside of the typical day to day activities.

Effect: Misstatements in the financial statements could result from inadequate controls over recording of transactions and it affects the North Dakota Development Fund, Inc.'s ability to detect misstatements to the financial statements.

Recommendations: The organization should develop a document that details various transactions made by the organization and includes supporting documentation to enable staff the ability to easily understand how to properly account for those transactions.

Views of responsible officials: The organization accepts the recommendation of proposed audit adjustments. North Dakota Development Fund, Inc. plans to transition to a new ERP reporting system that will assist in remedying this deficiency.

2024-003 Lack of Segregation of Duties
Material Weakness

Criteria: A good system of internal accounting control contemplates an adequate segregation of duties so that no one individual handles a transaction from its inception to its completion.

Condition: North Dakota Development Fund, Inc. has a lack of segregation of duties in certain areas due to a limited staff. There is no review or approval process over manual journal entries.

Cause: North Dakota Development Fund, Inc. has limited staff to be able to adequately segregate duties.

Effect: Inadequate segregation of duties could adversely affect the North Dakota Development Fund, Inc.'s ability to detect misstatements in amounts that would be material in relation to the financial statements in a timely period by employees in the normal course of performing their assigned function.

Recommendations: All accounting functions should be reviewed to determine if additional segregation is feasible and to improve efficiency and effectiveness of financial management of the North Dakota Development Fund, Inc. We recommend management institute a level of oversight and approval of all accounting functions.

Views of responsible officials: At this time, North Dakota Development Fund, Inc. has segregated the duties of all accounting functions in the most efficient manner possible given its limited staff. The Board is involved and is being kept informed of the financial management of North Dakota Development Fund, Inc.

2024-004 Loan Interest Income Accounting and Reconciliation
Material Weakness

Criteria: Loans greater than 90 days past due should be placed on non-accrual which stops the recognition of interest income and increasing interest receivable. Loan interest receivable and interest income should be reconciled monthly from the loan system to the accounting system and reviewed and approved.

Condition: North Dakota Development Fund, Inc. is not utilizing their accounting system placing loans on non-accrual and not performing a reconciliation of interest income and interest receivable which resulted in material audit adjustments.

Cause: North Dakota Development Fund, Inc. does not have the training needed to utilize the accounting system appropriately for non-accrual loans or to reconcile interest income and interest receivable accurately.

Effect: Misstatements in the financial statements could result from inadequate controls over recording of transactions and it affects the North Dakota Development Fund, Inc.'s ability to detect misstatements to the financial statements.

Recommendations: The organization should obtain training and develop a document that details the accounting for non-accrual loans within the accounting system and reconciling loan interest income and interest receivable to enable staff the ability to easily understand how to properly account for those transactions.

Views of responsible officials: North Dakota Development Fund, Inc. plans to transition to a new ERP reporting system that will assist in remedying this deficiency.

2024-005 Loan and Equity Investment Risk Rating Controls
Material Weakness

Criteria: When a borrower or investee has multiple lending or investment relationships with the Corporation, they should all be risk rated the same and the reserve adjusted accordingly. The reserve calculation should align with the risk rating the Corporation assigns to a lending or investment relationship during its credit reviews.

Condition: During our audit procedures, we identified instances of loan and investment relationships where a borrower or investee had multiple loan or investment relationships, and the Corporation did not risk rate them all the same which resulted in material audit adjustments to the reverse and provision for losses. During our audit procedures, we identified instances where the risk rating in the reserve calculation did not align with the risk rating assigned to a lending or investment relationship during its most recent credit review which resulted in material audit adjustments to the reserve and provision for losses.

Cause: North Dakota Development Fund, Inc. does not have a control process in place to ensure when there are multiple loan or investment relationships with a single borrower or investee, that the risk rating is applied similarly to all and adjusting the reserve and provision for losses accordingly. The Corporation does not have a control process in place to ensure that risk ratings assigned in the most recent credit reviews are updating the reserve calculation accurately which affects the reserve and provision for losses accordingly.

Effect: Misstatements in the financial statements could result from inadequate controls loan and investment risk ratings and it affects the North Dakota Development Fund, Inc.'s ability to detect misstatements to the financial statements.

Recommendations: The organization should implement a control function to ensure that the risk rating reserve calculation is reviewed at least monthly to ensure that borrowers and investee with multiple relationships are risk rated the same. The organization should implement a control function to ensure that the risk rating reserve calculation is automatically updated upon completion of a credit review for a borrower or investee.

Views of responsible officials: North Dakota Development Fund, Inc. plans to implement control processes to remedy this deficiency.

NORTH Dakota | Commerce

Be Legendary.

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North Dakota Legislative Council

Prepared for the House Appropriations Committee
March 17, 2025

MAJOR RELATED LEGISLATION AFFECTING THE DEPARTMENT OF COMMERCE AS OF CROSSOVER

This memorandum provides information on major related legislation affecting the Department of Commerce as of Crossover:

House Bill No. 1038 - This bill appropriates $11 million of one-time funding from the strategic investment and improvements fund (SIIF) to the Department of Commerce for a state radar data pathfinder program.

House Bill No. 1191 - This bill creates an Office of Entrepreneurship within the Department of Commerce.

House Bill No. 1265 - This bill creates a state information technology research center, an advanced technology review committee, a compute credits grant program, and an advanced technology grant fund. The commissioner of the Department of Commerce is included as a member of the advanced technology review committee.

House Bill No. 1448 - This bill creates an advanced technology review committee, an advanced technology grant program, and an advanced technology grant fund. The commissioner of the Department of Commerce is included as a member of the advanced technology review committee.

House Bill No. 1524 - This bill appropriates $2.4 million of ongoing funding from the general fund to the Department of Commerce for providing funding to regional planning councils.

House Bill No. 1581 - This bill appropriates $100,000 of one-time funding from the general fund to the Department of Commerce for tribal tourism grants. The bill provides a tribal government in the state may apply to the department for a grant of up to $20,000 to match funds committed by the tribal government to promote and enhance tribal nation tourism opportunities. A grant application must include a plan for using funds to promote and enhance tribal national tourism opportunities to be overseen by the department's Division of Tourism.

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 $5 million appropriation and transfer from the general fund to the rural community endowment fund. No appropriation is provided from the rural community endowment fund.

Senate Bill No. 2225 - This bill appropriates $50 million of one-time funding from the strategic investment and improvements fund to the Department of Commerce for providing housing for opportunity, mobility, and empowerment program grants to political subdivisions to build infrastructure necessary to support affordable, market rate housing. The bill requires matching funds on a $1-to-$1 basis.

Senate Bill No. 2228 - This bill appropriates $1 million of one-time funding from the general fund to the Department of Commerce for providing grants for the preservation of rural grocery stores and increasing the availability of food access in the state. The department is required to prioritize grants to support existing rural grocery stores before awarding grant funding for feasibility costs related to reopening a grocery store in a community without a grocery store. The funding may not be used for food processing or offsite preparation operations of a rural grocery store.

Senate Bill No. 2390 - This bill creates a rural catalyst committee, grant program, and fund to assist communities in the state with quality-of-life improvement projects to strengthen existing community systems, organizations, and individuals in partnership with each regional council. Grant funding may be awarded for projects that will address a critical need in the areas of art and culture, community and economic development, education, health and wellness, or for the purpose of preserving or reopening rural grocery stores in a rural community with a population of 8,500 or fewer individuals. The bill provides for a one-time transfer of $5 million from the strategic investment and improvements fund to the newly created rural catalyst fund and appropriates the funding from the new fund to the Department of Commerce for the rural catalyst grant program. The maximum grant award under the program is $500,000.

Senate Bill No. 2396 - This bill appropriates $200,000 from the general fund to Legislative Management to contract for a performance audit of the Department of Commerce and the North Dakota Development Fund.

Senate Concurrent 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.

Legislative Council

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

	Armstrong Budget				Senate Version				Senate Compared to Armstrong Budget Increase (Decrease)			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	62.80	$33,546,083	$53,344,371	$86,890,454	62.80	$33,546,083	$53,344,371	$86,890,454	0.00	$0	$0	$0
2025-27 Ongoing Funding Changes												
Base payroll changes		$67,653	$82,578	$150,231		$67,653	$82,578	$150,231				$0
Adds funding for the cost to continue salary increases		238,480	45,544	284,024		238,480	45,544	284,024				0
Salary increase		538,835	137,845	676,680		531,691	127,953	659,644		($7,144)	($9,892)	(17,036)
Health insurance increase		300,624	83,714	384,338		294,619	77,709	372,328		(6,005)	(6,005)	(12,010)
Adds funding to replace the 2023-25 new FTE pool		405,880		405,880		405,880		405,880				0
Adds funding to replace the 2023-25 vacant FTE pool		560,856	102,571	663,427		560,856	102,571	663,427				0
Adjusts funding for the 2025-27 new FTE pool				0				0				0
Adjusts funding for the 2025-27 vacant FTE pool				0		(198,263)	(51,422)	(249,685)		(198,263)	(51,422)	(249,685)
Adds funding for a FTE North Dakota Development Fund position	1.00		257,408	257,408				0	(1.00)		(257,408)	(257,408)
Adds funding for a FTE procurement officer position	1.00	216,954		216,954				0	(1.00)	(216,954)		(216,954)
Removes a FTE position				0	(1.00)	(199,286)		(199,286)	(1.00)	(199,286)		(199,286)
Adds funding for temporary salaries for temporary staff and an office intern		100,000	3,590	103,590				0		(100,000)	(3,590)	(103,590)
Adds funding for North Dakota Development Fund temporary salaries			200,000	200,000				0			(200,000)	(200,000)
Adds federal funding for temporary salaries and operating expenses to maintain building codes			98,583	98,583			98,583	98,583				0
Adds funding for the cost to continue IT increases		14,036	54,666	68,702			54,666	54,666		(14,036)		(14,036)
Adjusts base level funding for operating expenses		(21,481)	10,654	(10,827)		(21,481)	10,654	(10,827)				0
Adds funding for operating expenses of the Office of Global Talent		250,000		250,000				0		(250,000)		(250,000)
Adds federal funding for AmeriCorps program operating expenses			290,000	290,000			290,000	290,000				0
Reduces ongoing funding for the operation intern program				0		(6,896)		(6,896)		(6,896)		(6,896)
Removes funding for the continuum of care program and the state apprenticeship program		(81,713)	(1,097,157)	(1,178,870)		(81,713)	(1,097,157)	(1,178,870)				0
Adds federal funding for AmeriCorps and weatherization grant programs			3,132,157	3,132,157			3,132,157	3,132,157				0
Reduces federal funding for community development and community services block grants			(2,086,940)	(2,086,940)			(2,086,940)	(2,086,940)				0
Removes funding from the uncrewed aircraft systems (UAS) fund for UAS program grants			(1,020,150)	(1,020,150)			(1,020,150)	(1,020,150)				0
Total ongoing funding changes	**2.00**	**$2,590,124**	**$295,063**	**$2,885,187**	**(1.00)**	**$1,591,540**	**($233,254)**	**$1,358,286**	**(3.00)**	**($998,584)**	**($528,317)**	**($1,526,901)**
One-Time Funding Items												
Adds one-time funding for temporary salaries for temporary staff and an office intern				$0		$50,000	$3,590	$53,590		$50,000	$3,590	$53,590
Adds one-time funding for North Dakota Development Fund temporary salaries				0			100,000	100,000			100,000	100,000

Adds funding for tourism marketing awareness			$5,000,000	5,000,000			7,000,000	7,000,000			2,000,000	2,000,000
Adds funding for operating expenses of the operation intern program		$2,000,000		2,000,000		2,000,000		2,000,000				0
Adds funding for a state radar data pathfinder			11,000,000	11,000,000				0			(11,000,000)	(11,000,000)
Adds funding for an uncrewed aerial vehicle replacement grant program			15,000,000	15,000,000				0			(15,000,000)	(15,000,000)
Adds one-time funding for the Office of Global Talent		1,750,000		1,750,000		1,000,000		1,000,000		(750,000)		(750,000)
Adds funding for a housing for opportunity, mobility, and empowerment program			50,000,000	50,000,000				0			(50,000,000)	(50,000,000)
Adds funding for the community property improvements grant program			5,000,000	5,000,000				0			(5,000,000)	(5,000,000)
Adds funding for tourism destination development grants			15,000,000	15,000,000			20,000,000	20,000,000			5,000,000	5,000,000
Adds funding for UAS program grants		1,000,000		1,000,000				0		(1,000,000)		(1,000,000)
Adds funding for the beyond visual line of sight UAS program grants			20,000,000	20,000,000			10,000,000	10,000,000			(10,000,000)	(10,000,000)
Adds funding for the enhanced use lease grant			5,000,000	5,000,000			5,000,000	5,000,000				0
Adds funding for autonomous agriculture grants			10,000,000	10,000,000			5,000,000	5,000,000			(5,000,000)	(5,000,000)
Adds funding for base enhancement grants				0			1,000,000	1,000,000			1,000,000	1,000,000
Adds funding for grants to tribally controlled community colleges				0		750,000		750,000		750,000		750,000
Adds funding for the entrepreneurship grants and vouchers program		1,259,044		1,259,044		759,044		759,044		(500,000)		(500,000)
Adds funding for regional workforce impact program grants			10,000,000	10,000,000			5,000,000	5,000,000			(5,000,000)	(5,000,000)
Adds funding for operating expenses of the find the good life initiative			5,000,000	5,000,000				0			(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				0
Total one-time funding changes	**0.00**	**$8,009,044**	**$151,000,000**	**$159,009,044**	**0.00**	**$6,559,044**	**$53,103,590**	**$59,662,634**	**0.00**	**($1,450,000)**	**($97,896,410)**	**($99,346,410)**
Total Changes to Base Level Funding	**2.00**	**$10,599,168**	**$151,295,063**	**$161,894,231**	**(1.00)**	**$8,150,584**	**$52,870,336**	**$61,020,920**	**(3.00)**	**($2,448,584)**	**($98,424,727)**	**($100,873,311)**
2025-27 Total Funding	**64.80**	**$44,145,251**	**$204,639,434**	**$248,784,685**	**61.80**	**$41,696,667**	**$106,214,707**	**$147,911,374**	**(3.00)**	**($2,448,584)**	**($98,424,727)**	**($100,873,311)**
Federal funds included in other funds			*$44,452,491*				*$44,422,096*				*($30,395)*	
Total ongoing changes - Percentage of base level	*3.2%*	*7.7%*	*0.6%*	*3.3%*	*(1.6%)*	*4.7%*	*(0.4%)*	*1.6%*	*N/A*	*N/A*	*N/A*	*N/A*
Total changes - Percentage of base level	*3.2%*	*31.6%*	*283.6%*	*186.3%*	*(1.6%)*	*24.3%*	*99.1%*	*70.2%*	*N/A*	*N/A*	*N/A*	*N/A*

Other Sections in Department of Commerce - Budget No. 601

Section Description	Armstrong Budget	Senate Version	
New and vacant FTE pool line item		Section 3 provides the Department of Commerce cannot spend funds appropriated in the new and vacant FTE funding pool line item but may request the Office of Management and Budget to transfer funds to the salaries and wages line item.	
Transfer - General fund to internship fund		Section 4 requires 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.	

Other Sections in Department of Commerce - Budget No. 601

Section Description	Armstrong Budget	Senate Version	
Transfer - Strategic investment and improvements fund (SIIF) to legacy investment for technology (LIFT) fund		Section 5 requires OMB to transfer $5 million 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 6 requires OMB to transfer $30 million from SIIF to the North Dakota Development Fund during the 2025-27 biennium.	
Rural health care grant program - Matching funds requirement		Section 7 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.	
SIIF		Section 8 identifies $53,000,000 appropriated in Section 1 from SIIF, including $7,000,000 for tourism marketing awareness, $20,000,000 for tourism destination development grants, $10,000,000 for the beyond visual line of sight uncrewed aircraft system program, $5,000,000 for the enhanced use lease grant program, $5,000,000 for autonomous agriculture grants, $1,000,000 is for base enhancement grants, and $5,000,000 is for regional workforce impact program grants. Of the $7,000,000 for tourism marketing awareness, $150,000 is designated for the continuation of the North Dakota state magazine with the current publisher of the magazine. Of the $1,000,000 for base enhancement grants, $600,000 is for eligible organizations in Minot, $250,000 is for eligible organizations in Grand Forks, and $150,000 is for eligible organizations in Fargo. The $5,000,000 provided autonomous agriculture grants may be provided for autonomous trucking activities.	
Tribally controlled community college grants - Reporting requirements		Section 9 identifies $750,000 appropriated in Section 1 from the general fund in the grants line item for providing workforce development grants to a tribally controlled community college in the Turtle Mountain area. A tribally controlled community college must partner with at least one high school in the state for programs under section 54-60.2-02. During the 2025-26 interim, a tribally controlled community college receiving funding under this program is required to report to the Department of Commerce by August 1, 2026, regarding the use of grant funds and the department is required to provide a report to the Legislative Management by October 1, 2026, regarding the use of grant funds.	
Discretionary funds - Native American small business grant		Section 10 identifies of the $2,150,000 appropriated from the general fund in Section 1, $600,000 is designated for a grant to support an organization dedicated to assisting Native American small businesses in North Dakota.	
Amendment - Department of Commerce grant reporting requirements		Section 11 creates a new section to Chapter 54-60 to require the Department of Commerce to report to the Budget Section semiannually regarding grants administered by the department, excluding federally funded programs.	
Amendment - Office of Legal Immigration renamed the Office of Global Talent		Section 12 amends Section 54-60-31 to change the name of the Office of Legal Immigration to the Office of Global Talent.	

Other Sections in Department of Commerce - Budget No. 601

Section Description	Armstrong Budget	Senate Version	
Exemption - Community development block grant		Subsection 1 of Section 13 allows 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 allows 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 allows 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 allows 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 - Workforce programs		Subsection 5 of Section 13 allows 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 6 of Section 13 allows 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 7 of Section 13 allows 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 8 of Section 13 allows 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.	
Exemption - Discretionary funds		Subsection 9 of Section 13 allows 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 13 of Section 13 allows 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.	

Other Sections in Department of Commerce - Budget No. 601

Section Description	Armstrong Budget	Senate Version	
Exemption - Energy conservation assistance grant program		Subsection 13 of Section 13 allows 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 allows 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 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 13 of Section 13 allows 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.	
Exemption - Office of Legal Immigration		Subsection 14 of Section 13 allows 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.	

Dear Representative,

Chairman, House Appropriations – Education and Environment Division
I am writing to express my strong support for the Department of Commerce Appropriations bill, SB 2018, which funds critical economic development programs in North Dakota. As the co-founder of The Good Kids, I have directly benefited from the Innovate ND Program administered through CTB/NDWBC, which has been instrumental in growing my business through impactful connections with other women.

Without their support, it would have been significantly more challenging to meet other women with similar challenges, learn from their experiences, and get connected to other helpful resources. Programs like Innovate ND not only help individual businesses but also contribute to North Dakota's broader economic development by fostering innovation, job creation, and industry growth.

I urge you to support Innovate ND in SB 2018 to ensure businesses like mine continue to have access to the resources necessary for success. Thank you for your time and consideration. If you would like to discuss my experience further, please feel free to contact me via phone or email.

Sincerely,

Ashton Hauff
Co-Founder, Brand Strategist
The Good Kids
Email: ashton@thegoodkids.co
Call/Text: 701.595.0202

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Prairie Room, State Capitol

SB 2018
3/17/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; relating to department of commerce grant reporting requirements; relating to changing the name of the office of legal immigration to the office of global talent; to provide for a transfer; to provide an exemption; and to provide for a legislative management report.

2:20 p.m. Chairman Nathe opened the meeting.

Members present: Chairman Nathe, Vice Chairman Swiontek, Representatives Louser, Hanson, Martinson, Richter and Sanford.

Discussion Topics:

- Uncrewed Aircraft Systems (UAF)
- Legacy Investment for Technology Loan Fund (LIFT)
- Housing for Opportunity, Mobility, and Empowerment Program (HOME Fund)

2:21 p.m. Richard Garman, Director, ED&F, presented and testified in favor with previously submitted testimony on 3/17/25 AM #42243.

2:27 p.m. Trevor Woods, Executive Director, NPUASTS, presented and testified in favor with previously submitted testimony on 3/17/25 AM #41846.

2:32 p.m. Erin Roesler, Deputy Executive Director, NPUASTS, testified in favor.

2:46 p.m. Thomas Swoyer, President and Founder, Grand Sky Development Company, presented and testified in favor #42303.

2:56 p.m. Matt Dunlevy, President, North Dakota UAS Council, presented and testified in favor with previously submitted testimony on 3/17/25 AM #42179.

3:01 p.m. Frank Matus, Director, UAS, Integration Strategy, presented and testified in favor with previously submitted testimony on 3/17/25 AM #42142.

3:05 p.m. Richard Garman, Director, ED&F, presented and testified in favor with previously submitted testimony on 3/17/25 AM #42243.

3:06 p.m. Shayden Akason, Deputy Director, ED&F, presented and testified in favor with previously submitted testimony on 3/17/25 AM #42243.

3:22 p.m. Maria Effertz, Director, Division of Community Services, testified in favor.

3:29 p.m. Sara Otte Coleman, Director, Tourism and Marketing, presented and testified in favor with previously submitted testimony on 3/17/25 AM #42243.

3:48 p.m. Matt Wendel, Chief of Staff, Grand Farms, presented and testified in favor #42132 and #42133.

3:55 p.m. Scooter Pursley, Executive Director, ND Travel Alliance Partnership, presented and testified in favor with previously submitted testimony on 3/17/25 AM #41473.

3:58 p.m. Becca Cruger, Director, Workforce Development, Grand Forks, testified in favor.

4:08 p.m. Sheri Grossman, CEO, Bismarck-Mandan Convention & Visitors Bureau, testified in favor.

4:11 p.m. Stephanie Schoenrock, Executive Director, Minot, presented and testified in favor, #42277 and with previously submitted testimony on 3/17/25 AM #42207.

4:17 p.m. Tyler Sletten, Director of Operations, testified in favor.

4:21 p.m. Charles P. Clairmont, Executive Director, North Dakota Safety Council, presented and testified in favor with previously submitted testimony on 3/17/25 AM #42195.

4:40 p.m. Cale Dunwoody, FMWF Chamber of Commerce, testified in favor with previously submitted testimony on 3/17/25 AM #42211.

4:47 p.m. Brekka Kramer, President and CEO, Minot Area Chamber EDC, testified in favor with previously submitted testimony on 3/17/25 AM #42207.

4:58 p.m. Christy Dauer, Executive Director, ND Women's Business Center, Innovate ND, testified in favor with previously submitted testimony on 3/17/25 AM #41587.

Additional written testimony:

#41553, #41595, #41922, #41965, #42027, #42270, #42292, #42346, #42354, #42408, #42415, #42423, #42787, #42896.

5:05 p.m. Chairman Nathe adjourned the meeting.

Steven Riehl, Committee Clerk

Destination Development Letter of Support

Greetings, My Name is Kelly Sorge owner/operator of Indian Hills Resort. We have a 40-year history on Lake Sakakawea offering camping and lodging. We are a unique entity as we have been partnered with the US Army Corp or Engineers, ND State Parks. MHA Nations and ND Game and Fish Dept. since 1984. On Nov 1st of 2023 we were fortunate enough to be awarded 40% of our $500,000.00 grant application for the build of the Good Bear Bay Lodge.

I regret that I cannot be there in person, but I feel strongly about supporting this project. The Department of Commerce has worked tirelessly, and, like me, they are excited to see how extraordinary we can become with your support.

As Governor Burgum said during the one of the Destination Developments first grand openings at the Good Bear Bay Lodge, "It's about what we can be and what we can become." This sentiment perfectly captures the spirit of this initiative and the incredible potential it holds for our state.

In the winter months, I have the opportunity to travel out of state, which allows me to observe what other states are offering to attract visitors. I pay particular attention to their strategies, what draws guests, and how they compete in the tourism market. With so many destinations available, it's essential to understand what people are looking for in their travel experiences, as well as what and who are we competing with.

In our region, we identified a significant gap: the need for a larger, family-style lodge. This presented an opportunity to create a space where families, both residents and non-residents, could come together to enjoy one of the most beautiful areas of Lake Sakakawea.

However, this vision could not have become a reality without the support of the Destination Development Program. Within 12 short months, we were able to design, build, and open a facility that meets this need. Without this program, the project would have remained a dream.

Rising costs of building materials, labor, and interest rates made this project financially unfeasible for us as a business and as a family. The funding provided by the program allowed us to bring this vision to life and, importantly, keep our nightly rates affordable for our guests and traveling families.

This program not only enabled us to invest in our business but also enhanced North Dakota's tourism offerings, creating a destination that will serve visitors for years to come.

We strongly support the continuation of the Destination Development Program because we have seen its direct benefits to the local economy and the opportunities it creates for other businesses and communities. This program empowers non-government entities to overcome financial barriers, enabling the development of projects that drive tourism, create jobs, and foster economic growth.

I also want to emphasize that the grant process is rigorous. The program asks the right questions to ensure funding is directed to the most deserving projects—those with sustainable, long-term potential and a clear plan for success. This diligence ensures that funding is appropriated wisely and goes to grantees who can maximize its impact.

Continuing this program will provide critical support for similar projects across the state, ensuring that North Dakota remains a competitive and appealing destination for visitors while strengthening our communities.

Thank you all for your time and support.

Kelly and Dale Sorge.

Visit DICKINSON
THE WESTERN EDGE of ND

#41595

March 13, 2025

Greetings from the Dickinson Convention & Visitors Bureau! I am excited to experience my first summer tourism season. I replaced veteran Terri Thiel who served as the Executive Director for the past 26 years. In the three months that I have been at the Dickinson CVB, I have quickly learned the impact that tourism has on our state. Therefore, this letter is in support of Senate Bill 2018, the ND Commerce Department appropriations bill since the Tourism Division funding is included.

We are neighbors to the Dickinson Museum Center where the Badlands Dinosaur Museum is located. With the largest display of real dinosaur fossils in the state and continued fieldwork uncovering new fossil discoveries, tourists are in awe seeing these exhibits. They can also watch the live work being done by the paleontologists from a window that looks directly into the lab area. This museum attracts visitors from around the globe, and it is amazing to think it is right here.

Living just 30 minutes west of Theodore Roosevelt National Park and the historic town of Medora, I see the impact that tourism has on both of those entities. I see the progress being made on the construction of the Theodore Roosevelt Presidential Library. I am busy educating and preparing our own local lodging and hospitality managers on the direct impact this project is going to have on our community. Many corporate hotels are investing in their properties in Dickinson by renovating them in 2025, so they are ready for travelers in 2026.

To the east, we are only minutes away from the Enchanted Highway. This 30-mile stretch of highway filled with scrap metal sculptures is something people of all ages enjoy viewing. With plans for some fresh paint in 2025, these sculptures will continue to add to tourism in southwest North Dakota.

With these attractions in our backyard and other great sights across the state, it is important that our legislators provide necessary funding to attract tourists. We are hoping to see that the committee allocates equal to or more than the $25 million that was given during the last legislative session for Destination Development Grants. The grants were widely popular, which proves that the need is there.

Secondly, please consider increasing the Tourism Division's marketing budget to $10 million rather than the $7 million that is currently stated. This increase would allow them the opportunity to grow and explore other markets which would widen their reach for tourists. This needs to be done for us to stay competitive with the states surrounding us! Being only an hour's drive from both the South Dakota and Montana borders, we want their tourists to visit North Dakota as well.

In closing, thank you for taking the time to serve in your elected position and for considering these funding concerns. If you have any questions regarding this letter, please feel free to contact me.

Sincerely,

Alicia Erickson
Executive Director
alicia@visitdickinson.com

Dickinson Convention & Visitors Bureau
701-483-4988 | 800.279.7391 | 72 E. Museum Dr. | Dickinson, ND 58601
VISITDICKINSON.COM

Harvestone LCP
1815 Schafer St. Suite 220
Bismarck, ND 58503

To Whom It May Concern:

I am writing to express my strong support for the reinstatement of funding of $5million for the Find the Good Life (FTGL) program under Senate Bill 2018. This vital initiative, administered through the Department of Commerce, has been instrumental in addressing workforce shortages, promoting North Dakota's key industries, and reconnecting former residents with opportunities in our great state.

Since its inception, FTGL has facilitated the connection of over 5,000 individuals with our relocation help desk and nearly 1,500 individuals have requested to be connected to local community champions. This network of local community champions is what makes our program unique because it provides potential residents with connections to real North Dakotans who can provide additional support and personalized resources during the relocation process.

These efforts have successfully showcased the best of life in North Dakota, leading to a measurable impact on workforce recruitment and retention.

The program's innovative approach continues to evolve, ensuring its effectiveness in talent attraction. One significant enhancement is the Candidate Marketplace, launched less than a year ago, which has already demonstrated its potential in streamlining the relocation journey. Employers now have direct access to prospective job seekers, reducing the time it takes to connect leads with job opportunities. Additionally, the recent ROOT Grant provides opportunities for financial incentives to employers who utilize this marketplace, further strengthening our workforce pipeline.

The effectiveness of FTGL is evident in its success rates. Companies leveraging the program have experienced a higher response rate from leads compared to other sourcing tools, as these individuals have already expressed a genuine interest in relocating to North Dakota. The program's year-over-year growth reinforces its impact:

- January & February 2023: 291 leads
- January & February 2024: 367 leads
- January & February 2025: 631 leads

This impressive growth underscores the momentum FTGL has built, making it imperative to continue funding this initiative rather than disrupt its success.

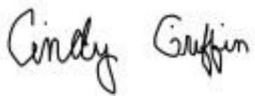
Beyond statistics, the program's real impact is seen in the lives of individuals like Jacob and Jessica from Tennessee. Jacob secured a position with an HVAC company in Hazen, relocating to North Dakota ahead of Jessica, who later joined him as a veterinarian in Beulah. Their story is one of many that illustrate how FTGL is transforming lives and contributing to the vitality of our communities.

Harvestone LCP
1815 Schafer St. Suite 220
Bismarck, ND 58503

The importance of this program cannot be overstated. Workforce recruitment and retention take time, and sustaining long-term solutions requires consistent investment. FTGL is a key driver in keeping rural North Dakota thriving by supporting private industry and fostering economic growth.

I urge you to reinstate funding for the Find the Good Life program to ensure we maintain our competitive edge, support locally-led workforce solutions, and continue attracting top talent to North Dakota. Thank you for your consideration and your commitment to strengthening our workforce and communities.

Sincerely,



Cindy Griffin
Chair, North Dakota Workforce Development Council
cgriffin@harvestonelcp.com
(701)251-3917

Greater North Dakota Chamber

GREATER NORTH DAKOTA CHAMBER
SB 2018
House Appropriations Committee
Education & Environment Division
Chair Mike Nathe
March 17, 2025

Mr. Chairman and members of the Committee, my name is Andrea Pfennig, and I am the Vice President of Government Affairs for the Greater North Dakota Chamber. GNDC is North Dakota's largest statewide business advocacy organization, with membership represented by small and large businesses, local chambers, and trade and industry associations across the state. We stand in **support** of Senate Bill 2018.

In our 2024 ND Economics and Employer Survey of our membership, 70% of respondents indicated they were having trouble hiring employees. Labor availability has been identified as the top business concern facing companies in North Dakota.

Because of this, we'd like to express support for the workforce components of SB 2018, such as Operation Intern, the Office of Global Talent, and Regional Workforce Impact Program grants (RWIP).

We frequently receive positive feedback from our members on Operation Intern. The funding for this program is spoken for very rapidly, and we appreciate the current proposed investment of $2 million for the program.

Additionally, our members feel it is important to foster the advancement of existing and emerging industries through efforts that demonstrate the importance of innovation and the benefits of a diversified economy.

Targeted incentives and economic development programs, such as Development Fund and LIFT, are important to position North Dakota to be globally competitive.

We hope that you will continue to strengthen North Dakota's business climate by investing in workforce and economic development strategies. Thank you for your consideration.

701.222.0929 ndchamber@ndchamber.com ndchamber.com PO Box 2639 • Bismarck, ND 58502

ednd
economic development association of north dakota

PO Box 1091 • Bismarck, ND 58502
701-355-4458 • www.ednd.org

Testimony of Laura Lacher

Economic Development Association of North Dakota

In Support of SB 2018

March 17, 2025

Chairman Nathe and members of the House Appropriations – Education and Environment Division:

I am Laura Lacher, executive director for the Economic Development Association of North Dakota (EDND). EDND represents state economic development organizations on the front line of economic development efforts throughout North Dakota. The organization's primary purpose is to support the creation of new wealth and the diversification of North Dakota's economy. I am here to express EDND's support for SB 2018.

EDND has a long-standing and complementary relationship with the Department of Commerce. They are a premier partner providing valuable tools, programs, and resources for the economic developers in our state.

The Department of Commerce plays a critical role in fostering economic growth by supporting workforce development initiatives, helping communities build infrastructure, and providing grants and financial assistance to local businesses. Their efforts are instrumental in helping North Dakota communities attract new businesses, retain existing ones, and expand job opportunities. Furthermore, the Department's focus on enhancing quality of life through community development initiatives makes North Dakota a more attractive place to live and work. From supporting housing projects to investing in tourism and cultural development, Commerce's work directly contributes to strengthening local economies and improving the well-being of our residents.

EDND appreciate the opportunity to voice support for SB 2018 and for your continued commitment to advancing North Dakota's economic growth and prosperity. Thank you.

GRANDFARM

March 17, 2025

Chairman Mike Nathe
House Appropriations Committee
Education and Environment Division
600 East Boulevard Avenue
Bismarck, ND 58505

Subject: SB 2018 - Autonomous Agriculture Grant Program

Mr. Chair and members of the committee,

My name is Matt Wendel, and I serve as the Chief of Staff for Grand Farm. Founded in 2019, we are a collaborative network working together to solve problems in agriculture using applied technology.

I am writing in support of the Autonomous Agriculture Grant Program, which is a part of Governor Armstrong's Department of Commerce budget recommendation

I would like to express our thanks for the Legislature and the State of North Dakota for their foresight to invest in the program. And I want to thank everyone who has attended and supported the events and activities that have come out of that investment.

In the 2021 special session, the legislature created the Autonomous Agriculture Grant Program, and through a competitive application process, Grand Farm was awarded funding in 2022 to further advance agriculture technology through a world-class Innovation Campus and Shop.

Leveraging that funding, Grand Farm partnered with over 50 organizations and families to raise a total $15.3M to establish and build the Grand Farm Innovation Campus, including the purchase and utilization of 140 acres in Casselton, ND, and completed a 25,000 square foot Innovation Shop.

From being awarded the grant in 2022, Grand Farm selected the Innovation Campus site, purchased land, designed and built the Innovation Shop - all by 2024, quickly delivering on our commitment to the state. This has enabled a hub for collaboration, research, validation, demonstration, and commercialization around agriculture technology.

In 2024, the Innovation Campus facilitated 33 field trials with 26 companies from around the world. These trials were directly focused on solving North Dakota agriculture challenges.

We are now partnered with AGCO, CHS, AgCountry, Microsoft, Bobcat, and USDA, along with 70 other partners from around the world. And have been able to host events with all of them as well as with John Deere, the U.S. Senate Agriculture Appropriations Committee, the Small Business Administration, Farmers Union, FFA, North Dakota State University, the University of North Dakota and more.

The Autonomous Agriculture Grant Program has ultimately enabled Grand Farm to attract private sector investment, secure federal funding, and advance AgTech innovation in North Dakota. It has also led to a strengthened Grand Farm partnership model, driving revenue diversification and sustainable growth. This has all contributed to strengthening North Dakota's position as the global leader in agricultural technology and innovation.

The state of North Dakota has an opportunity to continue to invest in innovation, continue to diversify the economy, and continue to support agriculture, one of our largest industries. An investment completing the original proposed amount into the Autonomous Agriculture Grant Program could enable:

- Colocation of agriculture industry leaders at the Grand Farm Innovation Campus.
- Creation of a federal lab on AI in Agriculture with the United States Department of Agriculture in collaboration with Senator Hoeven.
- Attraction of 25 new companies to develop in ND and expand presence in our state.
- Creation of $2.4M of tax revenue each year, for ten years, through wages, property tax, etc.
- Drive $250M of federal funds into North Dakota through collaboration with the National Science Foundation, United States Department of Agriculture's Agricultural Research Services, NDSU, UND, and others.

By leveraging state investment in infrastructure pieces, Grand Farm is multiplying economic impact, accelerating business development, and securing North Dakota's future as an AgTech powerhouse.

Thank you for your consideration.

Matt Wendel
Chief of Staff
Grand Farm

THANK YOU!

HISTORY

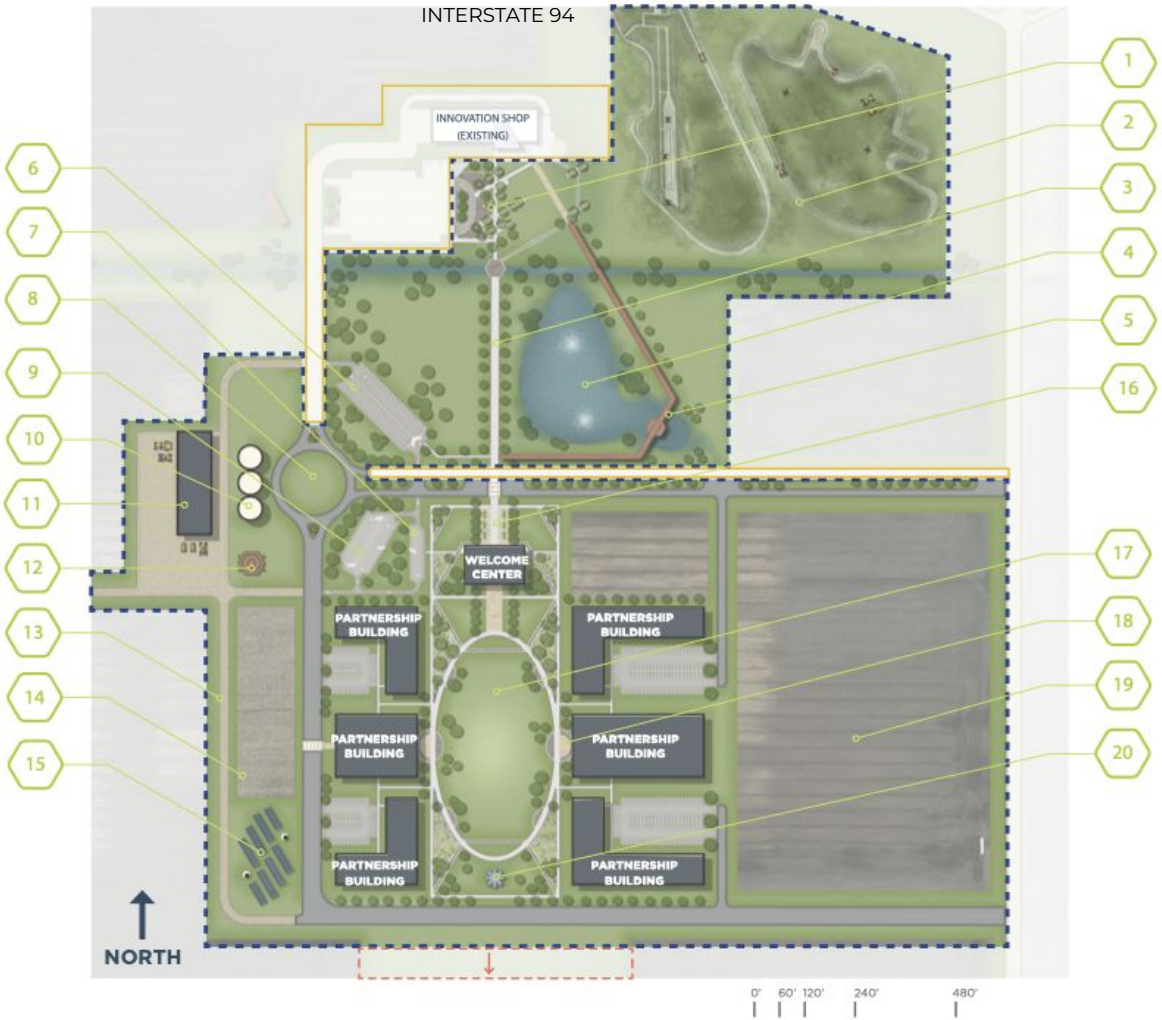
ARPA FUNDING

IMPACT

- ➔ **100+ GROUPS HOSTED** AT GRAND FARM INNOVATION SHOP
- ➔ **79 JOBS CREATED** IN NORTH DAKOTA BY ORGANIZATIONS TIED TO GRAND FARM
- ➔ **20 COMPANIES** ESTABLISHED OR RELOCATED TO NORTH DAKOTA TIED TO GRAND FARM
- ➔ **PTI ND (AGCO)** BECAME AN ANCHOR TENANT AT THE GRAND FARM INNOVATION CAMPUS
- ➔ **500+** YOUTH ENGAGED AT THE GRAND FARM INNOVATION CAMPUS + THROUGH GRAND FARM
- ➔ **2,300 ORGANIZATIONS** ENGAGED WITH GRAND FARM
- ➔ **$235M** IN FEDERAL GRANTS AWARDED IN CONJUNCTION WITH GRAND FARM

POTENTIAL IMPACT

- ➔ **COMPANIES** INTERESTED IN DEDICATED PRESENCE ON CAMPUS
- ➔ **FEDERAL LABORATORY** FOCUSED ON ARTIFICIAL INTELLIGENCE + AGTECH IN AGRICULTURE
- ➔ **ESTABLISH NORTH DAKOTA** AS GLOBAL HUB FOR AUTONOMOUS AGRICULTURE INNOVATION
- ➔ **DRIVE ECONOMIC GROWTH + JOB CREATION** ACROSS TECHNOLOGY, RESEARCH, + MANUFACTURING
- ➔ **INCREASED GROWER SOLUTIONS** AS GROWER FACING ENVIRONMENT FOR AG INDUSTRY LEADERS
- ➔ **ENGAGING YOUTH** + FOSTERING NEXT GENERATION OF AGTECH LEADERS



POTENTIAL IMPACT

Proposed Phase 2

1 Drop off and plaza
2 Equipment demonstration area
3 Pedestrian corridor
4 Stormwater retention pond
5 Elevated viewing boardwalk
6 Visitor parking lot 1
7 Welcome Center drop-off
8 Roundabout
9 Visitor parking lot 2
10 Grain bin storage and branding opportunity
11 Equipment storage shed and parking
12 Observation tower
13 Equipment gravel roadway
14 Partnership buildings showcase area
15 Energy installation
16 Welcome Center Plaza
17 Public Mall, open lawn
18 Education nodes
19 Partnership buildings showcase area
20 Focal sculpture

Legend

Phase 1 Development (Existing)
Phase 2 Development (Proposed)
Phase

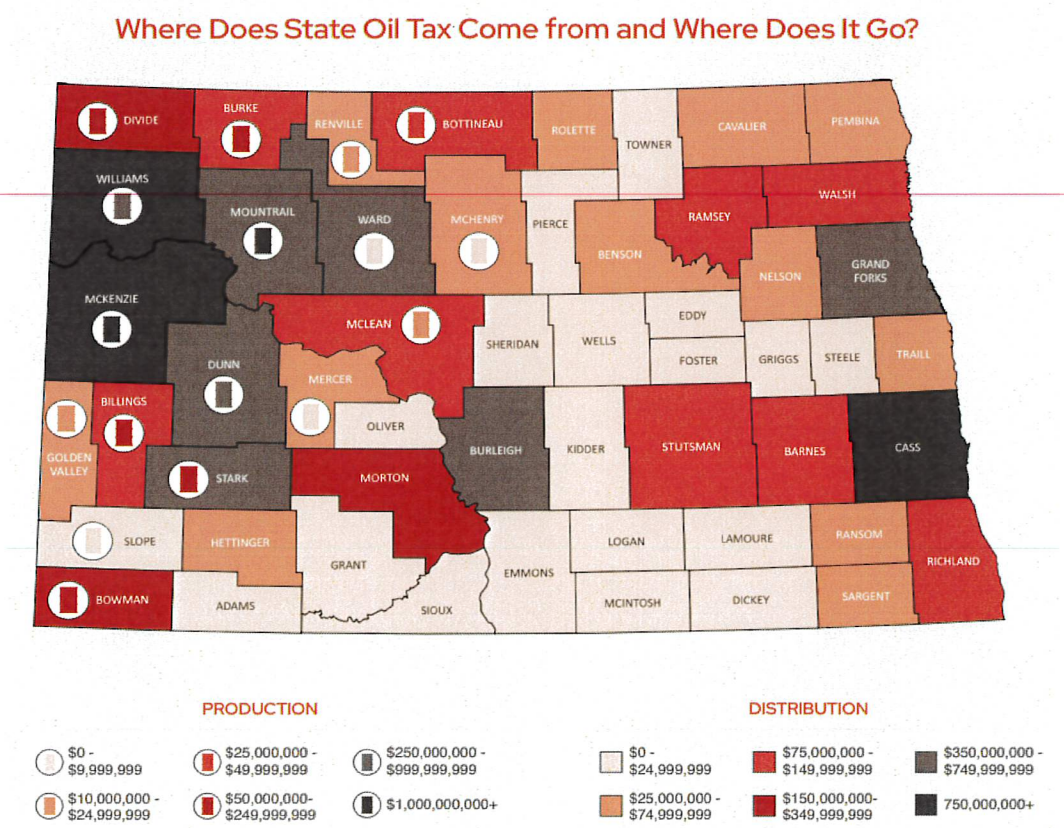
INVEST

TO: House Appropriations – Education and Environment Division
FROM: Community Development Department - City of Watford City
DATE: March 17, 2025
RE: SUPPORT of SB 2018

A BILL for an Act to provide an appropriation to the North Dakota Department of Commerce

Chairman Nathe and members of House Appropriations – Education and Environment Division:

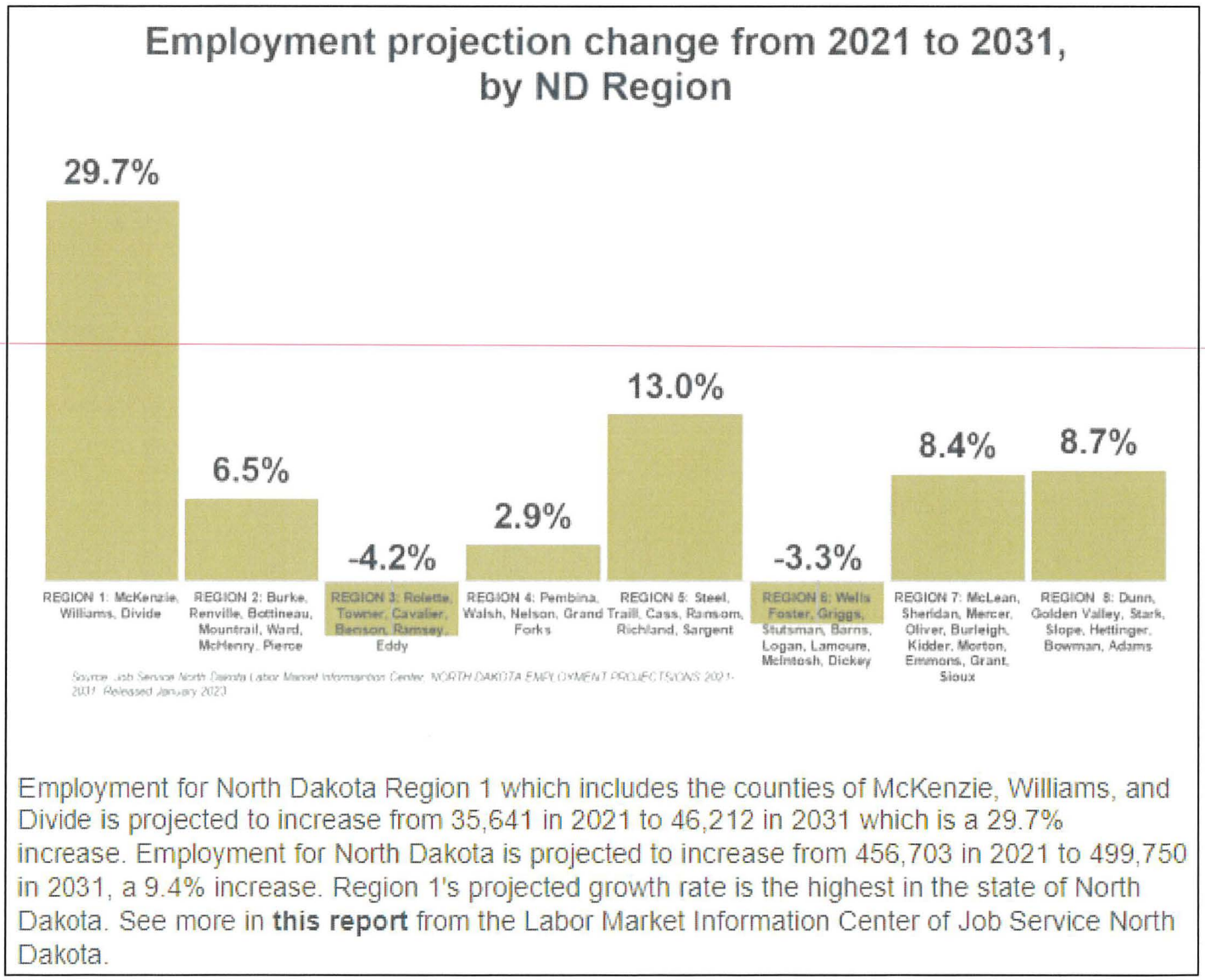
Thank you for the opportunity to submit written support for SB 2018 today. My name is Vawnita Best, Community & Business Development Director for the City of Watford City. The City of Watford City, Community Development Department's mission is to support the development of community initiatives that support the needs of a robust and relevant 21st century workforce. We conduct our work jointly with McKenzie County Economic Development. We do this work and focus on the needs of the employers to ensure they have the workforce they need to continue the mining of energy and deposits of oil and gas tax revenue that supports over 50% of North Dakota's:
WDEA & NDPF Oil and Gas Tax Revenues – 2024 Update:
https://wdeawebsite.blob.core.windows.net/usrfiles/documents/wdea%2012%20pager%20-%2001-27-25.pdf



We have approached workforce development utilizing five initiatives in Watford City:

1. **Workforce Attraction** – the initiatives we deploy in partnership with McKenzie County Tourism, the Watford City Economic Development Corporation, and through business BR&E (Business Retention & Expansion) interviews and meetings.
2. **Workforce Retention -** the initiatives we deploy in partnership with the Watford City Park & Recreation District, McKenzie County JDA, McKenzie County School District #1, and through business BR&E (Business Retention & Expansion) interviews and meetings.
3. **Workforce Development –** the initiatives we deploy in partnership with McKenzie County School District #1 and the Bakken Area Skills Center, and through business BR&E (Business Retention & Expansion) interviews and meetings.
4. **Skills Development –** the initiatives we deploy in partnership with McKenzie County School District #1 and the Bakken Area Skills Center, and through business BR&E (Business Retention & Expansion) interviews and meetings.
5. **Entrepreneurship Development & Expansion –** the initiatives we deploy in partnership with SBDC, Tri-County Development Council, Lewis & Clark Development Group, McKenzie County School District #1 and the Bakken Area Skills Center, and through business BR&E (Business Retention & Expansion) interviews and meetings.

In **MANY** of our workforce development initiatives we utilize in Watford City to maintain and retain the existing workforce that we need today and grow the workforce Region 1 needs by 2031 according to Job Service ND:



Employment for North Dakota Region 1 which includes the counties of McKenzie, Williams, and Divide is projected to increase from 35,641 in 2021 to 46,212 in 2031 which is a 29.7% increase. Employment for North Dakota is projected to increase from 456,703 in 2021 to 499,750 in 2031, a 9.4% increase. Region 1's projected growth rate is the highest in the state of North Dakota. See more in **this report** from the Labor Market Information Center of Job Service North Dakota.

WE UTILIZE the workforce development programs the North Dakota Department of Commerce offers. We leverage state funds and match them with local public and local private dollars in the sole mission to support and grow North Dakota's workforce.

Thank you for the opportunity to submit written **SUPPORT for SB 2018 and to encourage program funding to the Department of Commerce that help local communities drive workforce development initiatives forward for the betterment of the state of North Dakota.**

Sincerely,

Vawnita Best, Community & Business Development Director, City of Watford City

vbest@nd.gov I (701) 580-1862

March 17, 2025

Testimony of Stephanie Schoenrock
Visit Minot

Testimony in Support of SB 2018 and Funding for the Destination Development Grant
Chairman Nathe and Members of the Committee:

Thank you for the opportunity to provide testimony today. I am here to respectfully request your support for SB 2018 and funding for the Destination Development Grant.

We have a significant opportunity to improve how North Dakota attracts and engages visitors, and my perspective on this has profoundly evolved over the past five years, particularly since I began interacting with travelers daily at the Minot Visitor Center.

When I first transitioned from marketing events/tourism to working directly with visitors, I, like many community leaders, often wondered, *Where are these tourists?* That question was quickly answered. By June 30th last year, the Minot Visitor Center welcomed guests from all 50 states and 27 countries. It was eye-opening to witness firsthand the volume and diversity of travelers exploring North Dakota. Statistics can only tell part of the story; it's these countless personal interactions that shift perceptions.

Consistently, we hear three key themes from visitors:

1. **Escape from Crowds**: Travelers choose North Dakota to avoid the overcrowding common in many popular destinations, particularly National Parks.
2. **Part of a Larger Journey**: For most, North Dakota is a stopover rather than the primary destination.
3. **Surprise and Delight:** Visitors often find themselves unexpectedly captivated by their experience and leave wishing they had allocated more time to explore. Their enjoyment highlights a missed opportunity—one that could be transformed into longer stays and return visits with further destination development.

These insights highlight both a challenge and an opportunity. North Dakota has a compelling story to tell, but we need the resources to tell it more effectively. Funding for SB2018 and the Destination Development Grant is critical in ensuring we can promote our state, develop tourism infrastructure, and encourage longer stays, all while delivering a measurable return on investment. This is not a handout—it's a smart investment in our economy and communities.

Thank you for considering this important request. I urge you to support SB 2018 and the Destination Development Grant to help us realize the full potential of North Dakota's tourism industry.

Respectfully submitted,

Stephanie Schoenrock

TRAILL COUNTY
ECONOMIC DEVELOPMENT
WE KNOW BUSINESS

Testimony of Jim Murphy, Executive Director, Traill County EDC in support of SB 2018

House of Representatives – Department of Commerce Appropriations

March 16, 2025

My name is Jim Murphy, Executive Director of Traill County Economic Development Commission. My role, and the role of this organization, is to help build the economic environment in the county and region to help ensure long-term growth for our communities. I am asking for your support of SB 2018 to keep the positive economic momentum

We are a small organization. We are smart, creative and quick to adjust, and we've learned to maximize the assets & resources of our organization. Like many of our peers, we work across many areas of modern economic development including business development, business recruitment and retention, childcare, housing, workforce development, community development, and education for our businesses and municipality leaders. We are also the Job Development Authority in Traill County and are currently managing about twenty loans and a revolving loan fund.

We count on our partners, like ND Commerce, to execute and support the work we do locally. For instance, the Rural Slum and Blight grant helped the city of Mayville remove some dilapidated property that can be used now for redevelopment. Other effects are not so easily evident like development at Grand Sky. The growth in population should help put people in neighboring Hatton as well as other surrounding cities as that develops. The innovation of the Office of Global Talent (formerly Legal Immigration) can help bring workers and their families to our agriculturally based economy.

It is with this long-term growth strategy and the ultimate return on investment that I am encouraging a yes vote on SB 2018.

Sincerely,

Jim Murphy – Director@traillcountyedc.com – 701-636-4746

GRANDSKY
GRAND FORKS COUNTY, ND

To: Chairman Nathe and committee members
From: Thomas Swoyer, Jr. President of GrandSKY

GrandSKY: A Unique Opportunity for North Dakota

Prior to the beginning of the 2025 Legislative Session, GrandSKY respectfully requested $22.5 Million from the State of North Dakota for investment in infrastructure at the Flight Test and Operations Center located on Grand Forks AFB, Grand Forks County, ND. This request was made with full knowledge that $22.5 Million is a lot of money and there are many competing priorities for the State. The $22.5 Million was requested to support infrastructure required to keep the park growing and to open more opportunities for aerospace companies to move to North Dakota and create jobs here.

Specifically, GrandSKY's request would support two broad funding items (breakdown attached):

- $10M for ongoing investment in utilities, roads, security, and communications infrastructure.
- $12.5M for construction of a new aircraft taxiway and repair / replacement of the existing (inherited) aviation ramps, taxiways, and aprons.

GrandSKY is a unique asset in North Dakota and the United States. It is the first facility in the United States to focus on commercial Uncrewed Aircraft Systems ("UAS"). It is a public / public / private partnership between the US Air Force, Grand Forks County, and Grand Sky Development Company. It leverages many existing US Air Force assets like the runway, emergency services, control tower services, and radar. It is the ONLY facility in the United States that allows piloted or UAS aircraft, military and/or civilian to take off and land at an active-duty Air Force Base.

GrandSKY is physically located on 217 acres, leased by Grand Forks County from the Air Force. Grand Forks County, through a public competition, selected Grand Sky Development Company to manage and administer the project on the County's behalf. GrandSKY is NOT a private development, it is owned by Grand Forks County but managed by a private entity to take advantage of commercial best practices and to enable a dedicated team to the effort in order to maximize success.

GrandSKY has been successful. From an economic impact standpoint, the following statistics, compiled in December 2024, define the facility's success:

- Direct Jobs: 269
- Average Salary: $117,928
- State Investment in Infrastructure (to date): $33 million
- Private Sector Investment in facilities and equipment: $159 million

- Investment leverage: $1 of State investment yields $4.81 of private investment
- State and Local Tax impact from Annual Operations: $2,518,990
- State and Local Tax impact from Construction (2023 and 2024): $194,625

GrandSKY requested these funds to support continued expansion. The Air Force property GrandSKY is developing on was used as an "alert pad" for B-52 bombers during the cold war and more recently as the alert location for KC-135 air refueling tankers. GrandSKY has used state funds to bring utilities to the site where there were none, refresh the alert ramp concrete some of which has been in place since the 1950's and to install roads and other infrastructure to support commercial use of an existing military asset.

GrandSKY currently estimates there is still $26 million of priority infrastructure needs including utilities, roads, and aviation pavements. This sum would complete the installation of basic infrastructure at GrandSKY.

Frequently asked questions about GrandSKY include:

- How long does the State need to continue to fund GrandSKY? Simply put, when GrandSKY started, the initial infrastructure request was $44 million. That's a very large sum of money on an unproven project with no track record of return on investment. Since 2015, GrandSKY has grown but prices for utilities and roads have increased as well. The requested funds would help GrandSKY meet its initial request.
- Does the Developer have "skin in the game?" Yes, Grand Sky Development Company LLC is the developer contracted by Grand Forks County to develop the park. That company has affiliate companies that have invested in facilities at the park. To date, GrandSKY affiliated companies have invested $7 million in buildings and over $1 million in land and operations investments. Grand Sky Development Company's primary role is to secure investment from other companies that see value operating there. The bulk of private investment has come from these companies.
- Do any State funds support tenants at GrandSKY? No, no state funds are used for corporate welfare or for tenant operations. State funds are used for infrastructure including roads, utilities, aviation pavements, security, and other support that benefit ALL tenants of the park. For example, GrandSKY used state funds to place main lines for drinking water into the park. It is the responsibility of each tenant to connect to that main line. The same is true for sanitary sewer, natural gas, data, and electricity. No state funds are used to support privately owned, tenant occupied buildings. State funds are only used for infrastructure.
- Do any State funds support GrandSKY operations? No, no state funds are used to pay operating expenses like utility bills, insurance, or salaries of GrandSKY personnel. State funds are appropriated through the Department of Commerce. The Department of Commerce then enters into an agreement with Grand Forks County who is the fiscal agent for the funds. Grand Sky Development Company presents projects for funding to the County Commission. Once approved, GrandSKY releases the project for public bid and then presents the bid results and final budget to the Commission for final approval. Upon final approval, the project commences and the County Commission approves the monthly

invoices against the budget. State funds are only used for infrastructure at the park that can benefit all tenants.

In addition to state funds only being used for infrastructure, not being used for tenant facilities and not being used for salaries or operations, there is another important fact. Over 90% of all state funds that have been appropriated for GrandSKY have gone to North Dakota companies. It is important to Grand Forks County and to GrandSKY that we utilize North Dakota companies to the maximum extent possible.

GrandSKY currently is tracking over $26.79 million of critical additional infrastructure that is needed to continue growth at the park. These investments include roads, utilities, and aviation support. The expenditures are broken down as follows:

- Utilities: $8,580,000. (Over 7400 linear feet of utilities)
- Roads: $7,264,000. (Over 10,000 linear feet of new roads)
- Aviation Support: $10,351,000. (New vertical takeoff and landing facility and existing pavement repairs)
- Security: $600,000. (new cameras and sensors throughout the park)

GrandSKY respectfully requests that the Appropriations Committee consider funding GrandSKY at the originally requested amount of $22.5 million.

On behalf of GrandSKY, any amount appropriated in the final Commerce Bill will be used to invest in additional infrastructure at GrandSKY and will be gratefully accepted and put to work in the most efficient way possible for the benefit of North Dakota.

FLOWCORE

FlowCore Systems, LLC.
4401 16th Ave W, Suite B
Williston, ND 58801

701.774.0627
www.FlowCoreSystems.com
Info@FlowCoreSystems.com

Dear Representative Nathe,

Chairman, House Appropriations – Education and Environment Division

I am writing to express my strong support for the Department of Commerce Appropriations bill, SB 2018, which funds critical economic development programs in North Dakota. As the Founder and CEO of FlowCore Systems, I have directly benefited from the Legacy Investment for Technology (LIFT) Program, which has been instrumental in growing and expanding my business.

The funding provided through this program allowed me to:

- Hire 3 new employees including a mechanical engineer to expand our R&D program within our company
- Expand our operations by developing two new products that we are now marketing nationally and internationally.
- Increase our customer reach by partnering with other North Dakota business in ways that enhance our mutual goals.
- Develop new automation and measurement technology that we were able to incorporate into our new product development.

Without this support, it would have been significantly more challenging to develop the required technology to manufacture, market, and sell industry-leading automation equipment in the oil and gas industry. Programs like LIFT not only help individual businesses but also contribute to North Dakota's broader economic development by fostering innovation, job creation, and industry growth.

I urge you to support LIFT in SB 2018 to ensure businesses like mine continue to have access to the resources necessary for success. Thank you for your time and consideration. If you would like to discuss my experience further, please feel free to contact me at chuck@flowcoresystems.com

Sincerely,

Chuck Black

Chuck Black
General Manager
FlowCore Systems
(701) 774-0627 -phone
(701) 770-3790 -cell

March 13, 2025

Chairman Nathe and members of the House Appropriations Education and Environment Division,

My name is Emily Bivens, and I serve as the Executive Director of Jamestown Tourism. I'm writing to ask for your support for Senate Bill 2018, which includes funding for North Dakota's Tourism Division.

In the last session, your committee allocated $25 million for Destination Development Grants. This program was a success, but demand far exceeded the available funds. This session, SB 2018 proposes reducing that funding to $20 million. We respectfully ask you to restore it to at least $25 million to continue supporting projects that attract visitors and grow tourism in our state.

Additionally, we ask for an increase in tourism marketing funding from $7 million to $10 million. With the Theodore Roosevelt Presidential Library opening in 2026, North Dakota will receive national attention. Expanding our marketing budget would help us reach new audiences and bring more visitors to Medora and destinations across the state.

We also request that marketing funds be included in the Commerce Department's base budget, rather than treated as one-time funding. A steady investment in marketing will provide long-term benefits for tourism and North Dakota's entire economy.

A 2023 study found that 25.6 million visitors spent $3.3 billion in North Dakota, supporting 40,000 jobs and generating $307 million in state and local tax revenue. With the right resources, we can build on this success and compete more effectively with neighboring states.

We respectfully ask for your support of these amendments to SB 2018. Thank you for your time and consideration. I am happy to answer any questions.

Sincerely,

Emily Bivens

Executive Director • Jamestown Tourism

SB 2018 Testimony

Andrew Beck
Huff Hills Ski Area inc
5455 County Road 80
Mandan, ND 58554
(701)-471-3384
andyb@huffhills.com

Hello, my name is Andrew Beck and I am the Mountain Operations Manager for Huff Hills Ski Area. I am submitting testimony in support of SB 2018, specifically the funding for the Destination Development Grant Program.

Huff Hills is a recipient of the grant, and although our project timeline was delayed due to land ownership issues beyond our control, we are poised to begin our project and will start utilizing the funds.

The Destination Development Grant is critical for many tourism facilities to be able to complete large projects that may not otherwise happen. In our case, we are not able to easily break down the necessary work into phases that would allow us to complete them as capital funds allowed. Instead, the project must be completed as a single project, requiring a larger amount of funds to be utilized at one time. By partnering with the Department of Commerce through the Destination Development Grant program, we are able to complete the project all at the same time. This means our facility will immediately be able to offer increased capacity and additional activities for residents and visitors.

Improving ND's tourism facilities makes our state a more attractive tourism destination and a better place to live and work for new residents, which can positively impact our workforce. Competitive programs like the Destination Development Grant can make the difference between improving our facilities right now or waiting years to see if it's possible, missing opportunities, or losing destinations to travel to. I encourage you to consider maintaining the full funding as requested for Destination Development as an investment in our state's tourism and workforce recruitment efforts.

Thank you.

CENTER FOR INNOVATION
UNIVERSITY OF NORTH DAKOTA

March 17, 2025

RE: SB2018 – Testimony by Amy Whitney, Director of the UND Center for Innovation

Chairman Nathe and Members of the House Appropriation – Education and Environment Division:

Thank you for the opportunity to provide testimony in support of Senate Bill 2018. For the record, my name is Amy Whitney, Director of the UND Center for Innovation in Grand Forks, ND. Over the past six and a half years, I have had the privilege of leading our entrepreneurial center which is dedicated to supporting innovative start-up businesses in North Dakota as well as students and faculty at UND from the idea stage to commercialization. Every year, it becomes more evident how important partnerships between entrepreneurial centers and organizations like the North Dakota Department of Commerce are for fostering innovation and encouraging entrepreneurship.

Currently, the entrepreneur grants and vouchers (InnovateND) line item in SB2018 as proposed by Governor Armstrong is $2M. We support this budget request. The InnovateND program, along with others managed by the Department of Commerce, are critical to entrepreneurial success. This program provides non-dilutive funding to early-stage businesses as well as providing essential grants for entrepreneurial centers to deliver the necessary coaching to those founders. The UND Center for Innovation is one of four centers, each with dedicated staff of various expertise, providing this vital support.

I strongly encourage passage of the Commerce appropriation bill. Doing so means Commerce and the State of North Dakota continue to provide essential programs and resources that are important for the growth and diversification of the North Dakota economy. In recent years, the Center for Innovation has worked with start-ups in different industries such as UAS, cybersecurity, agriculture, food, technology, healthcare, and others through the InnovateND program. Many of these companies have gone on to raise private capital, create new jobs, and offer impactful internships. This funding will ensure it remains an essential resource for future entrepreneurs in North Dakota.

Thank you for your time and review of this testimony today.

4200 James Ray Dr Stop 8372
Grand Forks, ND 58202-8372

701.777.3132
innovators.net

Testimony of Nathan Schneider, Vice President
Bismarck Mandan Chamber EDC
In Support of SB 2018
March 17, 2025

Chairman Nathe and members of the House Appropriations Education and Environment Division,

Thank you for the opportunity to provide testimony in support of Senate Bill 2018, which proposes continuing funding to the North Dakota Department of Commerce's Workforce Development efforts. My name is Nathan Schneider, and I am Vice President of Economic Development for the Bismarck Mandan Chamber EDC.

As our business community expands, the demand for workers grows. Bismarck-Mandan's unemployment rate remains well below both national and state averages, making it increasingly difficult for businesses to find the talent they need. Without a strong workforce, business growth slows, and economic progress stalls. Workforce shortages are especially critical in industries like healthcare, manufacturing, and skilled trades.

Bismarck-Mandan and North Dakota continue to struggle with workforce shortages and the Bismarck Mandan Chamber EDC feels that SB 2018 addresses these shortages in the following ways:

1. Workforce Attraction and Retention:
    - Funding for Workforce Development has allowed us to invest in strategic workforce attraction efforts, such as testimonial campaigns featuring real people who have relocated to Bismarck-Mandan.
    - By sharing these stories nationwide, we are attracting talent from key markets and positioning North Dakota as a great place to live and work.
2. Supporting Local Employers:
    - This funding helps our business members offer training and upskilling opportunities for employees. This support enables businesses to strengthen their workforce from within.
    - These programs help employers increase productivity and remain competitive in an evolving economy.

In conclusion, Supporting SB 2018 is an investment in North Dakota's future, ensuring our workforce remains resilient, skilled, and prepared for evolving demands. On behalf of our nearly 1,200 members, I respectfully urge your continued support to keep North Dakota competitive, strengthen our workforce, and sustain the growth and vitality of our communities.

Dear Representative, Nathe,

Chairman, House Appropriations – Education and Environment Division

I am writing to express my strong support for the Department of Commerce Appropriations bill, SB 2018, which funds critical economic development programs in North Dakota. As the Chief of Staff/CoFounder of Pavewise, I have directly benefited from the Innovate ND Program, which has been instrumental in helping us grow and scale our business here in North Dakota.

At Pavewise, we are on a mission to shape the future of construction by harnessing the power of automation and data. Our software platform automates critical data tracking—providing real-time weather logging, project performance insights, and compliance reporting. We enhance communication by digitizing workflows and improving coordination between the office and field crews, ensuring projects stay on track. By closely monitoring key project variables like density, ride, and production, Pavewise helps contractors maximize their incentives and overall project outcomes. And by leveraging AI and other advanced technologies, we automate time-consuming tasks so contractors can focus on managing what truly matters. Today, Pavewise is safeguarding over $20 billion in construction projects nationwide, driving efficiency and delivering smarter, more connected project management solutions.

The support we received through Innovate ND was a game-changer. The expert business coaching, strategic non-dilutive funding, and valuable networking opportunities provided by the program allowed us to accelerate product development and bring our innovative solution to market much faster. Without this support, our ability to launch, scale, and make an impact on the construction industry would have been significantly delayed.

Innovate ND doesn't just help individual businesses—it fosters innovation, creates high-quality jobs, and drives economic growth across North Dakota. I strongly encourage you to support the continued funding of Innovate ND through SB 2018 to ensure other entrepreneurs have the same opportunities for success that we did.

Thank you for your time and consideration. If you'd like to discuss our experience further, please feel free to contact Bryce or myself at bryce.wuori@pavewisepro.com and brittany.wuori@pavewisepro.com.

Sincerely,
Brittany Wuori
Chief of Staff, Pavewise
7837 Gray Fox Lane
Bismarck, ND 58503
www.pavewisepro.com

Testimony
House Appropriations - Education and Environment Division
SENATE BILL NO. 2018
March 17, 2025

Chairman Nathe and members of the House Appropriations - Education and Environment Division. The Valley Prosperity Partnership (VPP) is a membership organization led by business executives – joined by economic development, chamber of commerce, and higher education leaders – to advance and advocate for shared strategic economic development opportunities for the Red River Valley region and for North Dakota.

The VPP supports Senate Bill 2018's appropriation of funds for operations of the department of commerce. Moreover, the programs that are included in the bill represent a diverse portfolio of initiatives that will positively impact the state's efforts to attract, retain and expand economic wealth.

VPP strongly supports a funding allocation of $3 million for this 1-to-1 matching program with private employers. In the past, the entire biennium's funding of $1 million has been fully committed within 24 hours of opening the application process, verifying high demand. Notably, interns in North Dakota are significantly more likely to join the state's workforce permanently.

A $5 million appropriation for the Regional Workforce Impact Program empowers locally led solutions to one of the state's greatest challenges. Workforce needs vary by region throughout North Dakota, so a one size fits all approach does not adequately address challenges in all parts of the state. A funding mechanism to support regional workforce initiatives enables local and regional partners to define their unique needs and access funding to address them.

The Legacy Investment for Technology (LIFT) fund has been hugely successful in driving economic growth in our state by fueling innovative North Dakota businesses. VPP supports transferring $10 million from the strategic investment and improvements fund for LIFT Funds will continue to help equip more North Dakota businesses to commercialize intellectual property with debt financing at favorable interest rates. Likewise, transferring

$50,000,000 from the strategic investment and improvements fund to the North Dakota development fund will provides "flexible gap financing" through loans and equity investments not available from most conventional lenders for the purpose of economic development.

A $600,000 appropriation to support an organization dedicated to assisting Native American small businesses in North Dakota will help to overcome challenges that are faced by North Dakota's tribal nations in creating jobs and economic prosperity.

A $20,000,000 appropriation for the beyond visual line of sight uncrewed aircraft system program and $5,000,000 for autonomous agriculture grants, which may be provided for autonomous trucking grants, will bolster North Dakota's in the UAS and autonomous sectors of the economy.

Tourism is a powerful statewide industry, an opportunity for workforce and business recruitment, and a tool for community vitality. Travel and tourism generated $3.3 billion in direct visitor spending and $307 million in visitor-paid taxes, boosting the state's economy in 2023. The VPP supports the appropriation of $7 million for tourism awareness and $20 million for destination development, which will further expand our North Dakota's tourism economy.

A $444,000 from the general fund for providing matching funds to an organization assisting in the recruitment, distribution, and supply, and enhancing the quality and efficiency of personnel providing health services in rural areas of the state is also a very consequential use of funds.

Finally, as a supporter of the office of legal immigration the VPP commends the name change to the office of global talent, which more accurately portrays its purpose.

Valley Prosperity Partnership Steering Committee

Chris Wolf, North Valley Market President, Alerus Financial*

Mike McLean, Principal JLG Architects Vice Co-Chair*

Shannon Roers Jones Roers Construction & Development Vice Co-Chair*

Andrew Armacost, President University of North Dakota

Paige E. Bjornson, Northern Region President. Dacotah Bank

Steve Burian, President & CEO Burian & Associates

Dan Conrad, President & CEO Blue Cross Blue Shield North Dakota

David Cook, President North Dakota State University

Tim Curoe, CEO RD Offutt Company

Mylo Einarson, President & CEO Nodak Electric Cooperative

Chad Flanagan, Partner Eide Bailly

Rod Flanigan, President North Dakota State College of Science

Todd Forkel, CEO Altru Health System

Shannon Full, President/CEO Fargo Moorhead West Fargo Chamber of Commerce*

Shawn Gaddie, Director of Infrastructure Management Services, AE2S

Kevin Hanson, President & CEO Gate City Bank

Brian Johnson, CEO, Choice Bank, Co-Chair Valley Prosperity Partnership*

Tiffany Lawrence, CEO & President Sanford Fargo

Keith Lund, President & CEO Grand Forks Region EDC*

William C. Marcil, Sr. Chairman Forum Communications Company

Paul Matthy, CEO Cass County Electric Cooperative

Pat McAdaragh, President & CEO Midco

Jeff Melgaard, Vice President Construction Engineers

Joe Raso, President & CEO Greater Fargo Moorhead EDC*

Jason Seger, President Border States Electric

Barry Wilfahrt, President & CEO The Chamber Grand Forks/East Grand Forks*

Delore Zimmerman, Executive Director*

* Member Executive Committee

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Prairie Room, State Capitol

SB 2018
3/19/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; relating to department of commerce grant reporting requirements; relating to changing the name of the office of legal immigration to the office of global talent; to provide for a transfer; to provide an exemption; and to provide for a legislative management report.

2:46 p.m. Chairman Nathe opened the meeting.

Members present: Chairman Nathe, Vice Chairman Swiontek, Representatives Louser, Hanson, Martinson, Richter and Sanford.

Discussion Topics:

- Tourism

2:48 p.m. Chris Schilken, Commissioner, North Dakota Department of Commerce, answered questions.

2:54 p.m. Shayden Akason, Deputy Director, ND Department of Commerce, answered questions.

2:58 p.m. Alison Widmer, Director, ND Department of Commerce, answered questions.

3:01 p.m. Sara Otte Coleman, Director, ND Tourism and Marketing, answered

questions.

3:08 p.m. Chairman Nathe adjourned the meeting.

Steven Riehl, Committee Clerk

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Prairie Room, State Capitol

SB 2018
3/25/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; relating to department of commerce grant reporting requirements; relating to changing the name of the office of legal immigration to the office of global talent; to provide for a transfer; to provide an exemption; and to provide for a legislative management report.

9:54 a.m. Chairman Nathe opened the meeting.

Members present: Chairman Nathe, Vice Chairman Swiontek, Representatives Louser, Hanson, Martinson, Richter and Sanford.

Discussion Topics:

- Line of Credit
- Bank of ND
- LIFT Program

9:54 a.m. Kelvin Hullet, Chief Business Development Officer, Bank of ND, answered questions.

10:19 a.m. Chris Schilken, Commissioner, ND Department of Commerce, answered questions.

10:27 a.m. Kelvin Hullet, Chief Business Development Officer, Bank of ND, presented LIFT Program, testified in favor #43750.

10:40 a.m. Greg Tehven, Co-Founder, Grand Farms, testified in favor.

10:52 a.m. Chairman Nathe adjourned the meeting.

Krystal Eberle for Steven Riehl, Committee Clerk

Innovation Technology Loan Fund (LIFT)
Companies Awarded Since Inception

Biennium	Company	Industry	Location	Requested	Awarded*	Difference	Match Requirement	Startup/Existing	In state/out of state	Pre/Post Revenue	Capital Raised from Non-State Sources	Comments
2019-21	Access Point Technologies EP, Inc.	Healthcare	Fargo	$1,000,000	$1,000,000	$0	$0	Existing	Out of State	Post		
2019-21	Airtonomy, Inc.	UAS	Grand Forks	$1,900,000	$1,000,000	$900,000	$0	Startup	In State	Post		
2019-21	Appareo Systems LLC	Ag Technology	Fargo	$5,000,000	$2,500,000	$2,500,000	$0	Existing	In State	Post		Company Exit
2019-21	Bushel, Inc.	Ag Technology	Fargo	$5,000,000	$1,000,000	$4,000,000	$0	Existing	In State	Post		
2019-21	Checkable Medical	Healthcare	Fargo	$840,000	$600,000	$240,000	$0	Startup	Out of state	Pre	$800,000	
2019-21	FarmQA	Ag Technology	Fargo	$1,500,000	$1,000,000	$500,000	$0	Existing	In State	Post		
2019-21	First-I (KSI Video)	UAS	Grand Forks	$850,000	$850,000	$0	$0	Startup	Out of State	Pre	$200,000	Loan term extension
2019-21	Genesis Feed Technologies LLC	Ag Technology	Fargo	$300,000	$300,000	$0	$0	Startup	In State	Post		Funds Returned
2019-21	Golden Path Solutions	Advanced Computing & Data Mgmt	Fargo	$500,000	$180,000	$320,000	$0	Startup	In State	Pre	$200,000	
2019-21	Harvest Profit	Ag Technology	West Fargo	$425,000	$425,000	$0	$0	Startup	In State	Post		Funds Returned Company Exit
2019-21	HubEdge	Advanced Computing & Data Mgmt	Grand Forks	$1,000,000	$500,000	$500,000	$0	Startup	In State	Post		
2019-21	Infinite Leap	Healthcare	Fargo	$1,000,000	$1,000,000	$0	$0	Existing	In State	Post		Company Exit
2019-21	Krampade	Healthcare	Grand Forks	$750,000	$500,000	$250,000	$0	Startup	In State	Post		
2019-21	Leveridge	Ag Technology	Fargo	$1,000,000	$800,000	$200,000	$0	Startup	In State	Post		
2019-21	Mobile Recon Systems	UAS	Grand Forks	$1,000,000	$500,000	$500,000	$0	Startup	Out of State	Pre	$100,000	
2019-21	Omnibyte Technologies	Advanced Computing & Data Mgmt	Fargo	$500,000	$340,000	$160,000	$0	Existing	In State	Post		
2019-21	Prototype Garage LLC	Ag Technology	Fargo	$1,000,000	$500,000	$500,000	$0	Existing	Out of State	Post		
2019-21	Signum LLC	Advanced Computing & Data Mgmt	Richardton	$250,000	$250,000	$0	$0	Startup	In State	Post		
2019-21	Tailorie, Inc.	Advanced Computing & Data Mgmt	Grand Forks	$2,500,000	$750,000	$1,750,000	$0	Startup	In State	Pre	$200,000	
2019-21	Three Farm Daughters	Value Added Ag	Grand Forks	$750,000	$500,000	$250,000	$0	Startup	In State	Pre	$200,000	
2019-21	TracFrac	Advanced Computing & Data Mgmt	Bismarck	$500,000	$500,000	$0	$0	Startup	In State	Post		
2021-23	701x	Ag Technology	Fargo	$1,500,000	$750,000	$750,000	$0	Startup	In State	Pre	$25,150,000	
2021-23	Access Point Technologies EP, Inc.	Healthcare	Fargo	$750,000	$750,000	$0	$0	Existing	In State	Post		
2021-23	Advest Marketing	Advanced Computing & Data Mgmt	Fargo	$500,000	$500,000	$0	$0	Startup	In State	Post		
2021-23	Airial Robotics	UAS	Grand Forks	$1,000,000	$500,000	$500,000	$0	Startup	Out of State	Pre	$3,820,688	
2021-23	Airtonomy	UAS	Grand Forks	$1,500,000	$1,000,000	$500,000	$0	Existing	In State	Post		
2021-23	Be More Colorful	Advanced Computing & Data Mgmt	Fargo	$1,225,000	$500,000	$725,000	$0	Existing	In State	Post		
2021-23	Checkable Medical	Healthcare	Fargo	$800,000	$500,000	$300,000	$0	Startup	In State	Pre	$1,785,000	
2021-23	Corvent Medical	Healthcare	Fargo	$1,000,000	$1,000,000	$0	$0	Startup	Out of State	Pre	$10,000,000	
2021-23	Dakota Energy Systems	Energy	Grand Forks	$1,000,000	$500,000	$500,000	$0	Startup	Out of State	Pre	$2,000,000	
2021-23	Elinor Coatings	Other	Fargo	$1,383,922	$750,000	$633,922	$0	Existing	In State	Post		
2021-23	Fenworks	Advanced Computing & Data Mgmt	Grand Forks	$500,000	$500,000	$0	$0	Startup	In State	Post		
2021-23	First-I LLC	UAS	Grand Forks	$650,000	$150,000	$500,000	$0	Startup	In State	Pre	$200,000	Funds Returned
2021-23	FlowCore Systems	Energy	Williston	$820,000	$750,000	$70,000	$0	Existing	In State	Post		
2021-23	Imricor Medical Systems	Healthcare	Fargo	$1,500,000	$1,500,000	$0	$0	Existing	Out of State	Post		
2021-23	Lincoln Therapeutics	Healthcare	Grand Forks	$2,500,000	$2,000,000	$500,000	$0	Startup	Out of State	Pre	$1,490,107	
2021-23	Maison Safiyaa	Advanced Computing & Data Mgmt	Fargo	$2,000,000	$1,000,000	$1,000,000	$0	Startup	Out of State	Pre		
2021-23	Mobile Recon Systems	UAS	Grand Forks	$750,000	$400,000	$350,000	$0	Startup	In State	Pre	$100,000	Defaulted
2021-23	Prototype Garage LLC	Other	Fargo	$1,436,500	$600,000	$836,500	$0	Existing	Out of State	Post		
2021-23	SafetySpect	Healthcare	Grand Forks	$2,500,000	$1,250,000	$1,250,000	$0	Startup	Out of State	Pre	$1,577,400	
2021-23	Tailorie, Inc.	Advanced Computing & Data Mgmt	Grand Forks	$1,250,000	$250,000	$1,000,000	$0	Startup	In State	Post		
2021-23	TERRACOH Development	Value Added Energy	Bismarck	$750,000	$748,790	$1,210	$0	Existing	Out of State	Post		
2021-23	Thaea	Advanced Computing & Data Mgmt	Fargo	$400,000	$250,000	$150,000	$0	Startup	Out of State	Post		
2021-23	TheraTec	Healthcare	Fargo	$1,500,000	$1,000,000	$500,000	$0	Startup	Out of State	Pre	$5,100,000	
2021-23	TruWeather Solutions	UAS	Grand Forks	$750,000	$250,000	$500,000	$0	Existing	Out of State	Post		
2021-23	Vigilant Aerospace	UAS	Grand Forks	$1,079,150	$500,000	$579,150	$0	Existing	Out of State	Pre	$2,000,000	Funds Returned
2021-23	WeClean Local	Advanced Computing & Data Mgmt	Bismarck	$1,000,000	$500,000	$500,000	$0	Startup	In State	Post		Business Closed

Innovation Technology Loan Fund (LIFT)

Companies Awarded Since Inception

Biennium	Company	Industry	Location	Requested	Awarded*	Difference	Match Requirement	Startup/Existing	In state/out of state	Pre/Post Revenue	Capital Raised from Non-State Sources	Comments
2023-25	Aigen	Ag Technology	Fargo	$500,000	$250,000	$250,000	$0	Startup	Out of State	Pre	$19,000,000	
2023-25	Bushel, Inc.	Ag Technology	Fargo	$1,400,000	$1,000,000	$400,000	$400,000	Existing	In State	Post		
2023-25	Fenworks	Advanced Computing & Data Mgmt	Grand Forks	$1,000,000	$750,000	$250,000	$250,000	Startup	In State	Post	$2,600,000	
2023-25	MAC Company	Other	West Fargo	$1,000,000	$1,000,000	$0	$0	Startup	In State	Pre	$1,600,000	
2023-25	PaveWise	Advanced Computing & Data Mgmt	Bismarck	$250,000	$250,000	$0	$0	Startup	In State	Post		
2023-25	Protosthetics	Healthcare	Fargo	$500,000	$250,000	$250,000	$0	Startup	In State	Post		
2023-25	RxE2	Healthcare	Fargo	$500,000	$500,000	$0	$0	Startup	In State	Pre	$10,000,000	
2023-25	ThermaSolutions	Healthcare	Fargo	$500,000	$250,000	$250,000	$250,000	Startup	Out of State	Pre		
2023-25	Three Farm Daughters	Value Added AG	Grand Forks	$500,000	$500,000	$0	$0	Existing	In State	Post		
2023-25	Trimyxs	Other	Fargo	$487,240	$282,600	$204,640	$204,640	Startup	In State	Post		
2023-25	Uncle Charlie's Gourmet Snacks	Other	Fargo	$325,000	$200,000	$125,000	$200,000	Startup	In State	Post		
2023-25	Vetnexus	Advanced Computing & Data Mgmt	Fargo	$500,000	$200,000	$300,000	$200,000	Startup	Out of State	Pre	$360,000	
2023-25	ChippAI	Advanced Computing & Data Mgmt	Fargo	$650,000	$400,000	$250,000	$0	Startup	In State	Post	$800,000	
2023-25	FamGenix	Advanced Computing & Data Mgmt	Fargo	$850,000	$500,000	$350,000	$350,000	Existing	Out of State	Post	$3,100,000	
2023-25	BrAIn, Inc	Healthcare	Fargo	$750,000	$750,000	$0	$940,000	Startup	In State	Pre	$2,310,000	
2023-25	PaveWise	Advanced Computing & Data Mgmt	Bismarck	$500,000	$500,000	$0	$0	Existing	In State	Post	$1,300,000	
2023-25	Valence NGS	Energy	Williston	$1,000,000	$1,000,000	$0	$0	Existing	In State	Post	$53,000,000	
2023-25	Blue Comply	Energy	Fargo	$650,000	$250,000	$400,000	$0	Startup	In State	Pre	$214,000	Match requirement waived.
2023-25	Verdethos	Advanced Computing & Data Mgmt/Ag T	Fargo	$750,000	$750,000	$0	$0	Startup	In State	Post	$1,300,000	Closing on $1.5M seed round.
2023-25	BWR Innovations	Energy	Fargo	$750,000	$750,000	$0	$0	Startup	In State	Pre	$6,785,570	$5.5M of which from DoD contract.
2023-25	Corvent Medical	Healthcare	Fargo	$500,000	$296,500	$203,500	$0	Startup	In State	Pre	$35,000,000	One-Time Funding Round
2023-25	Dynon Avionics	Other	Fargo	$500,000	$296,500	$203,500	$203,500	Existing	In State	Post	$0	One-Time Funding Round
2023-25	Project Phoenix	Advanced Computing & Data Mgmt	Fargo	$600,000	$100,000	$500,000	$500,000	Existing	In State	Post	$2,525,000	One-Time Funding Round
2023-25	Valor Victoria	Advanced Computing & Data Mgmt	West Fargo	$351,000	$351,000	$0	$0	Existing	In State	Post	$0	One-Time Funding Round
				$72,922,812	$44,770,390	$28,152,422	$3,498,140					

* Amount awarded does not reflect any amount returned or unused by the company.

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Prairie Room, State Capitol

SB 2018
3/26/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; relating to department of commerce grant reporting requirements; relating to changing the name of the office of legal immigration to the office of global talent; to provide for a transfer; to provide an exemption; and to provide for a legislative management report.

2:50 p.m. Chairman Nathe called the meeting to order.

Members present: Chairman Nathe, Vice Chairman Swiontek, Representatives Louser, Hanson, Martinson, Richter and Sanford.

Discussion Topics:

- Turtle Mountain Band of Chippewa
- Casino

2:51 p.m. Representative O'Brian introduced amendment #44204, LC #25.0185.02002.

3:00 p.m. Brandon Bochenski, Mayor, City of Grand Forks, testified in favor.

3:05 p.m. Nathan Davis, Executive Director, Indian Affairs Commission, answered questions.

Additional written testimony:

Kyle Walter, VP of Finance, Valor Victoria, Fargo ND, submitted in favor testimony #44195.

3:06 p.m. Chairman Nathe closed the meeting.

Krystal Eberle for Steven Riehl, Committee Clerk

VALOR
VICTORIA

3155 Bluestem Dr. #402
West Fargo, ND 58078

VALORVICTORIA.COM

March 17, 2025

Dear Senator/Representative,

I am writing to express my strong support for Senate Bill 2018, which is crucial for continuing the funding and support of North Dakota's Department of Commerce programs that are vital for startups like Valor Victoria.

As the VP of Finance at Valor Victoria, I have firsthand experience of the challenges startups face in securing commercial lending. Traditional financial pathways often overlook the unique needs and potential risks associated with new ventures. However, the North Dakota Department of Commerce has filled this critical financing gap through its innovative programs such as the Legacy Investment for Technology (LIFT) program and the North Dakota Development Fund (NDDF) loans.

These programs have been instrumental in our development and growth. The LIFT program provided us with the necessary capital to advance our technology and scale operations, while NDDF loans offered the flexible financial solutions that were otherwise inaccessible through conventional commercial lending. This support has not only allowed us to thrive but also to contribute to the local economy by creating jobs and fostering innovation in North Dakota.

The continuation of these programs is essential not only for Valor Victoria but also for the broader entrepreneurial ecosystem in our state. I urge you to vote in favor of SB 2018, ensuring that other startups can also benefit from these invaluable resources.

Thank you for considering my views on this matter. I am available to provide further information or discuss how these programs have specifically impacted our company and the local community.

Sincerely,

Kyle Walter
VP of Finance
Valor Victoria, LTD
Phone: 701-929-1607
Email: kwalter@valorvictoria.com

Legislative Assembly

North Dakota
House of Representatives

STATE CAPITOL
600 EAST BOULEVARD
BISMARCK, ND 58505-0360

Representative Emily O'Brien
District 42
2029 Second Avenue North
Grand Forks, ND 58203-3311
eobrien@ndlegis.gov

COMMITTEES:
Appropriations
Appropriations - Human Resources Division

03/26/2025

Amendment to Senate Bill 2018

House Appropriations - Education and Environment Division

Chairman Nathe and members of the House Appropriations - Education and Environment Division. I am Representative Emily O'Brien; I represent District 42 in Grand Forks - which encompasses the University of North Dakota and Grand Forks Air Force Base.

Before you is an amendment I am requesting to be put on Senate Bill 2018. I'm going to work backwards on what the amendment is and then why it's needed.

Amendment Number 25.0185.02002: Page 5, Section 12 - is authority language to allow the Turtle Mountain Band of Chippewa to authorize gaming to be conducted at an off-reservation location, with a description of the property located within Grand Forks County, North Dakota, and **must be approved by the Secretary of Interior under the Indian Gaming Regulatory Act of 1988.**

This is just one of many steps in this lengthy process. The Turtle Mountain Band of Chippewa already owns a 146-acre parcel of land 'within the county and southwest of the current city of Grand Forks' that they are seeking to develop on. In late January, the Tribe presented to the Grand Forks City Council their proposal which is designed to create jobs, revenue and revitalization of the Grand Forks area. This aligns with the Grand Forks strategy to improve economic, community development, and quality of life and attract visitors and new residents. This is a perfect fit for the Department of Commerce's budget and meeting their mission of 'leading the efforts to attract, retain and expand wealth and talent in North Dakota.'

The Tribe will still need to go through various other steps including but not limited to: approval from gaming compact with the Governor, federal approval as mentioned above, negotiations with the city on various items such as police, fire, ambulance, city services including access to water and sewer.

Page 3, Section 4 - is an infrastructure study which must include an analysis of the status of surrounding county roads, the interstate highway system, water and sewer, fiber optics and any other infrastructure improvements needed for the successful implementation of section 12.

This has been two decades of worthy conversations between Grand Forks and the Turtle Mountain Band of Chippewa. The Tribe must prove historical linkage to the land they are looking to make 'trust lands'. In fact, the Turtle Mountain Tribe is the only Tribe that has solid, well-documented historical ties to this area. The Red River Valley is the aboriginal territory of the Tribe, then known as the Pembina Bands of Chippewa, where the 1863 Treaty of Old Crossing on the Red River was signed. The Tribe still has lands held in trust by the United States for its use and occupancy in nearby Pembina. This historical evidence is consistent with the Indian Gaming Regulatory Act's requirements for off-reservation gaming envisioned in Grand Forks. No other Tribe has this historical tie to this area.

The Turtle Mountain Band of Chippewa's age requirements for this casino is 21 and over. As a member on the North Dakota Lottery Advisory Commission, we have discussed the various impacts of the gaming industry as a whole. With this amendments authority language, there have been concerns brought up historically about gaming addiction. The state has done a great job in weighing all factors and is dedicated to raising awareness and stopping gambling addictions in North Dakota. Last session, the balance of the Problem Gambling Prevention and Treatment Fund was $1,220,000. These funds derived from the Human Resources Division on Appropriations allocated $500,000 and the lottery fund appropriated $640,000 and $80,000. This fund is administered by the Department of Health and Human Services. The website for gambling addiction help is: www.gamblernd.com

Another concern that has been raised is the affects to charitable gaming in the City. Currently, there are 12 charitable permits in Grand Forks. The charitable gaming permittees are regulated, and I frequently request those reports. If they suffer losses, we can evaluate the best path to move forward which we won't know for a few years the impact. The Tribes are annually audited and can see their annual revenues as well.

This amendment simply provides enabling language and study for the Turtle Mountain Band of Chippewa. I am proud of the working relationship between the City of Grand Forks and the Tribe. I look forward to the State becoming a supportive partner and this committee supporting this additional amendment to Senate Bill 2018.

Thank you, Mr. Chairman. I will stand for any questions.

Prepared by the Legislative Council
staff for Representative O'Brien
February 25, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO
FIRST ENGROSSMENT

ENGROSSED SENATE BILL NO. 2018

Introduced by

Appropriations Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; to create and enact a new section to chapter 54-60 of the North Dakota Century Code, relating to department of commerce grant reporting requirements; to amend and reenact subsection 5 of section 54-58-03 and section 54-60-31 of the North Dakota Century Code, relating to a tribal-state gaming compact that permits gaming in Grand Forks County and changing the name of the office of legal immigration to the office of global talent; to provide for a transfer; to provide an exemption; and to provide for a legislative management report.

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 other funds derived from special funds and federal funds, 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:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$15,785,306	$1,723,056	$17,508,362
New and vacant FTE pool	0	582,600	582,600
Operating expenses	19,462,643	9,210,023	28,672,666
Grants	47,636,118	40,746,197	88,382,315

Discretionary funds	2,150,000	0	2,150,000
Workforce programs	0	8,000,000	8,000,000
Partner programs	907,920	0	907,920
Entrepreneurship grants and vouchers	948,467	759,044	1,707,511
Total all funds	$86,890,454	$61,020,920	$147,911,374
Less other funds	53,344,371	52,870,336	106,214,707
Total general fund	$33,546,083	$8,150,584	$41,696,667
Full-time equivalent positions	62.80	(1.00)	61.80

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

One-Time Funding Description	General Fund	Other Funds	Total
Temporary salaries	$50,000	$103,590	$153,590
Tourism marketing awareness	0	7,000,000	7,000,000
Operation intern	2,000,000	0	2,000,000
Office of global talent	1,000,000	0	1,000,000
Tourism destination development grants	0	20,000,000	20,000,000
Beyond visual line of sight uncrewed aircraft system program	0	10,000,000	10,000,000
Enhanced use lease grant	0	5,000,000	5,000,000
Autonomous agriculture grants	0	5,000,000	5,000,000
Base enhancement grants	0	1,000,000	1,000,000
Tribally controlled community college grants	750,000	0	750,000
Entrepreneurship grants and vouchers	759,044	0	759,044
Regional workforce impact program grants	0	5,000,000	5,000,000
Technical skills training grants	2,000,000	0	2,000,000
Total	$6,559,044	$53,103,590	$59,662,634

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The department of commerce may not spend funds appropriated in the new and vacant FTE pool

line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. APPROPRIATION - INFRASTRUCTURE STUDY - ONE-TIME FUNDING. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $100,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of contracting for a study of infrastructure necessary to implement section 12 of this Act, for the biennium beginning July 1, 2025, and ending June 30, 2027. The study must include an analysis of the current status of surrounding county roads, the interstate highway system, water and sewer, fiber optics, and any other infrastructure improvements needed for the successful implementation of section 12. This funding is considered a one-time funding item.

SECTION 5. 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 6. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO LEGACY INVESTMENT FOR TECHNOLOGY FUND. The office of management and budget shall transfer the sum of $5,000,000 from the strategic investment and improvements fund to the legacy investment for technology fund for the purpose of providing legacy investment technology loans, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 7. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO NORTH DAKOTA DEVELOPMENT FUND. The office of management and budget shall transfer the sum of $30,000,000 from the strategic investment and improvements fund to the North Dakota development fund for programs under chapter 10-30.5, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 8. RURAL HEALTH CARE GRANT PROGRAM - MATCHING FUNDS REQUIREMENT. The grants line item in section 1 of this Act includes $444,000 from the general fund for providing matching funds to an organization assisting in the recruitment, distribution, and supply, and enhancing the quality and efficiency of personnel providing health

services in rural areas of the state. The department of commerce may spend the funds appropriated in this section only to the extent the organization has secured matching funds from nonstate sources on a dollar-for-dollar basis.

SECTION 9. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The other funds line item in section 1 of this Act includes the sum of $53,000,000 from the strategic investment and improvements fund, of which:

1. $7,000,000 is for tourism marketing awareness, including $150,000 for supporting the continuation of the North Dakota state magazine with the current publisher of the magazine;
2. $20,000,000 is for tourism destination development grants;
3. $10,000,000 is for the beyond visual line of sight uncrewed aircraft system program;
4. $5,000,000 is for the enhanced use lease grant program;
5. $5,000,000 is for autonomous agriculture grants, which may be provided for autonomous trucking grants;
6. $1,000,000 is for providing base enhancement grants to communities with an air force base or air national guard facilities, including $600,000 to eligible organizations in Minot, $250,000 to eligible organizations in Grand Forks, and $150,000 to eligible organizations in Fargo; and
7. $5,000,000 is for regional workforce impact program grants.

SECTION 10. TRIBALLY CONTROLLED COMMUNITY COLLEGE GRANTS - LEGISLATIVE MANAGEMENT REPORT. The grants line item in section 1 of this Act includes $750,000 from the general fund for the purpose of providing workforce development grants to a tribally controlled community college in the Turtle Mountain area. To be eligible for a grant under this section, a tribally controlled community college shall partner with at least one high school in the state for programs under section 54-60.2-02. During the 2025-26 interim, a tribally controlled community college receiving funding under this program shall report to the department of commerce by August 1, 2026, regarding the use of grant funds and the department of commerce shall provide a report to the legislative management by October 1, 2026, regarding the use of grant funds.

SECTION 11. DISCRETIONARY FUNDS - NATIVE AMERICAN SMALL BUSINESS GRANT. The discretionary funds line item in section 1 of this Act includes $2,150,000 from the

general fund, of which $600,000 is designated for a grant to support an organization dedicated to assisting Native American small businesses in North Dakota.

SECTION 12. AMENDMENT. Subsection 5 of section 54-58-03 of the North Dakota Century Code is amended and reenacted as follows:

5. The compact may not authorize gaming to be conducted by an Indian tribe at any off-reservation location not permitted under a tribal-state gaming compact in effect on August 1, 1997, except that in the case of the tribal-state gaming compact between the Turtle Mountain Band of Chippewa and the state, gaming may be conducted on land within Rolette County held in trust for the Band by the United States government which was in trust as of the effective date of the Indian Gaming Regulatory Act of 1988 [Pub. L. 100-497; 102 Stat. 2467; 25 U.S.C. 2701 et seq.] and on the following described real property situated within Grand Forks County, North Dakota, if approved by the secretary of the interior under the Indian Gaming Regulatory Act of 1988 [Pub. L. 100-497; 102 Stat. 2467; 25 U.S.C. 2701 et seq.]:

   a. The south five and one-half acres of the east sixty-four acres of the northeast quarter, section thirty, township one hundred fifty-one, range fifty;

   b. The west ninety-six acres of the northeast quarter of section thirty, township one hundred fifty-one, range fifty; and

   c. The north fifty-eight and one-half acres of the east sixty-four acres of the northeast quarter of section thirty, township one hundred fifty-one, range fifty, except the north seven hundred ten and seventy-seven one-hundredths feet of the east six hundred forty-three and one-half feet thereof and except that part of the northeast quarter of the northeast quarter of section thirty, township one hundred fifty-one, range fifty west of the fifth principal meridian, described as follows: beginning at the northeast corner of section thirty; thence south zero degrees zero minutes zero seconds west, assumed bearing, along the east line of section thirty a distance of eight hundred and sixty and seventy-seven one-hundredths feet; thence south eighty-nine degrees thirty-six minutes zero seconds west seven hundred and three and one-half feet; thence north zero degrees zero minutes zero seconds east eight hundred and sixty and seventy-seven one-hundredths feet to the north line of section thirty; thence north

eighty-nine degrees thirty-six minutes zero seconds east, along the north line of said section thirty, a distance of seven hundred and three and one-half feet to the point of beginning.

SECTION 13. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Reporting requirements - Budget section - Grant programs.

The department shall compile a report regarding grant programs administered by the department, excluding federally funded programs, to be provided semiannually to the budget section. The report must include the following for each grant program:

1. The purpose of the grant program;
2. Funding history;
3. The number of days the grant application was open to applicants;
4. The name of each grant recipient and the amount of each grant award; and
5. The distribution date of grant funds or the anticipated distribution date of grant funds.

SECTION 14. AMENDMENT. Section 54-60-31 of the North Dakota Century Code is amended and reenacted as follows:

54-60-31. Office of ~~legal immigration~~global talent - Duties.

There is created an office of ~~legal immigration~~global talent within the department of commerce. Employees of the office of ~~legal immigration~~global talent report to the commissioner. The office of ~~legal immigration~~global talent:

1. Shall develop and implement a statewide strategy to support businesses in recruiting and retaining foreign labor, including immigrants already in the United States and integration of immigrants into the state to promote economic opportunities for immigrant communities.
2. Shall advise and make recommendations to the governor, legislative assembly, and state agencies regarding immigrant integration and foreign labor issues.
3. Shall develop a pilot program to support businesses pursuing or employing legal immigrants and to support communities to develop immigration integration plans and activities.

4. May contract with other state agencies to develop and administer programs or services related to immigration integration and access to basic needs that promote entrance and movement throughout the workforce.
5. May contract with an organization with expertise related to the goals of the office of ~~legal immigration~~global talent.

SECTION 15. EXEMPTION - UNEXPENDED APPROPRIATIONS. The following appropriations are not subject to the provisions of section 54-44.1-11 and any unexpended funds from these appropriations may be continued into the biennium beginning July 1, 2025, and ending June 30, 2027:

1. The sum of $3,000,000 appropriated from federal COVID-19 funds for the community development block grant program in section 1 of chapter 27 of the 2021 Session Laws and continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws.
2. The sum of $56,234,176 appropriated from federal COVID-19 funds for the state small business credit initiative program in section 2 of chapter 28 of the 2021 Session Laws and continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws.
3. The sum of $15,000,000 appropriated from the federal state fiscal recovery fund for the workforce development incentive grant program in subsection 38 of section 1 of chapter 550 of the 2021 Special Session Session Laws and continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws.
4. The sum of $5,000,000 appropriated from the federal state fiscal recovery fund for the technical skills training grant program in subsection 39 of section 1 of chapter 550 of the 2021 Special Session Session Laws and continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws.
5. The sum of $28,500,000 appropriated from the general fund for workforce programs, of which $12,000,000 was for workforce talent attraction initiative operating expenses, $12,500,000 was for workforce investment program grants, $2,000,000 was for technical skills training grants, and $2,000,000 was for new Americans workforce development and training grants, in section 1 of chapter 18 of the 2023 Session Laws.

6. The sum of $25,000,000 appropriated from the strategic investment and improvements fund for the tourism destination development initiative in section 1 of chapter 18 of the 2023 Session Laws.
7. 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 the 2023 Session Laws.
8. The sum of $120,000,000 appropriated from federal funds for weatherization and energy assistance programs in section 1 of chapter 18 of the 2023 Session Laws.
9. 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.
10. The sum of $3,258,084 appropriated from federal funds for heating, furnace, and cooling assistance grants in section 1 of chapter 18 of the 2023 Session Laws.
11. The sum of $14,081,719 appropriated from federal funds for energy conservation assistance grants in section 1 of chapter 18 of the 2023 Session Laws.
12. The sum of $1,550,000 appropriated from federal funds for the parks and recreation program in section 1 of chapter 18 of the 2023 Session Laws.
13. The sum of $572,143 appropriated from federal funds for the state small business credit initiative program in section 1 of chapter 18 of the 2023 Session Laws.
14. The sum of $2,000,000 appropriated from the general fund for the office of legal immigration in section 1 of chapter 639 of the 2023 Special Session Session Laws.

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Prairie Room, State Capitol

SB 2018
4/8/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; relating to department of commerce grant reporting requirements; relating to changing the name of the office of legal immigration to the office of global talent; to provide for a transfer; to provide an exemption; and to provide for a legislative management report.

3:24 p.m. Chairman Nathe opened the meeting

Members present: Chairman Nathe, Vice Chairman Swiontek, Representatives Louser, Hanson, Martinson, Richter and Sanford.

Discussion Topics:

- Siif money
- LIFT
- Global Talent Office

3:26 p.m. Representative Nathe, reviewed long sheet testimony #44823.

3:27 p.m. Katie Ralston Howe, Director, Department of Commerce, answered questions.

3:30 p.m. Alison Widmer, Director of Administrative Services, Department of Commerce, answered questions.

3:33 p.m. Discussion

3:40 p.m. Chris Schilken, Commissioner, Department of Commerce, answered questions.

3:44 p.m. Sara Otte Coleman, Director of Tourism and Marketing, Department of Commerce, answered questions.

3:46 p.m. Chris Schilken, Commissioner, Department of Commerce, answered questions.

3:54 p.m. Representative Martinson moved to add $1.5 million to ND Safety Council.

3:55 p.m. Motion failed due to lack of second.

3:57 p.m. Katie Ralston Howe, Director, Department of Commerce, answered questions.

4:04 p.m. Chairman Nathe adjourned the meeting.

Steven Riehl, Committee Clerk

March 28, 2025

Legislative Council

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

	Senate Version				House Version				House Compared to Senate Version Increase (Decrease)			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	62.80	$33,546,083	$53,344,371	$86,890,454	62.80	$33,546,083	$53,344,371	$86,890,454	0.00	$0	$0	$0
2025-27 Ongoing Funding Changes												
Base payroll changes		$67,653	$82,578	$150,231		$67,653	$82,578	$150,231				$0
Adds funding for the cost to continue salary increases		238,480	45,544	284,024		238,480	45,544	284,024				0
Salary increase		531,691	127,953	659,644		531,691	127,953	659,644				0
Health insurance increase		294,619	77,709	372,328		294,619	77,709	372,328				0
Adds funding to replace the 2023-25 new FTE pool		405,880		405,880		405,880		405,880				0
Adds funding to replace the 2023-25 vacant FTE pool		560,856	102,571	663,427		560,856	102,571	663,427				0
Adjusts funding for the 2025-27 new FTE pool				0				0				0
Adjusts funding for the 2025-27 vacant FTE pool		(198,263)	(51,422)	(249,685)		(198,263)	(51,422)	(249,685)				0
Adds funding for a FTE North Dakota Development Fund position				0				0				0
Adds funding for a FTE procurement officer position				0				0				0
Removes a FTE position	(1.00)	(199,286)		(199,286)	(1.00)	(199,286)		(199,286)				0
Adds funding for temporary salaries for temporary staff and an office intern				0				0				0
Adds funding for North Dakota Development Fund temporary salaries				0				0				0
Adds federal funding for temporary salaries and operating expenses to maintain building codes			98,583	98,583			98,583	98,583				0
Adds funding for the cost to continue IT increases			54,666	54,666			54,666	54,666				0
Adjusts base level funding for operating expenses		(21,481)	10,654	(10,827)		(21,481)	10,654	(10,827)				0
Adds funding for operating expenses of the Global Talent Office				0				0				0
Adds federal funding for AmeriCorps program operating expenses			290,000	290,000			290,000	290,000				0
Reduces ongoing funding for the operation intern program		(6,896)		(6,896)		(6,896)		(6,896)				0
Removes funding for the continuum of care program and the state apprenticeship program		(81,713)	(1,097,157)	(1,178,870)		(81,713)	(1,097,157)	(1,178,870)				0
Adds federal funding for AmeriCorps and weatherization grant programs			3,132,157	3,132,157			3,132,157	3,132,157				0
Reduces federal funding for community development and community services block grants			(2,086,940)	(2,086,940)			(2,086,940)	(2,086,940)				0
Removes funding from the uncrewed aircraft systems (UAS) fund for UAS program grants			(1,020,150)	(1,020,150)			(1,020,150)	(1,020,150)				0
Total ongoing funding changes	**(1.00)**	**$1,591,540**	**($233,254)**	**$1,358,286**	**(1.00)**	**$1,591,540**	**($233,254)**	**$1,358,286**	**0.00**	**$0**	**$0**	**$0**
One-Time Funding Items												
Adds one-time funding for temporary salaries for temporary staff and an office intern		$50,000	$3,590	$53,590		$50,000	$3,590	$53,590				$0
Adds one-time funding for North Dakota Development Fund temporary salaries			100,000	100,000			100,000	100,000				0

Adds funding for tourism marketing awareness			7,000,000	7,000,000			10,000,000	10,000,000			$3,000,000	3,000,000
Adds funding for operating expenses of the operation intern program		2,000,000		2,000,000		2,000,000		2,000,000				0
Adds funding for an infrastructure study				0		100,000		100,000		$100,000		100,000
Adds funding for a state radar data pathfinder				0				0				0
Adds funding for an uncrewed aerial vehicle replacement grant program				0			16,000,000	16,000,000			16,000,000	16,000,000
Adds one-time funding for the Global Talent Office		1,000,000		1,000,000		1,000,000		1,000,000				0
Adds funding for a housing for opportunity, mobility, and empowerment program				0				0				0
Adds funding for the community property improvements grant program				0				0				0
Adds funding for tourism destination development grants			20,000,000	20,000,000			20,000,000	20,000,000				0
Adds funding for UAS program grants				0			1,000,000	1,000,000			1,000,000	1,000,000
Adds funding for the beyond visual line of sight UAS program grants			10,000,000	10,000,000			20,000,000	20,000,000			10,000,000	10,000,000
Adds funding for the enhanced use lease grant			5,000,000	5,000,000			5,000,000	5,000,000				0
Adds funding for autonomous agriculture grants			5,000,000	5,000,000			10,000,000	10,000,000			5,000,000	5,000,000
Adds funding for base enhancement grants			1,000,000	1,000,000			1,000,000	1,000,000				0
Adds funding for grants to tribally controlled community colleges		750,000		750,000		750,000		750,000				0
Adds funding for a Native American small business grant				0			600,000	600,000			600,000	600,000
Adds funding for the entrepreneurship grants and vouchers program		759,044		759,044		759,044		759,044				0
Adds funding for regional workforce impact program grants			5,000,000	5,000,000			10,000,000	10,000,000			5,000,000	5,000,000
Adds funding for operating expenses of the find the good life initiative				0				0				0
Adds funding for technical skills training grants		2,000,000		2,000,000		2,000,000		2,000,000				0
Total one-time funding changes	**0.00**	**$6,559,044**	**$53,103,590**	**$59,662,634**	**0.00**	**$6,659,044**	**$93,703,590**	**$100,362,634**	**0.00**	**$100,000**	**$40,600,000**	**$40,700,000**
Total Changes to Base Level Funding	**(1.00)**	**$8,150,584**	**$52,870,336**	**$61,020,920**	**(1.00)**	**$8,250,584**	**$93,470,336**	**$101,720,920**	**0.00**	**$100,000**	**$40,600,000**	**$40,700,000**
2025-27 Total Funding	**61.80**	**$41,696,667**	**$106,214,707**	**$147,911,374**	**61.80**	**$41,796,667**	**$146,814,707**	**$188,611,374**	**0.00**	**$100,000**	**$40,600,000**	**$40,700,000**
Federal funds included in other funds			*$44,422,096*				*$44,422,096*				*$0*	
Total ongoing changes - Percentage of base level	*(1.6%)*	*4.7%*	*(0.4%)*	*1.6%*	*(1.6%)*	*4.7%*	*(0.4%)*	*1.6%*	*N/A*	*N/A*	*N/A*	*N/A*
Total changes - Percentage of base level	*(1.6%)*	*24.3%*	*99.1%*	*70.2%*	*(1.6%)*	*24.6%*	*175.2%*	*117.1%*	*N/A*	*N/A*	*N/A*	*N/A*

Other Sections in Department of Commerce - Budget No. 601

Section Description	Senate Version	House Version	
New and vacant FTE pool line item	Section 3 provides the Department of Commerce may not spend funds appropriated in the new and vacant FTE funding pool line item but may request the Office of Management and Budget to transfer funds to the salaries and wages line item.	Section 3 provides the Department of Commerce may not spend funds appropriated in the new and vacant FTE funding pool line item but may request the Office of Management and Budget to transfer funds to the salaries and wages line item.	

Other Sections in Department of Commerce - Budget No. 601

Section Description	Senate Version	House Version	
Appropriation - Autonomous Technology Grants - Attorney General - Matching Funds Requirement - One-time funding - Legislative Management Report		Section 4 appropriates $250,000 of one-time funding from the strategic investment and improvements fund (SIIF) to the Attorney General for autonomous technology grants for the 2025-27 biennium. The Attorney General may require grant recipients to provide $1 of matching funds from nonstate sources for every $4 provided by the state. The Attorney General is required to report to the Legislative Management during the 2025-26 interim regarding the status of the grants.	
Appropriation - Autonomous Technology Grants - Department of Career and Technical Education - Matching Funds Requirement - One-time funding - Legislative Management Report		Section 5 appropriates $250,000 of one-time funding from SIIF to the Department of Career and Technical Education for autonomous technology grants for the 2025-27 biennium. The department may require grant recipients to provide $1 of matching funds from nonstate sources for every $4 provided by the state. The department is required to report to the Legislative Management during the 2025-26 interim regarding the status of the grants.	
Transfer - General fund to internship fund	Section 4 requires 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.	Section 6 requires 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 5 requires OMB to transfer $5 million from SIIF to the LIFT fund for the purpose of providing innovation technology loans during the 2025-27 biennium.	Section 7 requires OMB to transfer $10 million 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 6 requires OMB to transfer $30 million from SIIF to the North Dakota Development Fund during the 2025-27 biennium.	Section 8 requires OMB to transfer $30 million from SIIF to the North Dakota Development Fund during the 2025-27 biennium. The North Dakota Development Fund may use the funds provided in this section for non-primary sector business activities and for grants only to the extent an eligible organization has secured matching funds from nonstate sources on a dollar-for-dollar basis.	
Bank of North Dakota line of credit - Transfer to the North Dakota Development Fund		Section 9 allows the Department of Commerce to borrow up to $75,000,000 through a Bank of North Dakota line of credit to be transferred to the North Dakota Development Fund.	
Rural health care grant program - Matching funds requirement	Section 7 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.	Section 10 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.	

Other Sections in Department of Commerce - Budget No. 601

Section Description	Senate Version	House Version	
SIIF	Section 8 identifies $53,000,000 appropriated in Section 1 from SIIF, including $7,000,000 for tourism marketing awareness, $20,000,000 for tourism destination development grants, $10,000,000 for the beyond visual line of sight UAS program, $5,000,000 for the enhanced use lease grant program, $5,000,000 for autonomous agriculture grants, $1,000,000 is for base enhancement grants, and $5,000,000 is for regional workforce impact program grants. Of the $7,000,000 for tourism marketing awareness, $150,000 is designated for the continuation of the North Dakota state magazine with the current publisher of the magazine. Of the $1,000,000 for base enhancement grants, $600,000 is for eligible organizations in Minot, $250,000 is for eligible organizations in Grand Forks, and $150,000 is for eligible organizations in Fargo. The $5,000,000 provided autonomous agriculture grants may be provided for autonomous trucking activities.	Section 11 identifies $93,600,000 appropriated in Section 1 from SIIF, including $10,000,000 for tourism marketing awareness, $16,000,000 for an uncrewed aerial vehicle replacement program, $20,000,000 for tourism destination development grants, $1,000,000 for UAS program grants, $20,000,000 for the beyond visual line of sight UAS program, $5,000,000 for the enhanced use lease grant program, $10,000,000 for autonomous agriculture grants, $1,000,000 is for base enhancement grants, $600,000 for a Native American small business grant, and $10,000,000 is for regional workforce impact program grants. Of the $1,000,000 for base enhancement grants, $600,000 is for eligible organizations in Minot, $250,000 is for eligible organizations in Grand Forks, and $150,000 is for eligible organizations in Fargo.	
Uncrewed aerial vehicle replacement program - Legislative Management report		Section 12 identifies $16,000,000 of one-time funding appropriated from SIIF in Section 1 is for an uncrewed aerial vehicle replacement program. The department is required to report to the Legislative Management during the 2025-26 interim on the status of the program.	
Tribally controlled community college grants - Reporting requirements	Section 9 identifies $750,000 appropriated in Section 1 from the general fund in the grants line item for providing workforce development grants to a tribally controlled community college in the Turtle Mountain area. A tribally controlled community college must partner with at least one high school in the state for programs under section 54-60.2-02. During the 2025-26 interim, a tribally controlled community college receiving funding under this program is required to report to the Department of Commerce by August 1, 2026, regarding the use of grant funds and the department is required to provide a report to the Legislative Management by October 1, 2026, regarding the use of grant funds.	Section 13 identifies $750,000 appropriated in Section 1 from the general fund in the grants line item for providing workforce development grants to a tribally controlled community college in the Turtle Mountain area. A tribally controlled community college must partner with at least one high school in the state for programs under section 54-60.2-02. During the 2025-26 interim, a tribally controlled community college receiving funding under this program is required to report to the Department of Commerce by August 1, 2026, regarding the use of grant funds and the department is required to provide a report to the Legislative Management by October 1, 2026, regarding the use of grant funds.	
Discretionary funds - Native American small business grant	Section 10 identifies of the $2,150,000 appropriated from the general fund in Section 1, $600,000 is designated for a grant to support an organization dedicated to assisting Native American small businesses in North Dakota.		
Infrastructure study		Section 14 identifies $100,000 of one-time funding appropriated from the general fund in Section 1 is for contracting for a study of infrastructure necessary to implement Section 15 this Act.	
Amendment - Tribal-state gaming compact		Section 15 amends Subsection 5 of Section 54-58-03 related to the tribal-state gaming compact to allow gaming in Grand Forks County.	
Amendment - Department of Commerce grant reporting requirements	Section 11 creates a new section to Chapter 54-60 to require the Department of Commerce to report to the Budget Section semiannually regarding grants administered by the department, excluding federally funded programs.	Section 16 creates a new section to Chapter 54-60 to require the Department of Commerce to report to the Budget Section semiannually regarding grants administered by the department, excluding federally funded programs.	
Amendment - Office of Legal Immigration renamed the Office of Global Talent or Global Talent Office	Section 12 amends Section 54-60-31 to change the name of the Office of Legal Immigration to the Office of Global Talent.	Section 17 amends Section 54-60-31 to change the name of the Office of Legal Immigration to the Global Talent Office.	

Other Sections in Department of Commerce - Budget No. 601

Section Description	Senate Version	House Version	
Exemption - Community development block grant	Subsection 1 of Section 13 allows 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.	Subsection 1 of Section 18 allows 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 allows 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.	Subsection 2 of Section 18 allows 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 allows 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.	Subsection 3 of Section 18 allows 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 allows 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.	Subsection 4 of Section 18 allows 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 - Workforce programs	Subsection 5 of Section 13 allows 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.	Subsection 5 of Section 18 allows 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 6 of Section 13 allows 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.	Subsection 6 of Section 18 allows 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 7 of Section 13 allows 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.	Subsection 7 of Section 18 allows 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 8 of Section 13 allows 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.	Subsection 8 of Section 18 allows 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.	
Exemption - Discretionary funds	Subsection 9 of Section 13 allows 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.	Subsection 9 of Section 18 allows 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 13 of Section 13 allows 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.	Subsection 10 of Section 18 allows 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.	

Other Sections in Department of Commerce - Budget No. 601

Section Description	Senate Version	House Version	
Exemption - Energy conservation assistance grant program	Subsection 13 of Section 13 allows 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.	Subsection 11 of Section 18 allows 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 allows 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 program into the 2025-27 biennium and authorize the department to use the funding for operating expenses related to the program.	Subsection 12 of Section 18 allows 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 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 13 of Section 13 allows 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.	Subsection 13 of Section 18 allows 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.	
Exemption - Entrepreneurship grants and vouchers program		Subsection 14 of Section 18 allows the Department of Commerce to continue any remaining funds of the $740,966 appropriated from the general fund and $207,511 appropriated from the economic development fund during the 2023-25 biennium for the entrepreneurship grants and vouchers program into the 2025-27 biennium.	
Exemption - Office of Legal Immigration	Subsection 14 of Section 13 allows 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.	Subsection 15 of Section 18 allows 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.	
Emergency		Section 19 declares the $16,000,000 of one-time funding appropriated in Section 1 from SIIF for an uncrewed aerial vehicle replacement program an emergency measure.	

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Prairie Room, State Capitol

SB 2018
4/15/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; relating to department of commerce grant reporting requirements; relating to changing the name of the office of legal immigration to the office of global talent; to provide for a transfer; to provide an exemption; and to provide for a legislative management report.

10:43 a.m. Chairman Nathe opened the meeting

Members present: Chairman Nathe, Vice Chairman Swiontek, Representatives Louser, Hanson, Martinson, Richter and Sanford.

Discussion Topics:

- Funding Change for FTE
- Temporary Salaries
- Tourism Marketing

10:44 a.m. Recess- Waiting for Legislative Council to bring updated long sheets. (Testimony # 45002)

10:49 a.m. Chairman Nathe Reviewed long sheet. (Testimony # 45002)

11:01 a.m. Levi Kinnischtzke- Legislative Council- Further reviewed the long sheets.

11:08 a.m. Chris Schilken- Commissioner- Department of Commerce- Answered committee questions and proposed an amendment (Testimony #45005)

11:24 a.m. Chairman Nathe adjourned the meeting.

Steven Riehl, Committee Clerk by Risa Berube

April 9, 2025

Legislative Council

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

	Senate Version				House Version				House Compared to Senate Version			
									Increase (Decrease)			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	62.80	$33,546,083	$53,344,371	$86,890,454	62.80	$33,546,083	$53,344,371	$86,890,454	0.00	$0	$0	$0
2025-27 Ongoing Funding Changes												
Base payroll changes		$67,653	$82,578	$150,231		$67,653	$82,578	$150,231				$0
Adds funding for the cost to continue salary increases		238,480	45,544	284,024		238,480	45,544	284,024				0
Salary increase		531,691	127,953	659,644		531,691	127,953	659,644				0
Health insurance increase		294,619	77,709	372,328		294,619	77,709	372,328				0
Adds funding to replace the 2023-25 new FTE pool		405,880		405,880		405,880		405,880				0
Adds funding to replace the 2023-25 vacant FTE pool		560,856	102,571	663,427		560,856	102,571	663,427				0
Adjusts funding for the 2025-27 new FTE pool				0				0				0
Adjusts funding for the 2025-27 vacant FTE pool		(198,263)	(51,422)	(249,685)		(198,263)	(51,422)	(249,685)				0
Adds funding for a FTE North Dakota Development Fund position				0				0				0
Adds funding for a FTE procurement officer position				0				0				0
Removes a FTE position	(1.00)	(199,286)		(199,286)	(1.00)	(199,286)		(199,286)				0
Adds 3 FTE positions from federal carryover funds				0	3.00			0	3.00			0
Adds funding for temporary salaries for temporary staff and an office intern				0				0				0
Adds funding for North Dakota Development Fund temporary salaries				0				0				0
Adds federal funding for temporary salaries and operating expenses to maintain building codes			98,583	98,583			98,583	98,583				0
Adds funding for the cost to continue IT increases			54,666	54,666			54,666	54,666				0
Adjusts base level funding for operating expenses		(21,481)	10,654	(10,827)		(21,481)	10,654	(10,827)				0
Adds funding for operating expenses of the Global Talent Office				0				0				0
Adds federal funding for AmeriCorps program operating expenses			290,000	290,000			290,000	290,000				0
Reduces ongoing funding for the operation intern program		(6,896)		(6,896)		(6,896)		(6,896)				0
Removes funding for the continuum of care program and the state apprenticeship program		(81,713)	(1,097,157)	(1,178,870)		(81,713)	(1,097,157)	(1,178,870)				0
Adds federal funding for AmeriCorps and weatherization grant programs			3,132,157	3,132,157			3,132,157	3,132,157				0
Reduces federal funding for community development and community services block grants			(2,086,940)	(2,086,940)			(2,086,940)	(2,086,940)				0
Removes funding from the uncrewed aircraft systems (UAS) fund for UAS program grants			(1,020,150)	(1,020,150)			(1,020,150)	(1,020,150)				0
Total ongoing funding changes	**(1.00)**	**$1,591,540**	**($233,254)**	**$1,358,286**	**2.00**	**$1,591,540**	**($233,254)**	**$1,358,286**	**3.00**	**$0**	**$0**	**$0**
One-Time Funding Items												
Adds one-time funding for temporary salaries for temporary staff and an office intern		$50,000	$3,590	$53,590		$50,000	$3,590	$53,590				$0

Adds one-time funding for North Dakota Development Fund temporary salaries			100,000	100,000			100,000	100,000				0
Adds funding for tourism marketing awareness			7,000,000	7,000,000			10,000,000	10,000,000			$3,000,000	3,000,000
Adds funding for operating expenses of the operation intern program		2,000,000		2,000,000		2,000,000		2,000,000				0
Adds funding for an infrastructure study				0		100,000		100,000		$100,000		100,000
Adds funding for a state radar data pathfinder				0				0				0
Adds funding for an uncrewed aerial vehicle replacement grant program				0			16,000,000	16,000,000			16,000,000	16,000,000
Adds one-time funding for the Global Talent Office		1,000,000		1,000,000		1,000,000		1,000,000				0
Adds funding for a housing for opportunity, mobility, and empowerment program				0				0				0
Adds funding for the community property improvements grant program				0				0				0
Adds funding for tourism destination development grants			20,000,000	20,000,000			30,000,000	30,000,000			10,000,000	10,000,000
Adds funding for UAS program grants				0			1,000,000	1,000,000			1,000,000	1,000,000
Adds funding for the beyond visual line of sight UAS program grants			10,000,000	10,000,000			20,000,000	20,000,000			10,000,000	10,000,000
Adds funding for the enhanced use lease grant			5,000,000	5,000,000			5,000,000	5,000,000				0
Adds funding for autonomous agriculture grants			5,000,000	5,000,000			15,000,000	15,000,000			10,000,000	10,000,000
Adds funding for base enhancement grants			1,000,000	1,000,000			1,000,000	1,000,000				0
Adds funding for grants to tribally controlled community colleges		750,000		750,000		750,000		750,000				0
Adds funding for a Native American small business grant				0			600,000	600,000			600,000	600,000
Adds funding for the entrepreneurship grants and vouchers program		759,044		759,044		759,044		759,044				0
Adds funding for regional workforce impact program grants			5,000,000	5,000,000			10,000,000	10,000,000			5,000,000	5,000,000
Adds funding for operating expenses of the find the good life initiative				0			5,000,000	5,000,000			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				0
Total one-time funding changes	**0.00**	**$6,559,044**	**$53,103,590**	**$59,662,634**	**0.00**	**$6,659,044**	**$113,703,590**	**$120,362,634**	**0.00**	**$100,000**	**$60,600,000**	**$60,700,000**
Total Changes to Base Level Funding	**(1.00)**	**$8,150,584**	**$52,870,336**	**$61,020,920**	**2.00**	**$8,250,584**	**$113,470,336**	**$121,720,920**	**3.00**	**$100,000**	**$60,600,000**	**$60,700,000**
2025-27 Total Funding	**61.80**	**$41,696,667**	**$106,214,707**	**$147,911,374**	**64.80**	**$41,796,667**	**$166,814,707**	**$208,611,374**	**3.00**	**$100,000**	**$60,600,000**	**$60,700,000**
Federal funds included in other funds			*$44,422,096*				*$44,422,096*				*$0*	
Total ongoing changes - Percentage of base level	*(1.6%)*	*4.7%*	*(0.4%)*	*1.6%*	*3.2%*	*4.7%*	*(0.4%)*	*1.6%*	*N/A*	*N/A*	*N/A*	*N/A*
Total changes - Percentage of base level	*(1.6%)*	*24.3%*	*99.1%*	*70.2%*	*3.2%*	*24.6%*	*212.7%*	*140.1%*	*N/A*	*N/A*	*N/A*	*N/A*

Other Sections in Department of Commerce - Budget No. 601

Section Description	Senate Version	House Version	
New and vacant FTE pool line item	Section 3 provides the Department of Commerce may not spend funds appropriated in the new and vacant FTE funding pool line item but may request the Office of Management and Budget to transfer funds to the salaries and wages line item.	Section 3 provides the Department of Commerce may not spend funds appropriated in the new and vacant FTE funding pool line item but may request the Office of Management and Budget to transfer funds to the salaries and wages line item.	

Other Sections in Department of Commerce - Budget No. 601

Section Description	Senate Version	House Version	
Appropriation - Attorney General - Autonomous Technology Grants - Matching Funds Requirement - One-time funding - Legislative Management Report		Section 4 appropriates $250,000 of one-time funding from the strategic investment and improvements fund (SIIF) to the Attorney General for autonomous technology grants for the 2025-27 biennium. The Attorney General may require grant recipients to provide $1 of matching funds from nonstate sources for every $4 provided by the state. The Attorney General is required to report to the Legislative Management during the 2025-26 interim regarding the status of the grants.	
Appropriation - Department of Career and Technical Education - Autonomous Technology Grants - Matching Funds Requirement - One-time funding - Legislative Management Report		Section 5 appropriates $250,000 of one-time funding from SIIF to the Department of Career and Technical Education for autonomous technology grants for the 2025-27 biennium. The department may require grant recipients to provide $1 of matching funds from nonstate sources for every $4 provided by the state. The department is required to report to the Legislative Management during the 2025-26 interim regarding the status of the grants.	
Transfer - General fund to internship fund	Section 4 requires 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.	Section 6 requires 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 and Bank of North Dakota Profits to Theodore Roosevelt presidential library and museum endowment fund - Matching funds requirement		Section 7 provides for a $25,000,000 transfer from SIIF and a $25,000,000 transfer from Bank of North Dakota profits to the Theodore Roosevelt presidential library and museum endowment fund. The moneys can be transferred only to the extent a private entity involved with a presidential library and museum in the state has secured matching funds from nonstate sources on a dollar-for-dollar basis.	
Transfer - SIIF to legacy investment for technology (LIFT) fund	Section 5 requires OMB to transfer $5 million from SIIF to the LIFT fund for the purpose of providing innovation technology loans during the 2025-27 biennium.	Section 8 requires OMB to transfer $10 million 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 6 requires OMB to transfer $30 million from SIIF to the North Dakota Development Fund during the 2025-27 biennium.	Section 9 requires OMB to transfer $30 million from SIIF to the North Dakota Development Fund during the 2025-27 biennium. The North Dakota Development Fund may use the funds provided in this section for non-primary sector business activities and for grants only to the extent an eligible organization has secured matching funds from nonstate sources on a dollar-for-dollar basis.	
Bank of North Dakota line of credit - Transfer to the North Dakota Development Fund		Section 10 allows the Department of Commerce to borrow up to $75,000,000 through a Bank of North Dakota line of credit to be transferred to the North Dakota Development Fund.	
Rural health care grant program - Matching funds requirement	Section 7 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.	Section 11 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.	

Other Sections in Department of Commerce - Budget No. 601

Section Description	Senate Version	House Version	
SIIF	Section 8 identifies $53,000,000 appropriated in Section 1 from SIIF, including $7,000,000 for tourism marketing awareness, $20,000,000 for tourism destination development grants, $10,000,000 for the beyond visual line of sight UAS program, $5,000,000 for the enhanced use lease grant program, $5,000,000 for autonomous agriculture grants, $1,000,000 is for base enhancement grants, and $5,000,000 is for regional workforce impact program grants. Of the $7,000,000 for tourism marketing awareness, $150,000 is designated for the continuation of the North Dakota state magazine with the current publisher of the magazine. Of the $1,000,000 for base enhancement grants, $600,000 is for eligible organizations in Minot, $250,000 is for eligible organizations in Grand Forks, and $150,000 is for eligible organizations in Fargo. The $5,000,000 provided autonomous agriculture grants may be provided for autonomous trucking activities.	Section 12 identifies $113,600,000 appropriated in Section 1 from SIIF, including $10,000,000 for tourism marketing awareness, $16,000,000 for an uncrewed aerial vehicle replacement program, $30,000,000 for tourism destination development grants, $1,000,000 for UAS program grants, $20,000,000 for the beyond visual line of sight UAS program, $5,000,000 for the enhanced use lease grant program, $15,000,000 for autonomous agriculture grants, $1,000,000 is for base enhancement grants, $600,000 for a Native American small business grant, $10,000,000 is for regional workforce impact program grants, and $5,000,000 is for the find the good life initiative. Of the $10,000,000 for tourism marketing awareness, $150,000 is designated for the continuation of a North Dakota state magazine. Of the $1,000,000 for base enhancement grants, $600,000 is for eligible organizations in Minot, $250,000 is for eligible organizations in Grand Forks, and $150,000 is for eligible organizations in Fargo.	
Uncrewed aerial vehicle replacement program - Legislative Management report		Section 13 identifies $16,000,000 of one-time funding appropriated from SIIF in Section 1 is for an uncrewed aerial vehicle replacement program. The department is required to report to the Legislative Management during the 2025-26 interim on the status of the program.	
Tribally controlled community college grants - Reporting requirements	Section 9 identifies $750,000 appropriated in Section 1 from the general fund in the grants line item for providing workforce development grants to a tribally controlled community college in the Turtle Mountain area. A tribally controlled community college must partner with at least one high school in the state for programs under section 54-60.2-02. During the 2025-26 interim, a tribally controlled community college receiving funding under this program is required to report to the Department of Commerce by August 1, 2026, regarding the use of grant funds and the department is required to provide a report to the Legislative Management by October 1, 2026, regarding the use of grant funds.	Section 14 identifies $750,000 appropriated in Section 1 from the general fund in the grants line item for providing workforce development grants to a tribally controlled community college. A tribally controlled community college must partner with at least one high school in the state for programs under section 54-60.2-02. During the 2025-26 interim, a tribally controlled community college receiving funding under this program is required to report to the Department of Commerce by August 1, 2026, regarding the use of grant funds and the department is required to provide a report to the Legislative Management by October 1, 2026, regarding the use of grant funds.	
Discretionary funds - Native American small business grant	Section 10 identifies of the $2,150,000 appropriated from the general fund in Section 1, $600,000 is designated for a grant to support an organization dedicated to assisting Native American small businesses in North Dakota.		
Infrastructure study		Section 15 identifies $100,000 of one-time funding appropriated from the general fund in Section 1 is for contracting for a study of infrastructure necessary to implement Section 17 this Act.	
Amendment - North Dakota Development Fund		Section 16 amends Subsection 1 of Section 10-30.5-02 to allow the North Dakota Development Fund to form a management and operations entity and to be able to enter joint ventures.	
Amendment - Tribal-state gaming compact		Section 17 amends Subsection 5 of Section 54-58-03 related to the tribal-state gaming compact to allow gaming in Grand Forks County.	

Other Sections in Department of Commerce - Budget No. 601

Section Description	Senate Version	House Version	
Amendment - Department of Commerce grant reporting requirements	Section 11 creates a new section to Chapter 54-60 to require the Department of Commerce to report to the Budget Section semiannually regarding grants administered by the department, excluding federally funded programs.	Section 18 creates a new section to Chapter 54-60 to require the Department of Commerce to report to the Budget Section semiannually regarding grants administered by the department, excluding federally funded programs.	
Amendment - UAS program		Section 19 amends Section 54-60-28 to provide the Northern Plains UAS Test Site authority to enter contracts for the UAS program.	
Amendment - UAS program fund		Section 20 amends Section 54-60-29 to clarify the sources of funds that can be deposited in the UAS fund.	
Amendment - Beyond visual line of sight UAS program		Section 21 amends Section 54-60-29.1 to provide the Northern Plains UAS Test Site authority to enter contracts for the beyond visual line of sight UAS program.	
Amendment - Office of Legal Immigration renamed the Office of Global Talent or Global Talent Office	Section 12 amends Section 54-60-31 to change the name of the Office of Legal Immigration to the Office of Global Talent.	Section 22 amends Section 54-60-31 to change the name of the Office of Legal Immigration to the Global Talent Office.	
Amendment - Senate Bill No. 2019 (2023) - Theodore Roosevelt presidential library		Section 23 amends Section 3 of Chapter 51 of the 2023 Session Laws to provide the 2023-25 biennium Bank of North Dakota line of credit for the Theodore Roosevelt Presidential Library project is authorized for $20 million instead of $70 million.	
Amendment - House Bill No. 1019 (2025) - Theodore Roosevelt presidential library		Section 24 amends Subsection 13 of Section 9 of House Bill No. 1019 (2025) to provide an exemption to authorize the Parks and Recreation Department to continue $20 million instead of $70 million from the 2023-25 biennium Bank of North Dakota line of credit for the Theodore Roosevelt Presidential Library into the 2025-27 biennium.	
Exemption - Community development block grant	Subsection 1 of Section 13 allows 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.	Subsection 1 of Section 25 allows 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 allows 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.	Subsection 2 of Section 25 allows 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 allows 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.	Subsection 3 of Section 25 allows 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 allows 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.	Subsection 4 of Section 25 allows 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.	

Other Sections in Department of Commerce - Budget No. 601

Section Description	Senate Version	House Version	
Exemption - Workforce programs	Subsection 5 of Section 13 allows 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.	Subsection 5 of Section 25 allows 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 6 of Section 13 allows 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.	Subsection 6 of Section 25 allows 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 7 of Section 13 allows 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.	Subsection 7 of Section 25 allows 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 8 of Section 13 allows 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.	Subsection 8 of Section 25 allows 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.	
Exemption - Discretionary funds	Subsection 9 of Section 13 allows 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.	Subsection 9 of Section 25 allows 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 13 of Section 13 allows 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.	Subsection 10 of Section 25 allows 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 13 of Section 13 allows 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.	Subsection 11 of Section 25 allows 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 allows 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 program into the 2025-27 biennium and authorize the department to use the funding for operating expenses related to the program.	Subsection 12 of Section 25 allows 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 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 13 of Section 13 allows 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.	Subsection 13 of Section 25 allows 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.	
Exemption - Entrepreneurship grants and vouchers program		Subsection 14 of Section 25 allows the Department of Commerce to continue any remaining funds of the $740,966 appropriated from the general fund and $207,511 appropriated from the economic development fund during the 2023-25 biennium for the entrepreneurship grants and vouchers program into the 2025-27 biennium.	

Other Sections in Department of Commerce - Budget No. 601

Section Description	Senate Version	House Version	
Exemption - Office of Legal Immigration	Subsection 14 of Section 13 allows 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.	Subsection 15 of Section 25 allows 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.	
Emergency		Section 26 declares the $16,000,000 of one-time funding appropriated in Section 1 from SIIF for an uncrewed aerial vehicle replacement program and the program requirements in Section 13 an emergency measure.	

Amendments

- Develop and continually refine the State's workforce mission, vision and strategies (Replace 54-60-09c).
- Collect data from all workforce programs and services across State government, including but not limited to job service North Dakota, the department of career and technical education, the superintendent of public instruction, the state board of higher education, the department of health and human services, and other divisions of the department of commerce, and determine standard measurements of success, utilizing empirical data, and report regularly on their achievement. 54-60-19a (Question: Why is SBHE listed instead of NDUS? Should this be updated?)
- Oversee all workforce development programs across State government to lead their coordination and prevent duplication. 54-60-19d
- Conduct regular employer talent and skills supply and demand studies and report on the results. (new)

Budget

Program	Executive	Recommended	
Regional Workforce Impact Program	$10,000,000	$8,000,000	
Find the Good Life	$5,000,000	$5,500,000	
Global Talent Office	$2,000,000	$2,500,000	Adjust split, so operations and grant funding are evenly split
Operation Intern	$3,000,000	$3,000,000	
Technical Skills Training Grant	$2,000,000	$2,000,000	
System Alignment Strategy (NEW)	$0	$1,000,000	
TOTAL	**$22,000,000**	**$22,000,000**	

Note: This does not include the federal AmeriCorps funds that flow through our division

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Prairie Room, State Capitol

SB 2018
4/16/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; to provide an appropriation to the attorney general; to provide an appropriation to the department of career and technical education; to provide a contingent appropriation; to create and enact a new section to chapter 54-60 of the North Dakota Century Code, relating to department of commerce grant reporting requirements; to amend and reenact subsection 1 of section 10-30.5-02, sections 54-60-09, 54-60-19, 54-60-28, 54-60-29, 54-60-29.1, and 54-60-31 of the North Dakota Century Code and section 3 of chapter 51 of the 2023 Session Laws and subsection 13 of section 9 of House Bill No. 1019, as approved by the sixty-ninth legislative assembly, relating to the purpose of the North Dakota development fund, duties and talent strategy of the division of workforce development, the uncrewed aircraft systems program, the uncrewed aircraft systems program fund, the beyond visual line of sight uncrewed aircraft system program, changing the name of the office of legal immigration to the global talent office, and the Theodore Roosevelt presidential library project; to authorize a Bank of North Dakota line of credit; to provide for a transfer; to provide an application; to provide an exemption; and to provide for a legislative management report.

9:38 a.m. Chairman Nathe called the meeting to order.

Members present: Chairman Nathe, Vice Chairman Swiontek, Representatives Louser, Hanson, Martinson, Richter and Sanford.

Discussion Topics:
- Fargo Theatre
- Medora Trolley
- Driscoll Community Hall
- Marmarth Theatre

9:39 a.m. Representative Nathe, reviewed long sheet #45042.

9:40 a.m. Representative Martinson discussed changes to the budget.

9:42 a.m. Representative Martinson discussed increases to destination development

budget.

9:44 a.m. Representative Nathe, introduced proposed changes to SB 2018, #45339.

9:44 a.m. Representative Martinson moved to adopt amendments.

9:45 a.m. Representative Swiontek seconded the motion.

9:45 a.m. Roll Call Vote.

Representatives	Vote
Representative Mike Nathe	Y
Representative Steve Swiontek	Y
Representative Karla Rose Hanson	Y
Representative Scott Louser	Y
Representative Bob Martinson	Y
Representative David Richter	AB
Representative Mark Sanford	Y

9:45 a.m. Motion passed. 6-0-1.

9:45 a.m. Representative Swiontek, introduced proposed amendment LC #25.0185.02010, #45027.

9:47 a.m. Representative Swiontek moved to adopt amendment LC #25.0185.02010.

9:47 a.m. Representative Martinson seconded the motion.

9:48 a.m. Roll Call Vote.

Representatives	Vote
Representative Mike Nathe	Y
Representative Steve Swiontek	Y
Representative Karla Rose Hanson	Y
Representative Scott Louser	Y
Representative Bob Martinson	Y
Representative David Richter	Y
Representative Mark Sanford	Y

9:48 a.m. Motion passed. 7-0-0.

9:48 a.m. Representative Martinson moved Do Pass as Amended.

9:48 a.m. Representative Swiontek seconded the motion.

9:50 a.m. Roll Call Vote.

Representatives	Vote
Representative Mike Nathe	Y
Representative Steve Swiontek	Y
Representative Karla Rose Hanson	Y
Representative Scott Louser	Y
Representative Bob Martinson	Y

Representative David Richter	Y
Representative Mark Sanford	Y

9:50 a.m. Motion passed 7-0-0.

9:51 a.m. Chairman Nathe adjourned the meeting.

Krystal Eberle for Steven Riehl, Committee Clerk

line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. CONTINGENT APPROPRIATION - DEPARTMENT OF COMMERCE - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - CHILDREN'S SCIENCE MUSEUM GRANTS - ONE-TIME FUNDING. There is appropriated out of any moneys in the strategic investment and improvements fund, not otherwise appropriated, the sum of $10,000,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of providing grants of up to $5,000,000 to support the construction of children's science museums in cities in the state with a population of at least 50,000 residents, for the biennium beginning July 1, 2025, and ending June 30, 2027. The funding appropriated in this section is available only if the state treasurer certifies to the office of management and budget that oil and gas tax revenue allocations to the strategic investment and improvements fund under section 57-51.1-07.5 have exceeded $410,000,000 during the 2025-27 biennium. The appropriation in this section is considered a one-time funding item.

SECTION 5. 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 6. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO LEGACY INVESTMENT FOR TECHNOLOGY FUND. The office of management and budget shall transfer the sum of $5,000,000 from the strategic investment and improvements fund to the legacy investment for technology fund for the purpose of providing legacy investment technology loans, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 7. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO NORTH DAKOTA DEVELOPMENT FUND. The office of management and budget shall transfer the sum of $30,000,000 from the strategic investment and improvements fund to the North Dakota development fund for programs under chapter 10-30.5, for the biennium beginning July 1, 2025, and ending June 30, 2027.

April 9, 2025

Legislative Council

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

	Senate Version				House Version				House Compared to Senate Version			
									Increase (Decrease)			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	62.80	$33,546,083	$53,344,371	$86,890,454	62.80	$33,546,083	$53,344,371	$86,890,454	0.00	$0	$0	$0
2025-27 Ongoing Funding Changes												
Base payroll changes		$67,653	$82,578	$150,231		$67,653	$82,578	$150,231				$0
Adds funding for the cost to continue salary increases		238,480	45,544	284,024		238,480	45,544	284,024				0
Salary increase		531,691	127,953	659,644		531,691	127,953	659,644				0
Health insurance increase		294,619	77,709	372,328		294,619	77,709	372,328				0
Adds funding to replace the 2023-25 new FTE pool		405,880		405,880		405,880		405,880				0
Adds funding to replace the 2023-25 vacant FTE pool		560,856	102,571	663,427		560,856	102,571	663,427				0
Adjusts funding for the 2025-27 new FTE pool				0				0				0
Adjusts funding for the 2025-27 vacant FTE pool		(198,263)	(51,422)	(249,685)		(198,263)	(51,422)	(249,685)				0
Adds funding for a FTE North Dakota Development Fund position				0				0				0
Adds funding for a FTE procurement officer position				0				0				0
Removes a FTE position	(1.00)	(199,286)		(199,286)	(1.00)	(199,286)		(199,286)				0
Adds 3 FTE positions from federal carryover funds				0	3.00			0	3.00			0
Adds funding for temporary salaries for temporary staff and an office intern				0				0				0
Adds funding for North Dakota Development Fund temporary salaries				0				0				0
Adds federal funding for temporary salaries and operating expenses to maintain building codes			98,583	98,583			98,583	98,583				0
Adds funding for the cost to continue IT increases			54,666	54,666			54,666	54,666				0
Adjusts base level funding for operating expenses		(21,481)	10,654	(10,827)		(21,481)	10,654	(10,827)				0
Adds funding for operating expenses of the Global Talent Office				0				0				0
Adds federal funding for AmeriCorps program operating expenses			290,000	290,000			290,000	290,000				0
Reduces ongoing funding for the operation intern program		(6,896)		(6,896)		(6,896)		(6,896)				0
Removes funding for the continuum of care program and the state apprenticeship program		(81,713)	(1,097,157)	(1,178,870)		(81,713)	(1,097,157)	(1,178,870)				0
Adds federal funding for AmeriCorps and weatherization grant programs			3,132,157	3,132,157			3,132,157	3,132,157				0
Reduces federal funding for community development and community services block grants			(2,086,940)	(2,086,940)			(2,086,940)	(2,086,940)				0
Removes funding from the uncrewed aircraft systems (UAS) fund for UAS program grants			(1,020,150)	(1,020,150)			(1,020,150)	(1,020,150)				0
Total ongoing funding changes	**(1.00)**	**$1,591,540**	**($233,254)**	**$1,358,286**	**2.00**	**$1,591,540**	**($233,254)**	**$1,358,286**	**3.00**	**$0**	**$0**	**$0**
One-Time Funding Items												
Adds one-time funding for temporary salaries for temporary staff and an office intern		$50,000	$3,590	$53,590		$50,000	$3,590	$53,590				$0

Adds one-time funding for North Dakota Development Fund temporary salaries			100,000	100,000			100,000	100,000				0
Adds funding for tourism marketing awareness			7,000,000	7,000,000			10,000,000	10,000,000			$3,000,000	3,000,000
Adds funding for operating expenses of the operation intern program		2,000,000		2,000,000		2,000,000		2,000,000				0
Adds funding for an infrastructure study				0		100,000		100,000		$100,000		100,000
Adds funding for a state radar data pathfinder				0				0				0
Adds funding for an uncrewed aerial vehicle replacement grant program				0			16,000,000	16,000,000			16,000,000	16,000,000
Adds one-time funding for the Global Talent Office		1,000,000		1,000,000		1,000,000		1,000,000				0
Adds funding for a housing for opportunity, mobility, and empowerment program				0				0				0
Adds funding for the community property improvements grant program				0				0				0
Adds funding for tourism destination development grants			20,000,000	20,000,000			30,000,000	30,000,000			10,000,000	10,000,000
Adds funding for UAS program grants				0			1,000,000	1,000,000			1,000,000	1,000,000
Adds funding for the beyond visual line of sight UAS program grants			10,000,000	10,000,000			20,000,000	20,000,000			10,000,000	10,000,000
Adds funding for the enhanced use lease grant			5,000,000	5,000,000			5,000,000	5,000,000				0
Adds funding for autonomous agriculture grants			5,000,000	5,000,000			15,000,000	15,000,000			10,000,000	10,000,000
Adds funding for base enhancement grants			1,000,000	1,000,000			1,000,000	1,000,000				0
Adds funding for grants to tribally controlled community colleges		750,000		750,000		750,000		750,000				0
Adds funding for a Native American small business grant				0			600,000	600,000			600,000	600,000
Adds funding for the entrepreneurship grants and vouchers program		759,044		759,044		759,044		759,044				0
Adds funding for regional workforce impact program grants			5,000,000	5,000,000			10,000,000	10,000,000			5,000,000	5,000,000
Adds funding for operating expenses of the find the good life initiative				0			5,000,000	5,000,000			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				0
Total one-time funding changes	**0.00**	**$6,559,044**	**$53,103,590**	**$59,662,634**	**0.00**	**$6,659,044**	**$113,703,590**	**$120,362,634**	**0.00**	**$100,000**	**$60,600,000**	**$60,700,000**
Total Changes to Base Level Funding	**(1.00)**	**$8,150,584**	**$52,870,336**	**$61,020,920**	**2.00**	**$8,250,584**	**$113,470,336**	**$121,720,920**	**3.00**	**$100,000**	**$60,600,000**	**$60,700,000**
2025-27 Total Funding	**61.80**	**$41,696,667**	**$106,214,707**	**$147,911,374**	**64.80**	**$41,796,667**	**$166,814,707**	**$208,611,374**	**3.00**	**$100,000**	**$60,600,000**	**$60,700,000**
Federal funds included in other funds			*$44,422,096*				*$44,422,096*				*$0*	
Total ongoing changes - Percentage of base level	*(1.6%)*	*4.7%*	*(0.4%)*	*1.6%*	*3.2%*	*4.7%*	*(0.4%)*	*1.6%*	*N/A*	*N/A*	*N/A*	*N/A*
Total changes - Percentage of base level	*(1.6%)*	*24.3%*	*99.1%*	*70.2%*	*3.2%*	*24.6%*	*212.7%*	*140.1%*	*N/A*	*N/A*	*N/A*	*N/A*

Other Sections in Department of Commerce - Budget No. 601

Section Description	Senate Version	House Version	
New and vacant FTE pool line item	Section 3 provides the Department of Commerce may not spend funds appropriated in the new and vacant FTE funding pool line item but may request the Office of Management and Budget to transfer funds to the salaries and wages line item.	Section 3 provides the Department of Commerce may not spend funds appropriated in the new and vacant FTE funding pool line item but may request the Office of Management and Budget to transfer funds to the salaries and wages line item.	

Other Sections in Department of Commerce - Budget No. 601

Section Description	Senate Version	House Version	
Appropriation - Attorney General - Autonomous Technology Grants - Matching Funds Requirement - One-time funding - Legislative Management Report		Section 4 appropriates $250,000 of one-time funding from the strategic investment and improvements fund (SIIF) to the Attorney General for autonomous technology grants for the 2025-27 biennium. The Attorney General may require grant recipients to provide $1 of matching funds from nonstate sources for every $4 provided by the state. The Attorney General is required to report to the Legislative Management during the 2025-26 interim regarding the status of the grants.	
Appropriation - Department of Career and Technical Education - Autonomous Technology Grants - Matching Funds Requirement - One-time funding - Legislative Management Report		Section 5 appropriates $250,000 of one-time funding from SIIF to the Department of Career and Technical Education for autonomous technology grants for the 2025-27 biennium. The department may require grant recipients to provide $1 of matching funds from nonstate sources for every $4 provided by the state. The department is required to report to the Legislative Management during the 2025-26 interim regarding the status of the grants.	
Transfer - General fund to internship fund	Section 4 requires 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.	Section 6 requires 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 and Bank of North Dakota Profits to Theodore Roosevelt presidential library and museum endowment fund - Matching funds requirement		Section 7 provides for a $25,000,000 transfer from SIIF and a $25,000,000 transfer from Bank of North Dakota profits to the Theodore Roosevelt presidential library and museum endowment fund. The moneys can be transferred only to the extent a private entity involved with a presidential library and museum in the state has secured matching funds from nonstate sources on a dollar-for-dollar basis.	
Transfer - SIIF to legacy investment for technology (LIFT) fund	Section 5 requires OMB to transfer $5 million from SIIF to the LIFT fund for the purpose of providing innovation technology loans during the 2025-27 biennium.	Section 8 requires OMB to transfer $10 million 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 6 requires OMB to transfer $30 million from SIIF to the North Dakota Development Fund during the 2025-27 biennium.	Section 9 requires OMB to transfer $30 million from SIIF to the North Dakota Development Fund during the 2025-27 biennium. The North Dakota Development Fund may use the funds provided in this section for non-primary sector business activities and for grants only to the extent an eligible organization has secured matching funds from nonstate sources on a dollar-for-dollar basis.	
Bank of North Dakota line of credit - Transfer to the North Dakota Development Fund		Section 10 allows the Department of Commerce to borrow up to $75,000,000 through a Bank of North Dakota line of credit to be transferred to the North Dakota Development Fund.	
Rural health care grant program - Matching funds requirement	Section 7 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.	Section 11 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.	

Other Sections in Department of Commerce - Budget No. 601

Section Description	Senate Version	House Version	
SIIF	Section 8 identifies $53,000,000 appropriated in Section 1 from SIIF, including $7,000,000 for tourism marketing awareness, $20,000,000 for tourism destination development grants, $10,000,000 for the beyond visual line of sight UAS program, $5,000,000 for the enhanced use lease grant program, $5,000,000 for autonomous agriculture grants, $1,000,000 is for base enhancement grants, and $5,000,000 is for regional workforce impact program grants. Of the $7,000,000 for tourism marketing awareness, $150,000 is designated for the continuation of the North Dakota state magazine with the current publisher of the magazine. Of the $1,000,000 for base enhancement grants, $600,000 is for eligible organizations in Minot, $250,000 is for eligible organizations in Grand Forks, and $150,000 is for eligible organizations in Fargo. The $5,000,000 provided autonomous agriculture grants may be provided for autonomous trucking activities.	Section 12 identifies $113,600,000 appropriated in Section 1 from SIIF, including $10,000,000 for tourism marketing awareness, $16,000,000 for an uncrewed aerial vehicle replacement program, $30,000,000 for tourism destination development grants, $1,000,000 for UAS program grants, $20,000,000 for the beyond visual line of sight UAS program, $5,000,000 for the enhanced use lease grant program, $15,000,000 for autonomous agriculture grants, $1,000,000 is for base enhancement grants, $600,000 for a Native American small business grant, $10,000,000 is for regional workforce impact program grants, and $5,000,000 is for the find the good life initiative. Of the $10,000,000 for tourism marketing awareness, $150,000 is designated for the continuation of a North Dakota state magazine. Of the $1,000,000 for base enhancement grants, $600,000 is for eligible organizations in Minot, $250,000 is for eligible organizations in Grand Forks, and $150,000 is for eligible organizations in Fargo.	
Uncrewed aerial vehicle replacement program - Legislative Management report		Section 13 identifies $16,000,000 of one-time funding appropriated from SIIF in Section 1 is for an uncrewed aerial vehicle replacement program. The department is required to report to the Legislative Management during the 2025-26 interim on the status of the program.	
Tribally controlled community college grants - Reporting requirements	Section 9 identifies $750,000 appropriated in Section 1 from the general fund in the grants line item for providing workforce development grants to a tribally controlled community college in the Turtle Mountain area. A tribally controlled community college must partner with at least one high school in the state for programs under section 54-60.2-02. During the 2025-26 interim, a tribally controlled community college receiving funding under this program is required to report to the Department of Commerce by August 1, 2026, regarding the use of grant funds and the department is required to provide a report to the Legislative Management by October 1, 2026, regarding the use of grant funds.	Section 14 identifies $750,000 appropriated in Section 1 from the general fund in the grants line item for providing workforce development grants to a tribally controlled community college. A tribally controlled community college must partner with at least one high school in the state for programs under section 54-60.2-02. During the 2025-26 interim, a tribally controlled community college receiving funding under this program is required to report to the Department of Commerce by August 1, 2026, regarding the use of grant funds and the department is required to provide a report to the Legislative Management by October 1, 2026, regarding the use of grant funds.	
Discretionary funds - Native American small business grant	Section 10 identifies of the $2,150,000 appropriated from the general fund in Section 1, $600,000 is designated for a grant to support an organization dedicated to assisting Native American small businesses in North Dakota.		
Infrastructure study		Section 15 identifies $100,000 of one-time funding appropriated from the general fund in Section 1 is for contracting for a study of infrastructure necessary to implement Section 17 this Act.	
Amendment - North Dakota Development Fund		Section 16 amends Subsection 1 of Section 10-30.5-02 to allow the North Dakota Development Fund to form a management and operations entity and to be able to enter joint ventures.	
Amendment - Tribal-state gaming compact		Section 17 amends Subsection 5 of Section 54-58-03 related to the tribal-state gaming compact to allow gaming in Grand Forks County.	

Other Sections in Department of Commerce - Budget No. 601

Section Description	Senate Version	House Version	
Amendment - Department of Commerce grant reporting requirements	Section 11 creates a new section to Chapter 54-60 to require the Department of Commerce to report to the Budget Section semiannually regarding grants administered by the department, excluding federally funded programs.	Section 18 creates a new section to Chapter 54-60 to require the Department of Commerce to report to the Budget Section semiannually regarding grants administered by the department, excluding federally funded programs.	
Amendment - UAS program		Section 19 amends Section 54-60-28 to provide the Northern Plains UAS Test Site authority to enter contracts for the UAS program.	
Amendment - UAS program fund		Section 20 amends Section 54-60-29 to clarify the sources of funds that can be deposited in the UAS fund.	
Amendment - Beyond visual line of sight UAS program		Section 21 amends Section 54-60-29.1 to provide the Northern Plains UAS Test Site authority to enter contracts for the beyond visual line of sight UAS program.	
Amendment - Office of Legal Immigration renamed the Office of Global Talent or Global Talent Office	Section 12 amends Section 54-60-31 to change the name of the Office of Legal Immigration to the Office of Global Talent.	Section 22 amends Section 54-60-31 to change the name of the Office of Legal Immigration to the Global Talent Office.	
Amendment - Senate Bill No. 2019 (2023) - Theodore Roosevelt presidential library		Section 23 amends Section 3 of Chapter 51 of the 2023 Session Laws to provide the 2023-25 biennium Bank of North Dakota line of credit for the Theodore Roosevelt Presidential Library project is authorized for $20 million instead of $70 million.	
Amendment - House Bill No. 1019 (2025) - Theodore Roosevelt presidential library		Section 24 amends Subsection 13 of Section 9 of House Bill No. 1019 (2025) to provide an exemption to authorize the Parks and Recreation Department to continue $20 million instead of $70 million from the 2023-25 biennium Bank of North Dakota line of credit for the Theodore Roosevelt Presidential Library into the 2025-27 biennium.	
Exemption - Community development block grant	Subsection 1 of Section 13 allows 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.	Subsection 1 of Section 25 allows 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 allows 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.	Subsection 2 of Section 25 allows 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 allows 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.	Subsection 3 of Section 25 allows 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 allows 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.	Subsection 4 of Section 25 allows 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.	

Other Sections in Department of Commerce - Budget No. 601

Section Description	Senate Version	House Version	
Exemption - Workforce programs	Subsection 5 of Section 13 allows 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.	Subsection 5 of Section 25 allows 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 6 of Section 13 allows 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.	Subsection 6 of Section 25 allows 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 7 of Section 13 allows 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.	Subsection 7 of Section 25 allows 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 8 of Section 13 allows 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.	Subsection 8 of Section 25 allows 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.	
Exemption - Discretionary funds	Subsection 9 of Section 13 allows 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.	Subsection 9 of Section 25 allows 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 13 of Section 13 allows 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.	Subsection 10 of Section 25 allows 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 13 of Section 13 allows 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.	Subsection 11 of Section 25 allows 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 allows 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 program into the 2025-27 biennium and authorize the department to use the funding for operating expenses related to the program.	Subsection 12 of Section 25 allows 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 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 13 of Section 13 allows 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.	Subsection 13 of Section 25 allows 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.	
Exemption - Entrepreneurship grants and vouchers program		Subsection 14 of Section 25 allows the Department of Commerce to continue any remaining funds of the $740,966 appropriated from the general fund and $207,511 appropriated from the economic development fund during the 2023-25 biennium for the entrepreneurship grants and vouchers program into the 2025-27 biennium.	

Other Sections in Department of Commerce - Budget No. 601

Section Description	Senate Version	House Version	
Exemption - Office of Legal Immigration	Subsection 14 of Section 13 allows 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.	Subsection 15 of Section 25 allows 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.	
Emergency		Section 26 declares the $16,000,000 of one-time funding appropriated in Section 1 from SIIF for an uncrewed aerial vehicle replacement program and the program requirements in Section 13 an emergency measure.	

The information technology department, in consultation with the commerce department and test site may implement an enterprise uncrewed aerial vehicle data management solution. An enterprise uncrewed aerial vehicle data management solution implemented under this section must ensure all data collected, transmitted, stored, and consumed by an uncrewed aerial vehicle remain under the control of the state."

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

SB 2018
4/18/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; relating to department of commerce grant reporting requirements; relating to changing the name of the office of legal immigration to the office of global talent; to provide for a transfer; to provide an exemption; and to provide for a legislative management report.

8:26 a.m. Chairman Vigesaa called the meeting to order.

Members present: Chairman Vigesaa, Vice Chairman Kempenich, Representatives Anderson, Berg, Bosch, Brandenburg, Fisher, Hanson, Martinson, Meier, Mitskog, Monson, Murphy, Nathe, Nelson, O'Brien, Pyle, Richter, Sanford, Stemen, Swiontek, Wagner

Representative: Louser

Discussion Topics:

- Committee Action

8:28 a.m. Representative Nathe introduced Amendment LC #25.0185.02011, #45076.

8:54 a.m. Levi Kinnischtzke, Senior Fiscal Analyst, Fiscal Division of ND Legislative Council answered questions.

9:11 a.m. Representative Nathe moved Amendment LC #25.0185.02011.

9:11 a.m. Representative Stemen seconded the motion.

9:12 a.m. Roll Call Vote

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Mike Berg	Y
Representative Glenn Bosch	Y
Representative Mike Brandenburg	Y
Representative Jay Fisher	Y
Representative Karla Rose Hanson	Y
Representative Scott Louser	AB
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative David Monson	Y

Representative Eric J. Murphy	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy L. Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Gregory Stemen	Y
Representative Steve Swiontek	Y
Representative Scott Wagner	Y

9:12 a.m. Motion passed 22-0-1.

9:12 a.m. Representative Brandenburg introduced Amendment LC #25.0185.02013, #45080.

9:13 a.m. Representative Brandenburg moved Amendment LC #25.0185.02013.

9:14 a.m. Representative Nathe seconded the motion.

9:15 a.m. Roll Call Vote

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Mike Berg	Y
Representative Glenn Bosch	Y
Representative Mike Brandenburg	Y
Representative Jay Fisher	Y
Representative Karla Rose Hanson	Y
Representative Scott Louser	AB
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative David Monson	Y
Representative Eric J. Murphy	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy L. Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Gregory Stemen	Y
Representative Steve Swiontek	Y
Representative Scott Wagner	Y

9:15 a.m. Motion passed 22-0-1.

9:16 a.m. Representative Bosch moved to further amend to add verbiage to Section 8 to add free admission to Theodore Roosevelt Library for children 17 and under.

9:17 a.m. Representative Brandenburg seconded the motion.

9:26 a.m. Roll Call Vote

Representatives	Vote
Representative Don Vigesaa	N
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Mike Berg	N
Representative Glenn Bosch	Y
Representative Mike Brandenburg	Y
Representative Jay Fisher	Y
Representative Karla Rose Hanson	Y
Representative Scott Louser	AB
Representative Bob Martinson	N
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative David Monson	Y
Representative Eric J. Murphy	AB
Representative Mike Nathe	N
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy L. Pyle	Y
Representative David Richter	AB
Representative Mark Sanford	Y
Representative Gregory Stemen	Y
Representative Steve Swiontek	Y
Representative Scott Wagner	N

9:26 a.m. Motion passed 15-5-3.

9:27 a.m. Representative Nathe moved Do Pass as Amended.

9:27 a.m. Representative Monson seconded the motion.

9:27 a.m. Roll Call Vote

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Mike Berg	Y
Representative Glenn Bosch	Y
Representative Mike Brandenburg	Y
Representative Jay Fisher	Y
Representative Karla Rose Hanson	Y
Representative Scott Louser	AB

Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative David Monson	Y
Representative Eric J. Murphy	AB
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy L. Pyle	Y
Representative David Richter	AB
Representative Mark Sanford	Y
Representative Gregory Stemen	Y
Representative Steve Swiontek	Y
Representative Scott Wagner	Y

9:27 a.m. Motion passed 20-0-3.

9:27 a.m. Representative Nathe will carry the bill.

9:28 a.m. Chairman Vigesaa adjourned the meeting.

Krystal Eberle, Committee Clerk

25.0185.02014
Title.03000
Fiscal No. 9

Prepared by the Legislative Council staff for House Appropriations Committee

April 18, 2025

CO
4/21/25
1 of 25

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO FIRST ENGROSSMENT

ENGROSSED SENATE BILL NO. 2018

Introduced by

Appropriations Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; to provide an appropriation to the attorney general; to provide an appropriation to the department of career and technical education; to provide a contingent appropriation; to create and enact a new section to chapter 54-60 of the North Dakota Century Code, relating to department of commerce grant reporting requirements; to amend and reenact ~~section~~subsection 1 of section 10-30.5-02, subsection 5 of section 54-58-03, sections 54-60-09, 54-60-19, 54-60-28, 54-60-29, 54-60-29.1, and 54-60-31 of the North Dakota Century Code and section 3 of chapter 51 of the 2023 Session Laws and subsection 13 of section 9 of House Bill No. 1019, as approved by the sixty-ninth legislative assembly, relating to the purpose of the North Dakota development fund, a tribal-state gaming compact that permits gaming in Grand Forks County, duties and talent strategy of the division of workforce development, the uncrewed aircraft systems program, the uncrewed aircraft systems program fund, the beyond visual line of sight uncrewed aircraft system program, changing the name of the office of legal immigration to the ~~office of~~ global talent office, and the Theodore Roosevelt presidential library project; to authorize a Bank of North Dakota line of credit; to provide for a transfer; to provide an application; to provide an exemption; ~~and~~ to provide for a legislative management report; and to declare an emergency.

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 other funds derived from special funds and federal funds, 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:

	Base Level	Adjustments or Enhancements	Appropriation
~~Salaries and wages~~	~~$15,785,306~~	~~$1,723,056~~	~~$17,508,362~~
Salaries and wages	$15,785,306	$1,912,342	$17,697,648
New and vacant FTE pool	0	582,600	582,600
~~Operating expenses~~	~~19,462,643~~	~~9,210,023~~	~~28,672,666~~
~~Grants~~	~~47,636,118~~	~~40,746,197~~	~~88,382,315~~
Operating expenses	19,462,643	7,220,023	26,682,666
Grants	47,636,118	81,121,197	128,757,315
Discretionary funds	2,150,000	0	2,150,000
~~Workforce programs~~	~~0~~	~~8,000,000~~	~~8,000,000~~
Workforce programs	0	13,000,000	13,000,000
Partner programs	907,920	0	907,920
Entrepreneurship grants and vouchers	948,467	759,044	1,707,511
~~Total all funds~~	~~$86,890,454~~	~~$61,020,920~~	~~$147,911,374~~
~~Less other funds~~	~~53,344,371~~	~~52,870,336~~	~~106,214,707~~
~~Total general fund~~	~~$33,546,083~~	~~$8,150,584~~	~~$41,696,667~~
~~Full-time equivalent positions~~	~~62.80~~	~~(1.00)~~	~~61.80~~
Total all funds	$86,890,454	$104,595,206	$191,485,660
Less other funds	53,344,371	96,245,336	149,589,707
Total general fund	$33,546,083	$8,349,870	$41,895,953
Full-time equivalent positions	62.80	3.00	65.80

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

One-Time Funding Description	General Fund	Other Funds	Total
Temporary salaries	$50,000	$103,590	$153,590
~~Tourism marketing awareness~~	~~0~~	~~7,000,000~~	~~7,000,000~~
Tourism marketing awareness	0	5,000,000	5,000,000
Operation intern	2,000,000	0	2,000,000
~~Office of global talent~~	~~1,000,000~~	~~0~~	~~1,000,000~~
~~Tourism destination development grants~~	~~0~~	~~20,000,000~~	~~20,000,000~~
~~Beyond visual line of sight uncrewed aircraft system program~~	~~0~~	~~10,000,000~~	~~10,000,000~~
Global talent office	1,000,000	0	1,000,000
Tourism destination development grants	0	25,000,000	25,000,000
Uncrewed aerial vehicle replacement grant program	0	16,000,000	16,000,000
Uncrewed aircraft system program grants	0	1,000,000	1,000,000
Beyond visual line of sight uncrewed aircraft system program	0	20,000,000	20,000,000
Enhanced use lease grant	0	5,000,000	5,000,000
~~Autonomous agriculture grants~~	~~0~~	~~5,000,000~~	~~5,000,000~~
Autonomous agriculture grants	0	10,000,000	10,000,000
Base enhancement grants	0	1,000,000	1,000,000
Tribally controlled community college grants	750,000	0	750,000
Native American small business grant	0	600,000	600,000
Historic theater restoration grant	0	1,100,000	1,100,000
Historic opera house restoration grant	0	250,000	250,000
Historic theater improvement grant	0	250,000	250,000
Medora transportation improvement grant	0	1,000,000	1,000,000
Community hall grant	0	175,000	175,000
Entrepreneurship grants and vouchers	759,044	0	759,044
Regional workforce impact program grants	0	5,000,000	5,000,000
Find the good life initiative	0	5,000,000	5,000,000
Technical skills training grants	2,000,000	0	2,000,000

~~Total~~	~~$6,559,044~~	~~$53,103,590~~	~~$59,662,634~~
Total	$6,559,044	$96,478,590	$103,037,634

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The department of commerce may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. CONTINGENT APPROPRIATION - DEPARTMENT OF COMMERCE - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - CHILDREN'S EDUCATION SCIENCE CENTER GRANTS - ONE-TIME FUNDING. There is appropriated out of any moneys in the strategic investment and improvements fund, not otherwise appropriated, the sum of $10,000,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of providing grants of up to $5,000,000 to support the construction of children's education science centers in cities in the state with a population of at least 50,000 residents, for the biennium beginning July 1, 2025, and ending June 30, 2027. The funding appropriated in this section is available only if the state treasurer certifies to the office of management and budget that oil and gas tax revenue allocations to the strategic investment and improvements fund under section 57-51.1-07.5 have exceeded $410,000,000 during the 2025-27 biennium. The appropriation in this section is considered a one-time funding item.

SECTION 5. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - ATTORNEY GENERAL - AUTONOMOUS TECHNOLOGY GRANTS - MATCHING FUNDS REQUIREMENT - ONE-TIME FUNDING - LEGISLATIVE MANAGEMENT REPORT.

1. There is appropriated out of any moneys in the strategic investment and improvements fund, not otherwise appropriated, the sum of $250,000, or so much of the sum as may be necessary, to the attorney general for the purpose of providing autonomous technology grants to individuals or entities that aid the bureau of criminal investigation in conducting missing person searches, crime scene reconstruction, and law enforcement first response operations, for the biennium beginning July 1, 2025, and ending June 30, 2027. The appropriation in this section is considered a one-time funding item.

2. For purposes of this section, autonomous technology includes uncrewed aircraft systems; autonomous vehicles; or other autonomous systems, processes, or technologies.
3. The attorney general shall develop an application process and guidelines for the grants, including eligibility criteria, matching requirements, eligible uses of grant funding, and maximum grant awards. To be eligible for a grant, an individual or entity shall certify to the attorney general that the operation of the autonomous technology is related to conducting missing person searches, crime scene reconstruction, and law enforcement first response operations. The attorney general may require an individual or entity to provide one dollar of matching funds for every four dollars awarded by the state. An individual or entity may use grant funding for autonomous technology operations, contracting for services related to autonomous technology, or other eligible uses as determined by the attorney general.
4. During the 2025-26 interim, the attorney general shall provide at least one report to the legislative management regarding the grants, including a list of grant recipients, the amounts awarded, and a description of the use of the grant funding.

SECTION 6. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - DEPARTMENT OF CAREER AND TECHNICAL EDUCATION - AUTONOMOUS TECHNOLOGY GRANTS - MATCHING FUNDS REQUIREMENT - ONE-TIME FUNDING - LEGISLATIVE MANAGEMENT REPORT.

1. There is appropriated out of any moneys in the strategic investment and improvements fund, not otherwise appropriated, the sum of $250,000, or so much of the sum as may be necessary, to the department of career and technical education for the purpose of providing autonomous technology grants to a workforce training center serving the northwest area of the state for providing workforce training to address workforce shortages in the state, including shortages in the oil and gas industry, for the biennium beginning July 1, 2025, and ending June 30, 2027. The appropriation in this section is considered a one-time funding item.
2. For purposes of this section, autonomous technology includes uncrewed aircraft systems; autonomous vehicles; or other autonomous systems, processes, or technologies.

3. The department of career and technical education shall develop an application process and guidelines for the grants, including eligibility criteria, matching requirements, eligible uses of grant funding, and maximum grant awards. To be eligible for a grant, a workforce training center shall certify to the department of career and technical education that the operation of the autonomous technology is related to workforce training to address workforce shortages in the state, including shortages in the oil and gas industry. The department of career and technical education may require a workforce training center to provide one dollar of matching funds for every four dollars awarded by the state. A workforce training center may use grant funding for education or training curriculum expenses related to autonomous technology, autonomous technology operations, contracting for services related to autonomous technology, or other eligible uses as determined by the department of career and technical education.
4. During the 2025-26 interim, the department of career and technical education shall provide at least one report to the legislative management regarding the grants, including a list of grant recipients, the amounts awarded, and a description of the use of the grant funding.

SECTION 7. 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 8. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND AND BANK OF NORTH DAKOTA PROFITS TO THEODORE ROOSEVELT PRESIDENTIAL LIBRARY AND MUSEUM ENDOWMENT FUND - MATCHING FUNDS REQUIREMENT. The office of management and budget shall transfer $25,000,000 from the strategic investment and improvements fund and the Bank of North Dakota shall transfer $25,000,000 from the Bank's current earnings and undivided profits to the Theodore Roosevelt presidential library and museum endowment fund during the biennium beginning July 1, 2025, and ending June 30, 2027. The moneys may be transferred only to the extent a private entity involved with a presidential library and museum in the state has secured matching funds from nonstate sources on a dollar-for-dollar basis for deposit into the endowment fund and only if the entity overseeing

the Theodore Roosevelt presidential library certifies to the office of management and budget that a policy has been enacted allowing admission to the presidential library without a fee for individuals less than eighteen years of age.

SECTION 9. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO LEGACY INVESTMENT FOR TECHNOLOGY FUND. The office of management and budget shall transfer the sum of ~~$5,000,000~~$10,000,000 from the strategic investment and improvements fund to the legacy investment for technology fund for the purpose of providing legacy investment technology loans, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 10. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO NORTH DAKOTA DEVELOPMENT FUND - EXEMPTION - MATCHING FUNDS REQUIREMENT. The office of management and budget shall transfer the sum of $30,000,000 from the strategic investment and improvements fund to the North Dakota development fund for programs under chapter 10-30.5, for the biennium beginning July 1, 2025, and ending June 30, 2027. Notwithstanding section 10-30.5-02, the North Dakota development fund may use the funds provided in this section for nonprimary sector business activities and for grants only to the extent an eligible organization has secured matching funds from nonstate sources on a dollar-for-dollar basis.

SECTION 11. BANK OF NORTH DAKOTA LINE OF CREDIT - TRANSFER TO NORTH DAKOTA DEVELOPMENT FUND. The department of commerce may borrow up to $75,000,000 through a line of credit from the Bank of North Dakota during the biennium beginning July 1, 2025, and ending June 30, 2027, the proceeds of which must be transferred to the North Dakota development fund for programs under chapter 10-30.5. The interest rate associated with the line of credit may not exceed the prevailing interest rate charged to North Dakota governmental entities. The department of commerce shall repay the line of credit from moneys available in the North Dakota development fund. If the moneys available in the North Dakota development fund are not sufficient to repay the line of credit, the department of commerce shall request a deficiency appropriation from the seventieth legislative assembly to repay the line of credit.

SECTION 12. RURAL HEALTH CARE GRANT PROGRAM - MATCHING FUNDS REQUIREMENT. The grants line item in section 1 of this Act includes $444,000 from the

general fund for providing matching funds to an organization assisting in the recruitment, distribution, and supply, and enhancing the quality and efficiency of personnel providing health services in rural areas of the state. The department of commerce may spend the funds appropriated in this section only to the extent the organization has secured matching funds from nonstate sources on a dollar-for-dollar basis.

SECTION 13. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - MATCHING FUNDS REQUIREMENT - APPLICATION. The other funds line item in section 1 of this Act includes the sum of ~~$53,000,000~~$96,375,000 from the strategic investment and improvements fund, of which:

1. ~~$7,000,000~~$5,000,000 is for tourism marketing awareness, including $150,000 for supporting the continuation of ~~the~~a North Dakota state magazine ~~with the current publisher of the magazine~~;
2. ~~$20,000,000~~$16,000,000 is for an uncrewed aerial vehicle replacement program;
3. $25,000,000 is for tourism destination development grants;
~~3.~~4. $1,000,000 is for uncrewed aircraft systems program grants;
5. ~~$10,000,000~~$20,000,000 is for the beyond visual line of sight uncrewed aircraft system program;
~~4.~~6. $5,000,000 is for the enhanced use lease grant program;
~~5.~~7. ~~$5,000,000~~$10,000,000 is for autonomous agriculture grants~~, which may be provided for autonomous trucking grants~~;
~~6.~~8. $1,000,000 is for providing base enhancement grants to communities with an air force base or air national guard facilities, including $600,000 to eligible organizations in Minot, $250,000 to eligible organizations in Grand Forks, and $150,000 to eligible organizations in Fargo; ~~and~~
~~7.~~9. $600,000 is for a Native American small business grant;
10. $1,100,000 is for a historic theater restoration grant, which the department of commerce may spend only to the extent an organization has secured one dollar of matching funds from nonstate sources for every one dollar provided by the department of commerce;
11. $250,000 is for a historic opera house restoration grant;
12. $250,000 is for a historic theater improvement grant;

13. $1,000,000 is for a Medora transportation improvement grant;

14. $175,000 is for a community hall grant;

15. $5,000,000 is for regional workforce impact program grants; and

16. $5,000,000 is for the find the good life initiative.

The requirements of chapter 54-44.4 do not apply to the selection of a grant recipient, the grant award, or payments made under this section.

SECTION 14. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - UNCREWED AERIAL VEHICLE REPLACEMENT PROGRAM - LEGISLATIVE MANAGEMENT REPORT. The other funds line item in section 1 of this Act includes the sum of $16,000,000 which the department of commerce shall use for the purpose of administering an uncrewed aerial vehicle replacement program, for the period beginning with the effective date of this Act, and ending June 30, 2027.

1. The department of commerce shall collaborate with the uncrewed aircraft systems test site established in section 54-60-28 and state agencies, including institutions under the control of the state board of higher education, to replace uncrewed aerial vehicles owned by the state which do not comply with requirements of the federal National Defense Authorization Act and the American Security Drone Act of 2023. The information technology department, in consultation with the department of commerce and the uncrewed aircraft systems test site, may implement an enterprise uncrewed aerial vehicle data management solution. An enterprise uncrewed aerial vehicle data management solution implemented under this section must ensure all data collected, transmitted, stored, and consumed by an uncrewed aerial vehicle remain under the control of the state. As used in this section "enterprise uncrewed aerial vehicle data management solution" means a system for secure, end-to-end data collection, transportation, storage, processing, and consumption through enterprise software. A state agency owning an uncrewed aerial vehicle before January 1, 2025, is eligible to receive a new uncrewed aerial vehicle that is in compliance with federal requirements and is of equivalent capability to the agency's existing uncrewed aerial vehicle. The department of commerce shall purchase each uncrewed aerial vehicle based on the needs of the agency and a recommendation from the uncrewed aircraft systems test site and provide the uncrewed aerial vehicle to the agency. The department of

commerce shall use a portion of the funding provided in this section to pay for training needed for agency staff to operate the new uncrewed aerial vehicle. The department of commerce and uncrewed aircraft systems test site shall give priority to state agencies willing to share uncrewed aerial vehicles rather than purchasing multiple uncrewed aerial vehicles.

2. Any uncrewed aerial vehicle replaced under this section must be remitted to the uncrewed aircraft systems test site for proper decommissioning and disposal pursuant to federal and state regulations, which may include the sale of uncrewed aerial vehicles to the United States department of homeland security at market rates for use in the counter unmanned aircraft system program. The department of commerce shall remit any funding received under this section to the state treasurer for deposit in the general fund.

3. The department of commerce shall maintain an inventory of uncrewed aerial vehicles purchased for state agencies under this section and encourage state agencies to use the state beyond visual line of sight program. The uncrewed aircraft systems test site shall provide guidance to state agencies regarding the integration of uncrewed aerial vehicles into the beyond visual line of sight system and proper maintenance schedules for uncrewed aerial vehicles. The uncrewed aircraft systems test site shall establish a centralized system for state agencies to register uncrewed aerial vehicles and authorized operators for accessing the beyond visual line of sight system and shall provide operational support when state agencies use uncrewed aircraft systems test site integrated platforms.

4. During the 2025-26 interim, the department of commerce shall compile information from state agencies and provide a report to the legislative management by June 30, 2026, regarding the status of the program, funding spent on uncrewed aerial vehicle replacements and training costs, the number of uncrewed aerial vehicles replaced in each state agency, the number of uncrewed aerial vehicles sold or disposed, and any future needs for each state agency to be compliant with the federal National Defense Authorization Act and the American Security Drone Act of 2023.

SECTION 15. TRIBALLY CONTROLLED COMMUNITY COLLEGE GRANTS - LEGISLATIVE MANAGEMENT REPORT. The grants line item in section 1 of this Act includes

$750,000 from the general fund for the purpose of providing workforce development grants to a tribally controlled community college ~~in the Turtle Mountain area~~. To be eligible for a grant under this section, a tribally controlled community college shall partner with at least one high school in the state for programs under section 54-60.2-02. During the 2025-26 interim, a tribally controlled community college receiving funding under this program shall report to the department of commerce by August 1, 2026, regarding the use of grant funds and the department of commerce shall provide a report to the legislative management by October 1, 2026, regarding the use of grant funds.

~~**SECTION 12. DISCRETIONARY FUNDS - NATIVE AMERICAN SMALL BUSINESS GRANT.** The discretionary funds line item in section 1 of this Act includes $2,150,000 from the general fund, of which $600,000 is designated for a grant to support an organization dedicated to assisting Native American small businesses in North Dakota.~~

SECTION 16. DEPARTMENT OF COMMERCE - INFRASTRUCTURE STUDY. The department of commerce shall conduct a study of necessary infrastructure, including an analysis of the current status of surrounding county roads, the interstate highway system, water and sewer, fiber optics, and any other infrastructure improvements needed for the successful implementation of section 18 of this Act during the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 17. AMENDMENT. Subsection 1 of section 10-30.5-02 of the North Dakota Century Code is amended and reenacted as follows:

1. It is the purpose of this chapter to create a statewide nonprofit development corporation that will have the authority to take equity positions in, to provide loans to, ~~or~~to form a management and operations entity, and to use other innovative financing mechanisms to provide capital for new or expanding businesses in this state, or relocating businesses to this state. The corporation's principal mission is the development and expansion of primary sector business in this state. The corporation may form additional corporations, limited liability companies, partnerships, joint ventures, or other forms of business associations in order to further its mission of primary sector economic development.

SECTION 18. AMENDMENT. Subsection 5 of section 54-58-03 of the North Dakota Century Code is amended and reenacted as follows:

5. The compact may not authorize gaming to be conducted by an Indian tribe at any off-reservation location not permitted under a tribal-state gaming compact in effect on August 1, 1997, except that in the case of the tribal-state gaming compact between the Turtle Mountain Band of Chippewa and the state, gaming may be conducted on land within Rolette County held in trust for the Band by the United States government which was in trust as of the effective date of the Indian Gaming Regulatory Act of 1988 [Pub. L. 100-497; 102 Stat. 2467; 25 U.S.C. 2701 et seq.] and on the following described real property situated within Grand Forks County, North Dakota, if approved by the secretary of the interior under the Indian Gaming Regulatory Act of 1988 [Pub. L. 100-497; 102 Stat. 2467; 25 U.S.C. 2701 et seq.]:

a. The south five and one-half acres of the east sixty-four acres of the northeast quarter, section thirty, township one hundred fifty-one, range fifty;

b. The west ninety-six acres of the northeast quarter of section thirty, township one hundred fifty-one, range fifty; and

c. The north fifty-eight and one-half acres of the east sixty-four acres of the northeast quarter of section thirty, township one hundred fifty-one, range fifty, except the north seven hundred ten and seventy-seven one-hundredths feet of the east six hundred forty-three and one-half feet thereof and except that part of the northeast quarter of the northeast quarter of section thirty, township one hundred fifty-one, range fifty west of the fifth principal meridian, described as follows: beginning at the northeast corner of section thirty; thence south zero degrees zero minutes zero seconds west, assumed bearing, along the east line of section thirty a distance of eight hundred and sixty and seventy-seven one-hundredths feet; thence south eighty-nine degrees thirty-six minutes zero seconds west seven hundred and three and one-half feet; thence north zero degrees zero minutes zero seconds east eight hundred and sixty and seventy-seven one-hundredths feet to the north line of section thirty; thence north eighty-nine degrees thirty-six minutes zero seconds east, along the north line of said section thirty, a distance of seven hundred and three and one-half feet to the point of beginning.

SECTION 19. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Reporting requirements - Budget section - Grant programs.

The department shall compile a report regarding grant programs administered by the department, excluding federally funded programs, to be provided semiannually to the budget section. The report must include the following for each grant program:

1. The purpose of the grant program;
2. Funding history;
3. The number of days the grant application was open to applicants;
4. The name of each grant recipient and the amount of each grant award; and
5. The distribution date of grant funds or the anticipated distribution date of grant funds.

SECTION 20. AMENDMENT. Section 54-60-09 of the North Dakota Century Code is amended and reenacted as follows:

54-60-09. Division of workforce development - Duties - Report.

The division of workforce development shall:

1. Actively monitor local, regional, and national private and public workforce development initiatives.
2. Develop and implement the state's talent strategy.
3. Develop and ~~implement a statewide intelligence coordination strategy~~continually refine the state workforce mission, vision, and strategies.
4. Conduct regular employer talent and skills supply and demand studies, the results of which must be reported to a standing committee of each house of the legislative assembly as determined by the legislative management during each regular legislative session.

SECTION 21. AMENDMENT. Section 54-60-19 of the North Dakota Century Code is amended and reenacted as follows:

54-60-19. Division of workforce development - Talent strategy - Performance and accountability - Report.

1. The division of workforce development, in developing and implementing the state's talent strategy, shall:

a. ~~Consult with partners in the state's system for workforce development, workforce training, and talent attraction~~Collect data on all workforce programs administered by state agencies, including job service North Dakota, the department of career and technical education, the superintendent of public instruction, the state board of higher education, the department of health and human services, and other divisions of the department of commerce, to determine standard measurements of success and to compile and analyze the program data in a report to be provided to a standing committee of each house of the legislative assembly as determined by the legislative management during each regular legislative session.

b. Develop a comprehensive, consolidated biennial statewide strategic plan for the state's system for workforce development, workforce training, and talent attraction.

c. Continuously review, identify how to improve, and implement improvements to the state's system for workforce development, workforce training, and talent attraction.

d. ~~Develop linkages between partners of the state's system for workforce development, workforce training, and talent attraction, to assure coordination and nonduplication of programs and services provided in the state~~Review all workforce development programs administered by state agencies for the coordination and prevention of duplication of workforce development services.

2. The division of workforce development shall develop and implement a system of performance and accountability measures for the state's system for workforce development, workforce training, and talent attraction. Each partner of the state's system for workforce development, workforce training, and talent attraction shall cooperate in providing the division the data necessary to implement these measures.

SECTION 22. AMENDMENT. Section 54-60-28 of the North Dakota Century Code is amended and reenacted as follows:

54-60-28. Uncrewed aircraft systems program - Report to legislative management.

1. The department may operate and administer an uncrewed aircraft systems test site, contingent upon receiving official designation by the federal aviation administration.

The department may cooperate and contract with the university of North Dakota, the North Dakota aeronautics commission, the adjutant general, and other public or private entities as determined by the commissioner in the operation and administration of the test site. The department may charge fees sufficient to operate the test site. The department shall, to the extent possible, use competitive bidding in the operation and administration of the test site. The commissioner may charter a public corporation to operate the test site. The corporation must possess all of the powers of a business corporation consistent with this chapter. The department shall report to the legislative management semiannually on the status of the program.

2. In administering the uncrewed aircraft systems program, the uncrewed aircraft systems test site established in subsection 1 may:

   a. Enter contracts and agreements with public, private, and nonprofit organizations for projects, activities, and research topics, and for the operation and management of a public-private partnership under chapter 48-02.1;

   b. Enter partnerships, limited liability companies, joint ventures, or other contractual arrangements with private businesses for the purpose of business or industrial development; and

   c. Adopt policies governing ownership or transfer of ownership rights and distribution of income that may be derived from an invention or discovery resulting from research or employment in the uncrewed aircraft systems test site.

SECTION 23. AMENDMENT. Section 54-60-29 of the North Dakota Century Code is amended and reenacted as follows:

54-60-29. Uncrewed aircraft systems program fund - Continuing appropriation.

1. There is created in the state treasury a special fund known as the uncrewed aircraft systems fund, which may be used to defray the expenses of the:

   a. Operations of an uncrewed aircraft systems test site officially designated by the federal aviation administration;

   b. Beyond visual line of sight uncrewed aircraft system program; and

   c. Enhanced use lease grant program.

2. The fund consists of fees, royalties, gifts, grants, devises, bequests, donations, assignments, and other revenue collected for the administration of the test site and

federal and other funds appropriated by the legislative assembly. All moneys in the fund are appropriated to the department of commerce on a continuing basis for the purpose of defraying the expenses of the programs identified in subsection 1. Interest earned on moneys in the fund must be credited to the fund.

SECTION 24. AMENDMENT. Section 54-60-29.1 of the North Dakota Century Code is amended and reenacted as follows:

54-60-29.1. Beyond visual line of sight uncrewed aircraft system program - Requirements - Report to legislative management.

The department may establish and administer a beyond visual line of sight uncrewed aircraft system program for the design, purchase, implementation, and operating costs of a beyond visual line of sight uncrewed aircraft system. The department may enter contracts, agreements, and contractual arrangements and adopt policies related to the beyond visual line of sight uncrewed aircraft system program in the same manner authorized for the uncrewed aircraft system program under section 54-60-28. The department shall require any entity receiving funding for this program which is operating the beyond visual line of sight uncrewed aircraft system to provide quarterly payments to the state treasurer based on a fee structure determined by the commissioner. The state treasurer shall deposit any funds received under this section in the state general fund. The department shall provide semiannual reports to the legislative management regarding the development of the beyond visual line of sight uncrewed aircraft system program and the total amount deposited by the state treasurer in the state general fund.

SECTION 25. AMENDMENT. Section 54-60-31 of the North Dakota Century Code is amended and reenacted as follows:

54-60-31. ~~Office of legal immigrationglobal~~Global talent office - Duties.

There is created ~~an office of legal immigration~~a global talent office within the department of commerce. Employees of the ~~office of legal immigration~~global talent office report to the commissioner. The ~~office of legal immigration~~global talent office:

1. Shall develop and implement a statewide strategy to support businesses in recruiting and retaining foreign labor, including immigrants already in the United States and integration of immigrants into the state to promote economic opportunities for immigrant communities.

2. Shall advise and make recommendations to the governor, legislative assembly, and state agencies regarding immigrant integration and foreign labor issues.
3. Shall develop a pilot program to support businesses pursuing or employing legal immigrants and to support communities to develop immigration integration plans and activities.
4. May contract with other state agencies to develop and administer programs or services related to immigration integration and access to basic needs that promote entrance and movement throughout the workforce.
5. May contract with an organization with expertise related to the goals of the ~~office of legal immigration~~global talent office.

SECTION 26. AMENDMENT. Section 3 of chapter 51 of the 2023 Session Laws is amended and reenacted as follows:

SECTION 3. LINE OF CREDIT - THEODORE ROOSEVELT PRESIDENTIAL LIBRARY PROJECT.

1. The Bank of North Dakota shall extend a line of credit not to exceed ~~$70,000,000~~$20,000,000 to the parks and recreation department for the period beginning with the effective date of this Act, and ending June 30, 2027. The interest rate on the line of credit may not exceed the prevailing interest rate charged to North Dakota governmental entities.
2. The parks and recreation department may use the funds borrowed through the line of credit to support activities related to the Theodore Roosevelt presidential library project. The parks and recreation department shall require any entity receiving funds under this section to repay the funds to the department, including accrued interest.
3. The parks and recreation department may accept funds from participating entities and shall use the funds to repay the line of credit. If the amounts available are not anticipated to be sufficient to repay the line of credit by June 30, 2027, the department shall request a deficiency appropriation from the legislative assembly to repay the line of credit.
4. The department shall develop guidelines and rules for the use and repayment of this funding.

SECTION 27. AMENDMENT. Subsection 13 of section 9 of House Bill No. 1019, as approved by the sixty-ninth legislative assembly, is amended and reenact as follows:

13. The sum of ~~$70,000,000~~$20,000,000 appropriated from special funds derived from a Bank of North Dakota line of credit for the Theodore Roosevelt presidential library project in subdivision 1 of section 1 of chapter 51 of the 2023 Session Laws, which may be used only for providing reimbursement of construction costs associated with building the Theodore Roosevelt presidential library, including fixtures, furnishings, exhibit structures, supplies, and materials.

SECTION 28. EXEMPTION - UNEXPENDED APPROPRIATIONS. The following appropriations are not subject to the provisions of section 54-44.1-11 and any unexpended funds from these appropriations may be continued into the biennium beginning July 1, 2025, and ending June 30, 2027:

1. The sum of $3,000,000 appropriated from federal COVID-19 funds for the community development block grant program in section 1 of chapter 27 of the 2021 Session Laws and continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws.
2. The sum of $56,234,176 appropriated from federal COVID-19 funds for the state small business credit initiative program in section 2 of chapter 28 of the 2021 Session Laws and continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws.
3. The sum of $15,000,000 appropriated from the federal state fiscal recovery fund for the workforce development incentive grant program in subsection 38 of section 1 of chapter 550 of the 2021 Special Session Session Laws and continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws.
4. The sum of $5,000,000 appropriated from the federal state fiscal recovery fund for the technical skills training grant program in subsection 39 of section 1 of chapter 550 of the 2021 Special Session Session Laws and continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws.
5. The sum of $28,500,000 appropriated from the general fund for workforce programs, of which $12,000,000 was for workforce talent attraction initiative operating expenses, $12,500,000 was for workforce investment program grants, $2,000,000 was for

technical skills training grants, and $2,000,000 was for new Americans workforce development and training grants, in section 1 of chapter 18 of the 2023 Session Laws.

6. The sum of $25,000,000 appropriated from the strategic investment and improvements fund for the tourism destination development initiative in section 1 of chapter 18 of the 2023 Session Laws.

7. 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 the 2023 Session Laws.

8. The sum of $120,000,000 appropriated from federal funds for weatherization and energy assistance programs in section 1 of chapter 18 of the 2023 Session Laws.

9. 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.

10. The sum of $3,258,084 appropriated from federal funds for heating, furnace, and cooling assistance grants in section 1 of chapter 18 of the 2023 Session Laws.

11. The sum of $14,081,719 appropriated from federal funds for energy conservation assistance grants in section 1 of chapter 18 of the 2023 Session Laws.

12. The sum of $1,550,000 appropriated from federal funds for the parks and recreation program in section 1 of chapter 18 of the 2023 Session Laws, which may be used for operating expenses of the program.

13. The sum of $572,143 appropriated from federal funds for the state small business credit initiative program in section 1 of chapter 18 of the 2023 Session Laws.

14. The sum of $948,467, of which $740,956 is from the general fund and $207,511 is from the economic development fund, for the entrepreneurship grants and vouchers program in section 1 of chapter 18 of the 2023 Session Laws.

15. The sum of $2,000,000 appropriated from the general fund for the office of legal immigration in section 1 of chapter 639 of the 2023 Special Session Session Laws.

SECTION 29. EMERGENCY. The following are declared to be an emergency measure:

1. $3,000,000 appropriated from the general fund for the operation intern program in section 1 of this Act;

2. $16,000,000 appropriated from the strategic investment and improvements fund for an uncrewed aerial vehicle replacement program in section 1 of this Act; and

3. Section 14 of this Act.

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STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2018 - Summary of House Action

	Base Budget	Senate Version	House Changes	House Version
Department of Commerce				
Total all funds	$86,890,454	$147,911,374	$53,574,286	$201,485,660
Less estimated income	53,344,371	106,214,707	53,375,000	159,589,707
General fund	$33,546,083	$41,696,667	$199,286	$41,895,953
FTE	62.80	61.80	4.00	65.80
Attorney General				
Total all funds	$0	$0	$250,000	$250,000
Less estimated income	0	0	250,000	250,000
General fund	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00
Dept. of Career and Technical Education				
Total all funds	$0	$0	$250,000	$250,000
Less estimated income	0	0	250,000	250,000
General fund	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00
Bill total				
Total all funds	$86,890,454	$147,911,374	$54,074,286	$201,985,660
Less estimated income	53,344,371	106,214,707	53,875,000	160,089,707
General fund	$33,546,083	$41,696,667	$199,286	$41,895,953
FTE	62.80	61.80	4.00	65.80

Senate Bill No. 2018 - Attorney General - House Action

	Base Budget	Senate Version	House Changes	House Version
Autonomous technology grants			$250,000	$250,000
Total all funds	$0	$0	$250,000	$250,000
Less estimated income	0	0	250,000	250,000
General fund	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00

Department 125 - Attorney General - Detail of House Changes

	Adds One-Time Funding for Autonomous Technology Grants[1]	Total House Changes
Autonomous technology grants	$250,000	$250,000
Total all funds	$250,000	$250,000
Less estimated income	250,000	250,000
General fund	$0	$0
FTE	0.00	0.00

[1] One-time funding of $250,000 is appropriated from the strategic investment and improvements fund (SIIF) to the Attorney General for autonomous technology grants. A section is added to the bill to provide the Attorney General may require grant recipients to provide $1 of matching funds from nonstate sources for every $4 provided by the state. The Attorney General is required to report to the Legislative Management during the 2025-26 interim regarding the status of the grants.

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Senate Bill No. 2018 - Dept. of Career and Technical Education - House Action

	Base Budget	Senate Version	House Changes	House Version
Autonomous technology grants			$250,000	$250,000
Total all funds	$0	$0	$250,000	$250,000
Less estimated income	0	0	250,000	250,000
General fund	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00

Department 270 - Dept. of Career and Technical Education - Detail of House Changes

	Adds One-Time Funding for Autonomous Technology Grants[1]	Total House Changes
Autonomous technology grants	$250,000	$250,000
Total all funds	$250,000	$250,000
Less estimated income	250,000	250,000
General fund	$0	$0
FTE	0.00	0.00

[1] One-time funding of $250,000 is appropriated from SIIF to the Department of Career and Technical Education for autonomous technology grants. A section is added to the bill to provide the department may require grant recipients to provide $1 of matching funds from nonstate sources for every $4 provided by the state. The department is required to report to the Legislative Management during the 2025-26 interim regarding the status of the grants.

Senate Bill No. 2018 - Department of Commerce - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	$15,785,306	$17,508,362	$189,286	$17,697,648
New and vacant FTE pool		582,600		582,600
Operating expenses	19,462,643	28,672,666	(1,990,000)	26,682,666
Grants	47,636,118	88,382,315	40,375,000	128,757,315
Childrens education science center grant			10,000,000	10,000,000
Discretionary funds	2,150,000	2,150,000		2,150,000
Workforce programs		8,000,000	5,000,000	13,000,000
Entrepreneurship grants and vouchers	948,467	1,707,511		1,707,511
Partner programs	907,920	907,920		907,920
Total all funds	$86,890,454	$147,911,374	$53,574,286	$201,485,660
Less estimated income	53,344,371	106,214,707	53,375,000	159,589,707
General fund	$33,546,083	$41,696,667	$199,286	$41,895,953
FTE	62.80	61.80	4.00	65.80

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Department 601 - Department of Commerce - Detail of House Changes

	Restores Funding for an FTE Position[1]	Adds FTE Positions[2]	Adds One-Time Funding for Operating and Grants[3]	Adds Contingent Funding for Children's Education Science Center Grants[4]	Total House Changes
Salaries and wages	$189,286				$189,286
New and vacant FTE pool					
Operating expenses	10,000		($2,000,000)		(1,990,000)
Grants			40,375,000		40,375,000
Childrens education science center grant				$10,000,000	10,000,000
Discretionary funds					
Workforce programs			5,000,000		5,000,000
Entrepreneurship grants and vouchers					
Partner programs					
Total all funds	$199,286	$0	$43,375,000	$10,000,000	$53,574,286
Less estimated income	0	0	43,375,000	10,000,000	53,375,000
General fund	$199,286	$0	$0	$0	$199,286
FTE	1.00	3.00	0.00	0.00	4.00

[1] Funding of $199,286 from the general fund for 1 undesignated FTE position that was removed by the Senate is restored by the House, including $189,286 for salaries and wages and $10,000 for operating expenses.

[2] The House amendment adds 3 FTE positions as ongoing positions that were previously authorized for the 2023-25 biennium as one-time FTE positions as a result of $120 million of one-time federal funding becoming available for weatherization and energy programs from the Infrastructure Investment and Jobs Act and Inflation Reduction Act. The funding for the positions is included in a separate section of the bill authorizing the Department of Commerce an exemption to continue unspent federal funding from the $120 million appropriated for the 2023-25 biennium into the 2025-27 biennium. The Senate added the exemption section but not the FTE positions.

[3] One-time funding from the strategic investment and improvements fund (SIIF) is adjusted as follows:

	SIIF
Reduces funding for tourism marketing awareness operating expenses to provide a total of $5 million. The Senate added $7 million for this program.	($2,000,000)
Adds funding for an uncrewed aerial vehicle replacement grant program. The Senate did not add funding for this program.	16,000,000
Adds funding for tourism destination development grants to provide a total of $25 million. The Senate added $20 million for this program.	5,000,000
Adds funding for uncrewed aircraft system (UAS) grants. The Senate did not add funding for this program.	1,000,000
Adds funding for beyond visual line of sight UAS grants to provide a total of $20 million. The Senate added $10 million for this program.	10,000,000
Adds funding for autonomous agriculture grants to provide a total of $10 million. The Senate added $5 million for this program.	5,000,000
Adds funding for a Native American small business grant. The Senate provided this funding as part of the $2,150,000 from the general fund in the base budget for discretionary funds.	600,000
Adds funding for a historic theater restoration grant. This funding is also included in House Bill No. 1018 (2025).	1,100,000
Adds funding for a historic opera house restoration grant. This funding is also included in House Bill No. 1018 (2025).	250,000
Adds funding for a historic theater improvement grant. This funding is also included in House Bill No. 1018 (2025).	250,000
Adds funding for a Medora transportation improvement grant. This funding is also included in House Bill No. 1018 (2025).	1,000,000
Adds funding for a community hall grant. The Senate did not provide funding for this grant.	175,000
Adds funding for the find the good life initiative. The Senate did not add funding for this program.	5,000,000
Total	$43,375,000

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[4] One-time funding of $10 million is appropriated from SIIF in a separate section for providing grants of up to $5 million to support the construction of children's education science centers in cities in the state with a population of at least 50,000 residents. The funding is available only if oil and gas tax revenue allocations to SIIF exceed $410 million during the 2025-27 biennium.

Senate Bill No. 2018 - Other Changes - House Action

This amendment also:

- Adds a section to appropriate $10 million of one-time funding from SIIF to the Department of Commerce for providing grants of up to $5 million each to support the construction of children's education science centers in cities in the state with a population of at least 50,000 residents. The funding is available only if oil and gas tax revenue allocations to SIIF exceed $410 million during the 2025-27 biennium.
- Adds a section to provide for a $25 million transfer from SIIF and a $25 million transfer from Bank of North Dakota profits to the Theodore Roosevelt presidential library and museum endowment fund. The moneys can be transferred only to the extent a private entity involved with a presidential library and museum in the state has secured matching funds from nonstate sources on a $1 for $1 basis for deposit in the endowment fund and only if the oversight entity for the Theodore Roosevelt presidential library establishes a policy to not charge an admission fee to children under 18 years of age to visit the presidential library. The Senate did not add funding for this purpose.
- Amends a section to provide for a transfer of $10 million from SIIF to the legacy investment for technology (LIFT) fund. The Senate provided for a $5 million transfer from SIIF to the LIFT fund.
- Amends a section to provide the North Dakota Development Fund may use funding transferred from SIIF for non-primary sector business activities and for grants only to the extent an eligible organization has secured matching funds from nonstate sources on a dollar-for-dollar basis.
- Adds a section to authorize the Department of Commerce to borrow up to $75 million through a Bank of North Dakota line of credit to be transferred to the North Dakota Development Fund.
- Amends a section identifying $96,375,000 appropriated in Section 1 from SIIF. The Senate appropriated $53,000,000 in Section 1 from SIIF.
- Adds a section identifying $16 million appropriated in Section 1 from SIIF for an uncrewed aerial vehicle replacement program and requirements of the program. The Senate did not include this section.
- Amends a section added by the Senate regarding tribally controlled community college grants.
- Removes a section added by the Senate that provided of the $2,150,000 appropriated from the general fund for discretionary funds, $600,000 must be used for a Native American small business grant. The House appropriated the $600,000 for the program from SIIF.
- Adds a section to require the Department of Commerce to conduct an infrastructure study related to the authorization of gaming in Grand Forks County.
- Amends North Dakota Century Code Section 10-30.5-02 to allow the North Dakota Development Fund to form a management and operations entity and to be able to enter joint ventures.
- Adds a section to amend Subsection 5 of Section 54-58-03 related to the tribal-state gaming compact to allow gaming in Grand Forks County.
- Adds a section to amend Section 54-60-09 to provide the Workforce Development Division continually refine the state workforce mission, vision, and strategies, and to conduct regular employer talent and skills supply and demand studies.
- Adds a section to amend Section 54-60-19 to provide the Workforce Development Division must collect data on all workforce programs administered by state agencies.
- Adds a section to amend Section 54-60-28 to provide the Northern Plains Unmanned Aircraft System Test Site authority to enter contracts for the UAS program.
- Adds a section to amend Section 54-60-29 to clarify the sources of funding that can be deposited in the UAS fund.
- Adds a section to amend Section 54-60-29.1 to provide the Northern Plains Unmanned Aircraft System Test Site authority to enter contracts for the beyond visual line of sight UAS program.
- Amends Section 54-60-31 to rename the Office of Legal Immigration as the Global Talent Office. The Senate amended the section to rename the Office of Legal Immigration as the Office of Global Talent.
- Amends Section 3 of Chapter 51 of the 2023 Session Laws to provide the 2023-25 biennium Bank of North Dakota line of credit provided to the Parks and Recreation Department for the Theodore Roosevelt Presidential Library project is authorized for $20 million instead of $70 million.
- Amends Subsection 13 of Section 9 of House Bill No. 1019 (2025) to provide an exemption to authorize the Parks and Recreation Department to continue $20 million instead of $70 million from the 2023-25 biennium Bank of North Dakota line of credit for the Theodore Roosevelt Presidential Library into the 2025-27 biennium.
- Amends a subsection of the exemption section of the bill to clarify funding for the parks and recreation program can be used for operating expenses of the program.

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- Adds a new subsection to the exemption section of the bill to provide the department an exemption for any unspent funding for the entrepreneurship grants and vouchers program.
- Adds a section to provide the $3 million appropriated in Section 1 from the general fund for the operation intern program, the $16 million of one-time funding appropriated in Section 1 from SIIF for an uncrewed aerial vehicle replacement program, and Section 14, emergency measures.

REPORT OF STANDING COMMITTEE
ENGROSSED SB 2018

Appropriations Committee (Rep. Vigesaa, Chairman) recommends **AMENDMENTS (25.0185.02014)** and when so amended, recommends **DO PASS** (20 YEAS, 0 NAYS, 3 ABSENT OR EXCUSED AND NOT VOTING). Engrossed SB 2018 was placed on the Sixth order on the calendar.

25.0185.02011
Title.
Fiscal No. 6

Prepared by the Legislative Council staff for House Appropriations - Education and Environment Division Committee
April 16, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO FIRST ENGROSSMENT

ENGROSSED SENATE BILL NO. 2018

Introduced by

Appropriations Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; to provide an appropriation to the attorney general; to provide an appropriation to the department of career and technical education; to provide a contingent appropriation; to create and enact a new section to chapter 54-60 of the North Dakota Century Code, relating to department of commerce grant reporting requirements; to amend and reenact ~~section~~subsection 1 of section 10-30.5-02, subsection 5 of section 54-58-03, sections 54-60-09, 54-60-19, 54-60-28, 54-60-29, 54-60-29.1 and 54-60-31 of the North Dakota Century Code and section 3 of chapter 51 of the 2023 Session Laws and subsection 13 of section 9 of House Bill No. 1019, as approved by the sixty-ninth legislative assembly, relating to the purpose of the North Dakota development fund, a tribal-state gaming compact that permits gaming in Grand Forks County, duties and talent strategy of the division of workforce development, the uncrewed aircraft systems program, the uncrewed aircraft systems program fund, the beyond visual line of sight uncrewed aircraft system program, changing the name of the office of legal immigration to the ~~office of~~ global talent office, and the Theodore Roosevelt presidential library project; to authorize a Bank of North Dakota line of credit; to provide for a transfer; to provide an exemption; ~~and~~ to provide for a legislative management report; and to declare an emergency.

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 other funds derived from special funds and federal funds, 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:

	Base Level	Adjustments or Enhancements	Appropriation
~~Salaries and wages~~	~~$15,785,306~~	~~$1,723,056~~	~~$17,508,362~~
Salaries and wages	$15,785,306	$1,912,342	$17,697,648
New and vacant FTE pool	0	582,600	582,600
~~Operating expenses~~	~~19,462,643~~	~~9,210,023~~	~~28,672,666~~
~~Grants~~	~~47,636,118~~	~~40,746,197~~	~~88,382,315~~
Operating expenses	19,462,643	7,220,023	26,682,666
Grants	47,636,118	81,121,197	128,757,315
Discretionary funds	2,150,000	0	2,150,000
~~Workforce programs~~	~~0~~	~~8,000,000~~	~~8,000,000~~
Workforce programs	0	13,000,000	13,000,000
Partner programs	907,920	0	907,920
Entrepreneurship grants and vouchers	948,467	759,044	1,707,511
~~Total all funds~~	~~$86,890,454~~	~~$61,020,920~~	~~$147,911,374~~
~~Less other funds~~	~~53,344,371~~	~~52,870,336~~	~~106,214,707~~
~~Total general fund~~	~~$33,546,083~~	~~$8,150,584~~	~~$41,696,667~~
~~Full-time equivalent positions~~	~~62.80~~	~~(1.00)~~	~~61.80~~
Total all funds	$86,890,454	$104,595,206	$191,485,660
Less other funds	53,344,371	96,245,336	149,589,707
Total general fund	$33,546,083	$8,349,870	$41,895,953
Full-time equivalent positions	62.80	3.00	65.80

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

One-Time Funding Description	General Fund	Other Funds	Total
Temporary salaries	$50,000	$103,590	$153,590
~~Tourism marketing awareness~~	~~0~~	~~7,000,000~~	~~7,000,000~~
Tourism marketing awareness	0	5,000,000	5,000,000
Operation intern	2,000,000	0	2,000,000
~~Office of global talent~~	~~1,000,000~~	~~0~~	~~1,000,000~~
~~Tourism destination development grants~~	~~0~~	~~20,000,000~~	~~20,000,000~~
~~Beyond visual line of sight uncrewed aircraft system program~~	~~0~~	~~10,000,000~~	~~10,000,000~~
Global talent office	1,000,000	0	1,000,000
Tourism destination development grants	0	25,000,000	25,000,000
Uncrewed aerial vehicle replacement grant program	0	16,000,000	16,000,000
Uncrewed aircraft system program grants	0	1,000,000	1,000,000
Beyond visual line of sight uncrewed aircraft system program	0	20,000,000	20,000,000
Enhanced use lease grant	0	5,000,000	5,000,000
~~Autonomous agriculture grants~~	~~0~~	~~5,000,000~~	~~5,000,000~~
Autonomous agriculture grants	0	10,000,000	10,000,000
Base enhancement grants	0	1,000,000	1,000,000
Tribally controlled community college grants	750,000	0	750,000
Native American small business grant	0	600,000	600,000
Historic theater restoration grant	0	1,100,000	1,100,000
Historic opera house restoration grant	0	250,000	250,000
Historic theater improvement grant	0	250,000	250,000
Medora transportation improvement grant	0	1,000,000	1,000,000
Community hall grant	0	175,000	175,000
Entrepreneurship grants and vouchers	759,044	0	759,044
Regional workforce impact program grants	0	5,000,000	5,000,000
Find the good life initiative	0	5,000,000	5,000,000
Technical skills training grants	2,000,000	0	2,000,000

~~Total~~	~~$6,559,044~~	~~$53,103,590~~	~~$59,662,634~~
Total	$6,559,044	$96,478,590	$103,037,634

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The department of commerce may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. CONTINGENT APPROPRIATION - DEPARTMENT OF COMMERCE - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - CHILDREN'S EDUCATION SCIENCE CENTER GRANTS - ONE-TIME FUNDING. There is appropriated out of any moneys in the strategic investment and improvements fund, not otherwise appropriated, the sum of $10,000,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of providing grants of up to $5,000,000 to support the construction of children's education science centers in cities in the state with a population of at least 50,000 residents, for the biennium beginning July 1, 2025, and ending June 30, 2027. The funding appropriated in this section is available only if the state treasurer certifies to the office of management and budget that oil and gas tax revenue allocations to the strategic investment and improvements fund under section 57-51.1-07.5 have exceeded $410,000,000 during the 2025-27 biennium. The appropriation in this section is considered a one-time funding item.

SECTION 5. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - ATTORNEY GENERAL - AUTONOMOUS TECHNOLOGY GRANTS - MATCHING FUNDS REQUIREMENT - ONE-TIME FUNDING - LEGISLATIVE MANAGEMENT REPORT.

1. There is appropriated out of any moneys in the strategic investment and improvements fund, not otherwise appropriated, the sum of $250,000, or so much of the sum as may be necessary, to the attorney general for the purpose of providing autonomous technology grants to individuals or entities that aid the bureau of criminal investigation in conducting missing person searches, crime scene reconstruction, and law enforcement first response operations, for the biennium beginning July 1, 2025, and ending June 30, 2027. The appropriation in this section is considered a one-time funding item.

2. For purposes of this section, autonomous technology includes uncrewed aircraft systems; autonomous vehicles; or other autonomous systems, processes, or technologies.
3. The attorney general shall develop an application process and guidelines for the grants, including eligibility criteria, matching requirements, eligible uses of grant funding, and maximum grant awards. To be eligible for a grant, an individual or entity shall certify to the attorney general that the operation of the autonomous technology is related to conducting missing person searches, crime scene reconstruction, and law enforcement first response operations. The attorney general may require an individual or entity to provide one dollar of matching funds for every four dollars awarded by the state. An individual or entity may use grant funding for autonomous technology operations, contracting for services related to autonomous technology, or other eligible uses as determined by the attorney general.
4. During the 2025-26 interim, the attorney general shall provide at least one report to the legislative management regarding the grants, including a list of grant recipients, the amounts awarded, and a description of the use of the grant funding.

SECTION 6. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - DEPARTMENT OF CAREER AND TECHNICAL EDUCATION - AUTONOMOUS TECHNOLOGY GRANTS - MATCHING FUNDS REQUIREMENT - ONE-TIME FUNDING - LEGISLATIVE MANAGEMENT REPORT.

1. There is appropriated out of any moneys in the strategic investment and improvements fund, not otherwise appropriated, the sum of $250,000, or so much of the sum as may be necessary, to the department of career and technical education for the purpose of providing autonomous technology grants to a workforce training center serving the northwest area of the state for providing workforce training to address workforce shortages in the state, including shortages in the oil and gas industry, for the biennium beginning July 1, 2025, and ending June 30, 2027. The appropriation in this section is considered a one-time funding item.
2. For purposes of this section, autonomous technology includes uncrewed aircraft systems; autonomous vehicles; or other autonomous systems, processes, or technologies.

3. The department of career and technical education shall develop an application process and guidelines for the grants, including eligibility criteria, matching requirements, eligible uses of grant funding, and maximum grant awards. To be eligible for a grant, a workforce training center shall certify to the department of career and technical education that the operation of the autonomous technology is related to workforce training to address workforce shortages in the state, including shortages in the oil and gas industry. The department of career and technical education may require a workforce training center to provide one dollar of matching funds for every four dollars awarded by the state. A workforce training center may use grant funding for education or training curriculum expenses related to autonomous technology, autonomous technology operations, contracting for services related to autonomous technology, or other eligible uses as determined by the department of career and technical education.
4. During the 2025-26 interim, the department of career and technical education shall provide at least one report to the legislative management regarding the grants, including a list of grant recipients, the amounts awarded, and a description of the use of the grant funding.

SECTION 7. 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 8. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND AND BANK OF NORTH DAKOTA PROFITS TO THEODORE ROOSEVELT PRESIDENTIAL LIBRARY AND MUSEUM ENDOWMENT FUND - MATCHING FUNDS REQUIREMENT. The office of management and budget shall transfer $25,000,000 from the strategic investment and improvements fund and the Bank of North Dakota shall transfer $25,000,000 from the Bank's current earnings and undivided profits to the Theodore Roosevelt presidential library and museum endowment fund during the biennium beginning July 1, 2025, and ending June 30, 2027. The moneys may be transferred only to the extent a private entity involved with a presidential library and museum in the state has secured matching funds from nonstate sources on a dollar-for-dollar basis for deposit into the endowment fund.

SECTION 9. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO LEGACY INVESTMENT FOR TECHNOLOGY FUND. The office of management and budget shall transfer the sum of ~~$5,000,000~~$10,000,000 from the strategic investment and improvements fund to the legacy investment for technology fund for the purpose of providing legacy investment technology loans, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 10. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO NORTH DAKOTA DEVELOPMENT FUND - EXEMPTION - MATCHING FUNDS REQUIREMENT. The office of management and budget shall transfer the sum of $30,000,000 from the strategic investment and improvements fund to the North Dakota development fund for programs under chapter 10-30.5, for the biennium beginning July 1, 2025, and ending June 30, 2027. Notwithstanding section 10-30.5-02, the North Dakota development fund may use the funds provided in this section for nonprimary sector business activities and for grants only to the extent an eligible organization has secured matching funds from nonstate sources on a dollar-for-dollar basis.

SECTION 11. BANK OF NORTH DAKOTA LINE OF CREDIT - TRANSFER TO NORTH DAKOTA DEVELOPMENT FUND. The department of commerce may borrow up to $75,000,000 through a line of credit from the Bank of North Dakota during the biennium beginning July 1, 2025, and ending June 30, 2027, the proceeds of which must be transferred to the North Dakota development fund for programs under chapter 10-30.5. The interest rate associated with the line of credit may not exceed the prevailing interest rate charged to North Dakota governmental entities. The department of commerce shall repay the line of credit from moneys available in the North Dakota development fund. If the moneys available in the North Dakota development fund are not sufficient to repay the line of credit, the department of commerce shall request a deficiency appropriation from the seventieth legislative assembly to repay the line of credit.

SECTION 12. RURAL HEALTH CARE GRANT PROGRAM - MATCHING FUNDS REQUIREMENT. The grants line item in section 1 of this Act includes $444,000 from the general fund for providing matching funds to an organization assisting in the recruitment, distribution, and supply, and enhancing the quality and efficiency of personnel providing health services in rural areas of the state. The department of commerce may spend the funds

appropriated in this section only to the extent the organization has secured matching funds from nonstate sources on a dollar-for-dollar basis.

SECTION 13. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - MATCHING FUNDS REQUIREMENT. The other funds line item in section 1 of this Act includes the sum of ~~$53,000,000~~$96,375,000 from the strategic investment and improvements fund, of which:

1. ~~$7,000,000~~$5,000,000 is for tourism marketing awareness, including $150,000 for supporting the continuation of ~~the~~a North Dakota state magazine ~~with the current publisher of the magazine~~;
2. ~~$20,000,000~~$16,000,000 is for an uncrewed aerial vehicle replacement program;
3. $25,000,000 is for tourism destination development grants;
~~3.~~4. $1,000,000 is for uncrewed aircraft systems program grants;
5. ~~$10,000,000~~$20,000,000 is for the beyond visual line of sight uncrewed aircraft system program;
~~4.~~6. $5,000,000 is for the enhanced use lease grant program;
~~5.~~7. ~~$5,000,000~~$10,000,000 is for autonomous agriculture grants~~, which may be provided for autonomous trucking grants~~;
~~6.~~8. $1,000,000 is for providing base enhancement grants to communities with an air force base or air national guard facilities, including $600,000 to eligible organizations in Minot, $250,000 to eligible organizations in Grand Forks, and $150,000 to eligible organizations in Fargo; ~~and~~
~~7.~~9. $600,000 is for a Native American small business grant;
10. $1,100,000 is for a historic theater restoration grant, which the department of commerce may spend only to the extent an organization has secured one dollar of matching funds from nonstate sources for every one dollar provided by the department of commerce;
11. $250,000 is for a historic opera house restoration grant;
12. $250,000 is for a historic theater improvement grant;
13. $1,000,000 is for a Medora transportation improvement grant;
14. $175,000 is for a community hall grant;
15. $5,000,000 is for regional workforce impact program grants; and

16. $5,000,000 is for the find the good life initiative.

SECTION 14. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - UNCREWED AERIAL VEHICLE REPLACEMENT PROGRAM - LEGISLATIVE MANAGEMENT REPORT. The other funds line item in section 1 of this Act includes the sum of $16,000,000 which the department of commerce shall use for the purpose of administering an uncrewed aerial vehicle replacement program, for the period beginning with the effective date of this Act, and ending June 30, 2027.

1. The department of commerce shall collaborate with the uncrewed aircraft systems test site established in section 54-60-28 and state agencies, including institutions under the control of the state board of higher education, to replace uncrewed aerial vehicles owned by the state which do not comply with requirements of the federal National Defense Authorization Act and the American Security Drone Act of 2023. The information technology department, in consultation with the department of commerce and the uncrewed aircraft systems test site, may implement an enterprise uncrewed aerial vehicle data management solution. An enterprise uncrewed aerial vehicle data management solution implemented under this section must ensure all data collected, transmitted, stored, and consumed by an uncrewed aerial vehicle remain under the control of the state. As used in this section "enterprise uncrewed aerial vehicle data management solution" means a system for secure, end-to-end data collection, transportation, storage, processing, and consumption through enterprise software. A state agency owning an uncrewed aerial vehicle before January 1, 2025, is eligible to receive a new uncrewed aerial vehicle that is in compliance with federal requirements and is of equivalent capability to the agency's existing uncrewed aerial vehicle. The department of commerce shall purchase each uncrewed aerial vehicle based on the needs of the agency and a recommendation from the uncrewed aircraft systems test site and provide the uncrewed aerial vehicle to the agency. The department of commerce shall use a portion of the funding provided in this section to pay for training needed for agency staff to operate the new uncrewed aerial vehicle. The department of commerce and uncrewed aircraft systems test site shall give priority to state agencies willing to share uncrewed aerial vehicles rather than purchasing multiple uncrewed aerial vehicles.

2. Any uncrewed aerial vehicle replaced under this section must be remitted to the uncrewed aircraft systems test site for proper decommissioning and disposal pursuant to federal and state regulations, which may include the sale of uncrewed aerial vehicles to the United States department of homeland security at market rates for use in the counter unmanned aircraft system program. The department of commerce shall remit any funding received under this section to the state treasurer for deposit in the general fund.
3. The department of commerce shall maintain an inventory of uncrewed aerial vehicles purchased for state agencies under this section and encourage state agencies to use the state beyond visual line of sight program. The uncrewed aircraft systems test site shall provide guidance to state agencies regarding the integration of uncrewed aerial vehicles into the beyond visual line of sight system and proper maintenance schedules for uncrewed aerial vehicles. The uncrewed aircraft systems test site shall establish a centralized system for state agencies to register uncrewed aerial vehicles and authorized operators for accessing the beyond visual line of sight system and shall provide operational support when state agencies use uncrewed aircraft systems test site integrated platforms.
4. During the 2025-26 interim, the department of commerce shall compile information from state agencies and provide a report to the legislative management by June 30, 2026, regarding the status of the program, funding spent on uncrewed aerial vehicle replacements and training costs, the number of uncrewed aerial vehicles replaced in each state agency, the number of uncrewed aerial vehicles sold or disposed, and any future needs for each state agency to be compliant with the federal National Defense Authorization Act and the American Security Drone Act of 2023.

SECTION 15. TRIBALLY CONTROLLED COMMUNITY COLLEGE GRANTS - LEGISLATIVE MANAGEMENT REPORT. The grants line item in section 1 of this Act includes $750,000 from the general fund for the purpose of providing workforce development grants to a tribally controlled community college ~~in the Turtle Mountain area~~. To be eligible for a grant under this section, a tribally controlled community college shall partner with at least one high school in the state for programs under section 54-60.2-02. During the 2025-26 interim, a tribally controlled community college receiving funding under this program shall report to the

department of commerce by August 1, 2026, regarding the use of grant funds and the department of commerce shall provide a report to the legislative management by October 1, 2026, regarding the use of grant funds.

~~**SECTION 12. DISCRETIONARY FUNDS - NATIVE AMERICAN SMALL BUSINESS GRANT.** The discretionary funds line item in section 1 of this Act includes $2,150,000 from the general fund, of which $600,000 is designated for a grant to support an organization dedicated to assisting Native American small businesses in North Dakota.~~

SECTION 16. DEPARTMENT OF COMMERCE - INFRASTRUCTURE STUDY. The department of commerce shall conduct a study of necessary infrastructure, including an analysis of the current status of surrounding county roads, the interstate highway system, water and sewer, fiber optics, and any other infrastructure improvements needed for the successful implementation of section 18 of this Act during the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 17. AMENDMENT. Subsection 1 of section 10-30.5-02 of the North Dakota Century Code is amended and reenacted as follows:

1. It is the purpose of this chapter to create a statewide nonprofit development corporation that will have the authority to take equity positions in, to provide loans to, ~~or~~to form a management and operations entity, and to use other innovative financing mechanisms to provide capital for new or expanding businesses in this state, or relocating businesses to this state. The corporation's principal mission is the development and expansion of primary sector business in this state. The corporation may form additional corporations, limited liability companies, partnerships, joint ventures, or other forms of business associations in order to further its mission of primary sector economic development.

SECTION 18. AMENDMENT. Subsection 5 of section 54-58-03 of the North Dakota Century Code is amended and reenacted as follows:

5. The compact may not authorize gaming to be conducted by an Indian tribe at any off-reservation location not permitted under a tribal-state gaming compact in effect on August 1, 1997, except that in the case of the tribal-state gaming compact between the Turtle Mountain Band of Chippewa and the state, gaming may be conducted on land within Rolette County held in trust for the Band by the United States government

which was in trust as of the effective date of the Indian Gaming Regulatory Act of 1988 [Pub. L. 100-497; 102 Stat. 2467; 25 U.S.C. 2701 et seq.] and on the following described real property situated within Grand Forks County, North Dakota, if approved by the secretary of the interior under the Indian Gaming Regulatory Act of 1988 [Pub. L. 100-497; 102 Stat. 2467; 25 U.S.C. 2701 et seq.]:

a. The south five and one-half acres of the east sixty-four acres of the northeast quarter, section thirty, township one hundred fifty-one, range fifty;

b. The west ninety-six acres of the northeast quarter of section thirty, township one hundred fifty-one, range fifty; and

c. The north fifty-eight and one-half acres of the east sixty-four acres of the northeast quarter of section thirty, township one hundred fifty-one, range fifty, except the north seven hundred ten and seventy-seven one-hundredths feet of the east six hundred forty-three and one-half feet thereof and except that part of the northeast quarter of the northeast quarter of section thirty, township one hundred fifty-one, range fifty west of the fifth principal meridian, described as follows: beginning at the northeast corner of section thirty; thence south zero degrees zero minutes zero seconds west, assumed bearing, along the east line of section thirty a distance of eight hundred and sixty and seventy-seven one-hundredths feet; thence south eighty-nine degrees thirty-six minutes zero seconds west seven hundred and three and one-half feet; thence north zero degrees zero minutes zero seconds east eight hundred and sixty and seventy-seven one-hundredths feet to the north line of section thirty; thence north eighty-nine degrees thirty-six minutes zero seconds east, along the north line of said section thirty, a distance of seven hundred and three and one-half feet to the point of beginning.

SECTION 19. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Reporting requirements - Budget section - Grant programs.

The department shall compile a report regarding grant programs administered by the department, excluding federally funded programs, to be provided semiannually to the budget section. The report must include the following for each grant program:

1. The purpose of the grant program;
2. Funding history;
3. The number of days the grant application was open to applicants;
4. The name of each grant recipient and the amount of each grant award; and
5. The distribution date of grant funds or the anticipated distribution date of grant funds.

SECTION 20. AMENDMENT. Section 54-60-09 of the North Dakota Century Code is amended and reenacted as follows:

54-60-09. Division of workforce development - Duties - Report.

The division of workforce development shall:

1. Actively monitor local, regional, and national private and public workforce development initiatives.
2. Develop and implement the state's talent strategy.
3. Develop and ~~implement a statewide intelligence coordination strategy~~continually refine the state workforce mission, vision, and strategies.
4. Conduct regular employer talent and skills supply and demand studies, the results of which must be reported to a standing committee of each house of the legislative assembly as determined by the legislative management during each regular legislative session.

SECTION 21. AMENDMENT. Section 54-60-19 of the North Dakota Century Code is amended and reenacted as follows:

54-60-19. Division of workforce development - Talent strategy - Performance and accountability - Report.

1. The division of workforce development, in developing and implementing the state's talent strategy, shall:
   a. ~~Consult with partners in the state's system for workforce development, workforce training, and talent attraction~~Collect data on all workforce programs administered by state agencies, including job service North Dakota, the department of career and technical education, the superintendent of public instruction, the state board of higher education, the department of health and human services, and other divisions of the department of commerce, to determine standard measurements of success and to compile and analyze the program data in a report to be

provided to a standing committee of each house of the legislative assembly as determined by the legislative management during each regular legislative session.

b. Develop a comprehensive, consolidated biennial statewide strategic plan for the state's system for workforce development, workforce training, and talent attraction.

c. Continuously review, identify how to improve, and implement improvements to the state's system for workforce development, workforce training, and talent attraction.

d. ~~Develop linkages between partners of the state's system for workforce development, workforce training, and talent attraction, to assure coordination and nonduplication of programs and services provided in the state~~Review all workforce development programs administered by state agencies for the coordination and prevention of duplication of workforce development services.

2. The division of workforce development shall develop and implement a system of performance and accountability measures for the state's system for workforce development, workforce training, and talent attraction. Each partner of the state's system for workforce development, workforce training, and talent attraction shall cooperate in providing the division the data necessary to implement these measures.

SECTION 22. AMENDMENT. Section 54-60-28 of the North Dakota Century Code is amended and reenacted as follows:

54-60-28. Uncrewed aircraft systems program - Report to legislative management.

1. The department may operate and administer an uncrewed aircraft systems test site, contingent upon receiving official designation by the federal aviation administration. The department may cooperate and contract with the university of North Dakota, the North Dakota aeronautics commission, the adjutant general, and other public or private entities as determined by the commissioner in the operation and administration of the test site. The department may charge fees sufficient to operate the test site. The department shall, to the extent possible, use competitive bidding in the operation and administration of the test site. The commissioner may charter a public corporation to operate the test site. The corporation must possess all of the powers of a business

corporation consistent with this chapter. The department shall report to the legislative management semiannually on the status of the program.

2. In administering the uncrewed aircraft systems program, the uncrewed aircraft systems test site established in subsection 1 may:

a. Enter contracts and agreements with public, private, and nonprofit organizations for projects, activities, and research topics, and for the operation and management of a public-private partnership under chapter 48-02.1;

b. Enter partnerships, limited liability companies, joint ventures, or other contractual arrangements with private businesses for the purpose of business or industrial development; and

c. Adopt policies governing ownership or transfer of ownership rights and distribution of income that may be derived from an invention or discovery resulting from research or employment in the uncrewed aircraft systems test site.

SECTION 23. AMENDMENT. Section 54-60-29 of the North Dakota Century Code is amended and reenacted as follows:

54-60-29. Uncrewed aircraft systems program fund - Continuing appropriation.

1. There is created in the state treasury a special fund known as the uncrewed aircraft systems fund, which may be used to defray the expenses of the:
   a. Operations of an uncrewed aircraft systems test site officially designated by the federal aviation administration;
   b. Beyond visual line of sight uncrewed aircraft system program; and
   c. Enhanced use lease grant program.
2. The fund consists of fees, royalties, gifts, grants, devises, bequests, donations, assignments, and other revenue collected for the administration of the test site and federal and other funds appropriated by the legislative assembly. All moneys in the fund are appropriated to the department of commerce on a continuing basis for the purpose of defraying the expenses of the programs identified in subsection 1. Interest earned on moneys in the fund must be credited to the fund.

SECTION 24. AMENDMENT. Section 54-60-29.1 of the North Dakota Century Code is amended and reenacted as follows:

54-60-29.1. Beyond visual line of sight uncrewed aircraft system program - Requirements - Report to legislative management.

The department may establish and administer a beyond visual line of sight uncrewed aircraft system program for the design, purchase, implementation, and operating costs of a beyond visual line of sight uncrewed aircraft system. The department may enter contracts, agreements, and contractual arrangements and adopt policies related to the beyond visual line of sight uncrewed aircraft system program in the same manner authorized for the uncrewed aircraft system program under section 54-60-28.The department shall require any entity receiving funding for this program which is operating the beyond visual line of sight uncrewed aircraft system to provide quarterly payments to the state treasurer based on a fee structure determined by the commissioner. The state treasurer shall deposit any funds received under this section in the state general fund. The department shall provide semiannual reports to the legislative management regarding the development of the beyond visual line of sight uncrewed aircraft system program and the total amount deposited by the state treasurer in the state general fund.

SECTION 25. AMENDMENT. Section 54-60-31 of the North Dakota Century Code is amended and reenacted as follows:

54-60-31. ~~Office of~~ ~~legal immigration~~~~global~~Global talent office - Duties.

There is created ~~an office of~~ ~~legal immigration~~a global talent office within the department of commerce. Employees of the ~~office of~~ ~~legal immigration~~global talent office report to the commissioner. The ~~office of~~ ~~legal immigration~~global talent office:

1. Shall develop and implement a statewide strategy to support businesses in recruiting and retaining foreign labor, including immigrants already in the United States and integration of immigrants into the state to promote economic opportunities for immigrant communities.
2. Shall advise and make recommendations to the governor, legislative assembly, and state agencies regarding immigrant integration and foreign labor issues.
3. Shall develop a pilot program to support businesses pursuing or employing legal immigrants and to support communities to develop immigration integration plans and activities.

4. May contract with other state agencies to develop and administer programs or services related to immigration integration and access to basic needs that promote entrance and movement throughout the workforce.
5. May contract with an organization with expertise related to the goals of the ~~office of legal immigration~~global talent office.

SECTION 26. AMENDMENT. Section 3 of chapter 51 of the 2023 Session Laws is amended and reenacted as follows:

SECTION 3. LINE OF CREDIT - THEODORE ROOSEVELT PRESIDENTIAL LIBRARY PROJECT.

1. The Bank of North Dakota shall extend a line of credit not to exceed ~~$70,000,000~~$20,000,000 to the parks and recreation department for the period beginning with the effective date of this Act, and ending June 30, 2027. The interest rate on the line of credit may not exceed the prevailing interest rate charged to North Dakota governmental entities.
2. The parks and recreation department may use the funds borrowed through the line of credit to support activities related to the Theodore Roosevelt presidential library project. The parks and recreation department shall require any entity receiving funds under this section to repay the funds to the department, including accrued interest.
3. The parks and recreation department may accept funds from participating entities and shall use the funds to repay the line of credit. If the amounts available are not anticipated to be sufficient to repay the line of credit by June 30, 2027, the department shall request a deficiency appropriation from the legislative assembly to repay the line of credit.
4. The department shall develop guidelines and rules for the use and repayment of this funding.

SECTION 27. AMENDMENT. Subsection 13 of section 9 of House Bill No. 1019, as approved by the sixty-ninth legislative assembly, is amended and reenact as follows:

13. The sum of ~~$70,000,000~~$20,000,000 appropriated from special funds derived from a Bank of North Dakota line of credit for the Theodore Roosevelt presidential library project in subdivision 1 of section 1 of chapter 51 of the 2023

Session Laws, which may be used only for providing reimbursement of construction costs associated with building the Theodore Roosevelt presidential library, including fixtures, furnishings, exhibit structures, supplies, and materials.

SECTION 28. EXEMPTION - UNEXPENDED APPROPRIATIONS. The following appropriations are not subject to the provisions of section 54-44.1-11 and any unexpended funds from these appropriations may be continued into the biennium beginning July 1, 2025, and ending June 30, 2027:

1. The sum of $3,000,000 appropriated from federal COVID-19 funds for the community development block grant program in section 1 of chapter 27 of the 2021 Session Laws and continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws.
2. The sum of $56,234,176 appropriated from federal COVID-19 funds for the state small business credit initiative program in section 2 of chapter 28 of the 2021 Session Laws and continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws.
3. The sum of $15,000,000 appropriated from the federal state fiscal recovery fund for the workforce development incentive grant program in subsection 38 of section 1 of chapter 550 of the 2021 Special Session Session Laws and continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws.
4. The sum of $5,000,000 appropriated from the federal state fiscal recovery fund for the technical skills training grant program in subsection 39 of section 1 of chapter 550 of the 2021 Special Session Session Laws and continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws.
5. The sum of $28,500,000 appropriated from the general fund for workforce programs, of which $12,000,000 was for workforce talent attraction initiative operating expenses, $12,500,000 was for workforce investment program grants, $2,000,000 was for technical skills training grants, and $2,000,000 was for new Americans workforce development and training grants, in section 1 of chapter 18 of the 2023 Session Laws.
6. The sum of $25,000,000 appropriated from the strategic investment and improvements fund for the tourism destination development initiative in section 1 of chapter 18 of the 2023 Session Laws.

7. 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 the 2023 Session Laws.
8. The sum of $120,000,000 appropriated from federal funds for weatherization and energy assistance programs in section 1 of chapter 18 of the 2023 Session Laws.
9. 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.
10. The sum of $3,258,084 appropriated from federal funds for heating, furnace, and cooling assistance grants in section 1 of chapter 18 of the 2023 Session Laws.
11. The sum of $14,081,719 appropriated from federal funds for energy conservation assistance grants in section 1 of chapter 18 of the 2023 Session Laws.
12. The sum of $1,550,000 appropriated from federal funds for the parks and recreation program in section 1 of chapter 18 of the 2023 Session Laws, which may be used for operating expenses of the program.
13. The sum of $572,143 appropriated from federal funds for the state small business credit initiative program in section 1 of chapter 18 of the 2023 Session Laws.
14. The sum of $948,467, of which $740,956 is from the general fund and $207,511 is from the economic development fund, for the entrepreneurship grants and vouchers program in section 1 of chapter 18 of the 2023 Session Laws.
15. The sum of $2,000,000 appropriated from the general fund for the office of legal immigration in section 1 of chapter 639 of the 2023 Special Session Session Laws.

SECTION 29. EMERGENCY. The following are declared to be an emergency measure:

1. $3,000,000 appropriated from the general fund for the operation intern program in section 1 of this Act;
2. $16,000,000 appropriated from the strategic investment and improvements fund for an uncrewed aerial vehicle replacement program in section 1 of this Act;
3. Section 14 of this Act.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2018 - Summary of House Action

	Base Budget	Senate Version	House Changes	House Version
Department of Commerce				
Total all funds	$86,890,454	$147,911,374	$53,574,286	$201,485,660
Less estimated income	53,344,371	106,214,707	53,375,000	159,589,707
General fund	$33,546,083	$41,696,667	$199,286	$41,895,953
FTE	62.80	61.80	4.00	65.80
Attorney General				
Total all funds	$0	$0	$250,000	$250,000
Less estimated income	0	0	250,000	250,000
General fund	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00
Dept. of Career and Technical Education				
Total all funds	$0	$0	$250,000	$250,000
Less estimated income	0	0	250,000	250,000
General fund	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00
Bill total				
Total all funds	$86,890,454	$147,911,374	$54,074,286	$201,985,660
Less estimated income	53,344,371	106,214,707	53,875,000	160,089,707
General fund	$33,546,083	$41,696,667	$199,286	$41,895,953
FTE	62.80	61.80	4.00	65.80

Senate Bill No. 2018 - Attorney General - House Action

	Base Budget	Senate Version	House Changes	House Version
Autonomous technology grants			$250,000	$250,000
Total all funds	$0	$0	$250,000	$250,000
Less estimated income	0	0	250,000	250,000
General fund	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00

Department 125 - Attorney General - Detail of House Changes

	Adds One-Time Funding for Autonomous Technology Grants[1]	Total House Changes
Autonomous technology grants	$250,000	$250,000
Total all funds	$250,000	$250,000
Less estimated income	250,000	250,000
General fund	$0	$0
FTE	0.00	0.00

[1] One-time funding of $250,000 is appropriated from the strategic investment and improvements fund (SIIF) to the Attorney General for autonomous technology grants. A section is added to the bill to provide the Attorney General may require grant recipients to provide $1 of matching funds from nonstate sources for every $4 provided by the state. The Attorney General is required to report to the Legislative Management during the 2025-26 interim regarding the status of the grants.

Senate Bill No. 2018 - Dept. of Career and Technical Education - House Action

	Base Budget	Senate Version	House Changes	House Version
Autonomous technology grants			$250,000	$250,000
Total all funds	$0	$0	$250,000	$250,000
Less estimated income	0	0	250,000	250,000
General fund	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00

Department 270 - Dept. of Career and Technical Education - Detail of House Changes

	Adds One-Time Funding for Autonomous Technology Grants[1]	Total House Changes
Autonomous technology grants	$250,000	$250,000
Total all funds	$250,000	$250,000
Less estimated income	250,000	250,000
General fund	$0	$0
FTE	0.00	0.00

[1] One-time funding of $250,000 is appropriated from SIIF to the Department of Career and Technical Education for autonomous technology grants. A section is added to the bill to provide the department may require grant recipients to provide $1 of matching funds from nonstate sources for every $4 provided by the state. The department is required to report to the Legislative Management during the 2025-26 interim regarding the status of the grants.

Senate Bill No. 2018 - Department of Commerce - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	$15,785,306	$17,508,362	$189,286	$17,697,648
New and vacant FTE pool		582,600		582,600
Operating expenses	19,462,643	28,672,666	(1,990,000)	26,682,666
Grants	47,636,118	88,382,315	40,375,000	128,757,315
Childrens education science center grant			10,000,000	10,000,000
Discretionary funds	2,150,000	2,150,000		2,150,000
Workforce programs		8,000,000	5,000,000	13,000,000
Entrepreneurship grants and vouchers	948,467	1,707,511		1,707,511
Partner programs	907,920	907,920		907,920
Total all funds	$86,890,454	$147,911,374	$53,574,286	$201,485,660
Less estimated income	53,344,371	106,214,707	53,375,000	159,589,707
General fund	$33,546,083	$41,696,667	$199,286	$41,895,953
FTE	62.80	61.80	4.00	65.80

Department 601 - Department of Commerce - Detail of House Changes

	Restores Funding for an FTE Position[1]	Adds FTE Positions[2]	Adds One-Time Funding for Operating and Grants[3]	Adds Contingent Funding for Children's Education Science Center Grants[4]	Total House Changes
Salaries and wages	$189,286				$189,286
New and vacant FTE pool					
Operating expenses	10,000		($2,000,000)		(1,990,000)
Grants			40,375,000		40,375,000
Childrens education science center grant				$10,000,000	10,000,000
Discretionary funds					
Workforce programs			5,000,000		5,000,000
Entrepreneurship grants and vouchers					
Partner programs					
Total all funds	$199,286	$0	$43,375,000	$10,000,000	$53,574,286
Less estimated income	0	0	43,375,000	10,000,000	53,375,000
General fund	$199,286	$0	$0	$0	$199,286
FTE	1.00	3.00	0.00	0.00	4.00

[1] Funding of $199,286 from the general fund for 1 undesignated FTE position that was removed by the Senate is restored by the House, including $189,286 for salaries and wages and $10,000 for operating expenses.

[2] The House amendment adds 3 FTE positions as ongoing positions that were previously authorized for the 2023-25 biennium as one-time FTE positions as a result of $120 millon of one-time federal funding becoming available for weatherization and energy programs from the Infrastructure Investment and Jobs Act and Inflation Reduction Act. The funding for the positions is included in a separate section of the bill authorizing the Department of Commerce an exemption to continue unspent federal funding from the $120 million appropriated for the 2023-25 biennium into the 2025-27 biennium. The Senate added the exemption section but not the FTE positions.

[3] One-time funding from the strategic investment and improvements fund (SIIF) is adjusted as follows:

	SIIF
Reduces funding for tourism marketing awareness operating expenses to provide a total of $5 million. The Senate added $7 million for this program.	($2,000,000)
Adds funding for an uncrewed aerial vehicle replacement grant program. The Senate did not add funding for this program.	16,000,000
Adds funding for tourism destination development grants to provide a total of $25 million. The Senate added $20 million for this program.	5,000,000
Adds funding for uncrewed aircraft system (UAS) grants. The Senate did not add funding for this program.	1,000,000
Adds funding for beyond visual line of sight UAS grants to provide a total of $20 million. The Senate added $10 million for this program.	10,000,000
Adds funding for autonomous agriculture grants to provide a total of $10 million. The Senate added $5 million for this program.	5,000,000
Adds funding for a Native American small business grant. The Senate provided this funding as part of the $2,150,000 from the general fund in the base budget for discretionary funds.	600,000
Adds funding for a historic theater restoration grant. This funding is also included in House Bill No. 1018 (2025).	1,100,000
Adds funding for a historic opera house restoration grant. This funding is also included in House Bill No. 1018 (2025).	250,000
Adds funding for a historic theater improvement grant. This funding is also included in House Bill No. 1018 (2025).	250,000
Adds funding for a Medora transportation improvement grant. This funding is also included in House Bill No. 1018 (2025).	1,000,000
Adds funding for a community hall grant. The Senate did not provide funding for this grant.	175,000
Adds funding for the find the good life initiative. The Senate did not add funding for this program.	5,000,000
Total	$43,375,000

[4] One-time funding of $10 million is appropriated in a separate section from SIIF for providing grants of up to $5 million to support the construction of children's education science centers in cities in the state with a population of at least 50,000 residents. The funding is available only if oil and gas tax revenue allocations to SIIF exceed $410 million during the 2025-27 biennium.

Senate Bill No. 2018 - Other Changes - House Action

This amendment also:

- Adds a section to appropriate $10 million of one-time funding from SIIF to the Department of Commerce for providing grants of up to $5 million each to support the construction of children's education science centers in cities in the state with a population of at least 50,000 residents. The funding is available only if oil and gas tax revenue allocations to SIIF exceed $410 million during the 2025-27 biennium.
- Adds a section to provide for a $25 million transfer from SIIF and a $25 million transfer from Bank of North Dakota profits to the Theodore Roosevelt presidential library and museum endowment fund. The moneys can be transferred only to the extent a private entity involved with a presidential library and museum in the state has secured matching funds from nonstate sources on a $1 for $1 basis for deposit in the endowment fund. The Senate did not add funding for this purpose.
- Amends a section to provide for a transfer of $10 million from SIIF to the legacy investment for technology (LIFT) fund. The Senate provided for a $5 million transfer from SIIF to the LIFT fund.
- Amends a section to provide the North Dakota Development Fund may use funding transferred from SIIF for non-primary sector business activities and for grants only to the extent an eligible organization has secured matching funds from nonstate sources on a dollar-for-dollar basis.
- Adds a section to authorize the Department of Commerce to borrow up to $75 million through a Bank of North Dakota line of credit to be transferred to the North Dakota Development Fund.
- Amends a section identifying $96,375,000 appropriated in Section 1 from SIIF. The Senate appropriated $53,000,000 in Section 1 from SIIF.
- Adds a section identifying $16 million appropriated in Section 1 from SIIF for an uncrewed aerial vehicle replacement program and requirements of the program. The Senate did not include this section.

- Amends a section added by the Senate regarding tribally controlled community college grants.
- Removes a section added by the Senate that provided of the $2.15 million appropriated from the general fund for discretionary funds, $600,000 must be used for a Native American small business grant. The House appropriated the $600,000 for the program from SIIF.
- Adds a section to require the Department of Commerce to conduct an infrastructure study related to the authorization of gaming in Grand Forks County.
- Amends North Dakota Century Code Section 10-30.5-02 to allow the North Dakota Development Fund to form a management and operations entity and to be able to enter joint ventures.
- Adds a section to amend Subsection 5 of Section 54-58-03 related to the tribal-state gaming compact to allow gaming in Grand Forks County.
- Adds a section to amend Section 54-60-09 to provide the Workforce Development Division continually refine the state workforce mission, vision, and strategies, and to conduct regular employer talent and skills supply and demand studies.
- Adds a section to amend Section 54-60-19 to provide the Workforce Development Division must collect data on all workforce programs administered by state agencies.
- Adds a section to amend Section 54-60-28 to provide the Northern Plains Unmanned Aircraft System Test Site authority to enter contracts for the UAS program.
- Adds a section to amend Section 54-60-29 to clarify the sources of funding that can be deposited in the UAS fund.
- Adds a section to amend Section 54-60-29.1 to provide the Northern Plains Unmanned Aircraft System Test Site authority to enter contracts for the beyond visual line of sight UAS program.
- Amends Section 54-60-31 to rename the Office of Legal Immigration as the Global Talent Office. The Senate amended the section to rename the Office of Legal Immigration as the Office of Global Talent.
- Amends Section 3 of Chapter 51 of the 2023 Session Laws to provide the 2023-25 biennium Bank of North Dakota line of credit provided to the Parks and Recreation Department for the Theodore Roosevelt Presidential Library project is authorized for $20 million instead of $70 million.
- Amends Subsection 13 of Section 9 of House Bill No. 1019 (2025) to provide an exemption to authorize the Parks and Recreation Department to continue $20 million instead of $70 million from the 2023-25 biennium Bank of North Dakota line of credit for the Theodore Roosevelt Presidential Library into the 2025-27 biennium.
- Amends a subsection of the exemption section of the bill to clarify funding for the parks and recreation program can be used for operating expenses of the program.
- Adds a new subsection to the exemption section of the bill to provide the department an exemption for any unspent funding for the entrepreneurship grants and vouchers program.
- Adds a section to provide the $3 million appropriated in Section 1 from the general fund for the operation intern program, the $16 million of one-time funding appropriated in Section 1 from SIIF for an uncrewed aerial vehicle replacement program, and Section 14, emergency measures.

25.0185.02013
Title.
Fiscal No. 8

Prepared by the Legislative Council staff for Representative Brandenburg

April 17, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO FIRST ENGROSSMENT

ENGROSSED SENATE BILL NO. 2018

Introduced by

Appropriations Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; to provide an appropriation to the attorney general; to provide an appropriation to the department of career and technical education; to provide a contingent appropriation; to create and enact a new section to chapter 54-60 of the North Dakota Century Code, relating to department of commerce grant reporting requirements; to amend and reenact ~~section~~subsection 1 of section 10-30.5-02, subsection 5 of section 54-58-03, sections 54-60-09, 54-60-19, 54-60-28, 54-60-29, 54-60-29.1 and 54-60-31 of the North Dakota Century Code and section 3 of chapter 51 of the 2023 Session Laws and subsection 13 of section 9 of House Bill No. 1019, as approved by the sixty-ninth legislative assembly, relating to the purpose of the North Dakota development fund, a tribal-state gaming compact that permits gaming in Grand Forks County, duties and talent strategy of the division of workforce development, the uncrewed aircraft systems program, the uncrewed aircraft systems program fund, the beyond visual line of sight uncrewed aircraft system program, changing the name of the office of legal immigration to the ~~office of~~ global talent office, and the Theodore Roosevelt presidential library project; to authorize a Bank of North Dakota line of credit; to provide for a transfer; to provide an application; to provide an exemption; ~~and~~ to provide for a legislative management report; and to declare an emergency.

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 other funds derived from special funds and federal funds, 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:

	Base Level	Adjustments or Enhancements	Appropriation
~~Salaries and wages~~	~~$15,785,306~~	~~$1,723,056~~	~~$17,508,362~~
Salaries and wages	$15,785,306	$1,912,342	$17,697,648
New and vacant FTE pool	0	582,600	582,600
~~Operating expenses~~	~~19,462,643~~	~~9,210,023~~	~~28,672,666~~
~~Grants~~	~~47,636,118~~	~~40,746,197~~	~~88,382,315~~
Operating expenses	19,462,643	7,220,023	26,682,666
Grants	47,636,118	81,121,197	128,757,315
Discretionary funds	2,150,000	0	2,150,000
~~Workforce programs~~	~~0~~	~~8,000,000~~	~~8,000,000~~
Workforce programs	0	13,000,000	13,000,000
Partner programs	907,920	0	907,920
Entrepreneurship grants and vouchers	948,467	759,044	1,707,511
~~Total all funds~~	~~$86,890,454~~	~~$61,020,920~~	~~$147,911,374~~
~~Less other funds~~	~~53,344,371~~	~~52,870,336~~	~~106,214,707~~
~~Total general fund~~	~~$33,546,083~~	~~$8,150,584~~	~~$41,696,667~~
~~Full-time equivalent positions~~	~~62.80~~	~~(1.00)~~	~~61.80~~
Total all funds	$86,890,454	$104,595,206	$191,485,660
Less other funds	53,344,371	96,245,336	149,589,707
Total general fund	$33,546,083	$8,349,870	$41,895,953
Full-time equivalent positions	62.80	3.00	65.80

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

One-Time Funding Description	General Fund	Other Funds	Total
Temporary salaries	$50,000	$103,590	$153,590
~~Tourism marketing awareness~~	~~0~~	~~7,000,000~~	~~7,000,000~~
Tourism marketing awareness	0	5,000,000	5,000,000
Operation intern	2,000,000	0	2,000,000
~~Office of global talent~~	~~1,000,000~~	~~0~~	~~1,000,000~~
~~Tourism destination development grants~~	~~0~~	~~20,000,000~~	~~20,000,000~~
~~Beyond visual line of sight uncrewed aircraft system program~~	~~0~~	~~10,000,000~~	~~10,000,000~~
Global talent office	1,000,000	0	1,000,000
Tourism destination development grants	0	25,000,000	25,000,000
Uncrewed aerial vehicle replacement grant program	0	16,000,000	16,000,000
Uncrewed aircraft system program grants	0	1,000,000	1,000,000
Beyond visual line of sight uncrewed aircraft system program	0	20,000,000	20,000,000
Enhanced use lease grant	0	5,000,000	5,000,000
~~Autonomous agriculture grants~~	~~0~~	~~5,000,000~~	~~5,000,000~~
Autonomous agriculture grants	0	10,000,000	10,000,000
Base enhancement grants	0	1,000,000	1,000,000
Tribally controlled community college grants	750,000	0	750,000
Native American small business grant	0	600,000	600,000
Historic theater restoration grant	0	1,100,000	1,100,000
Historic opera house restoration grant	0	250,000	250,000
Historic theater improvement grant	0	250,000	250,000
Medora transportation improvement grant	0	1,000,000	1,000,000
Community hall grant	0	175,000	175,000
Entrepreneurship grants and vouchers	759,044	0	759,044
Regional workforce impact program grants	0	5,000,000	5,000,000
Find the good life initiative	0	5,000,000	5,000,000
Technical skills training grants	2,000,000	0	2,000,000

~~Total~~	~~$6,559,044~~	~~$53,103,590~~	~~$59,662,634~~
Total	$6,559,044	$96,478,590	$103,037,634

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The department of commerce may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. CONTINGENT APPROPRIATION - DEPARTMENT OF COMMERCE - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - CHILDREN'S EDUCATION SCIENCE CENTER GRANTS - ONE-TIME FUNDING. There is appropriated out of any moneys in the strategic investment and improvements fund, not otherwise appropriated, the sum of $10,000,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of providing grants of up to $5,000,000 to support the construction of children's education science centers in cities in the state with a population of at least 50,000 residents, for the biennium beginning July 1, 2025, and ending June 30, 2027. The funding appropriated in this section is available only if the state treasurer certifies to the office of management and budget that oil and gas tax revenue allocations to the strategic investment and improvements fund under section 57-51.1-07.5 have exceeded $410,000,000 during the 2025-27 biennium. The appropriation in this section is considered a one-time funding item.

SECTION 5. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - ATTORNEY GENERAL - AUTONOMOUS TECHNOLOGY GRANTS - MATCHING FUNDS REQUIREMENT - ONE-TIME FUNDING - LEGISLATIVE MANAGEMENT REPORT.

1. There is appropriated out of any moneys in the strategic investment and improvements fund, not otherwise appropriated, the sum of $250,000, or so much of the sum as may be necessary, to the attorney general for the purpose of providing autonomous technology grants to individuals or entities that aid the bureau of criminal investigation in conducting missing person searches, crime scene reconstruction, and law enforcement first response operations, for the biennium beginning July 1, 2025, and ending June 30, 2027. The appropriation in this section is considered a one-time funding item.

2. For purposes of this section, autonomous technology includes uncrewed aircraft systems; autonomous vehicles; or other autonomous systems, processes, or technologies.
3. The attorney general shall develop an application process and guidelines for the grants, including eligibility criteria, matching requirements, eligible uses of grant funding, and maximum grant awards. To be eligible for a grant, an individual or entity shall certify to the attorney general that the operation of the autonomous technology is related to conducting missing person searches, crime scene reconstruction, and law enforcement first response operations. The attorney general may require an individual or entity to provide one dollar of matching funds for every four dollars awarded by the state. An individual or entity may use grant funding for autonomous technology operations, contracting for services related to autonomous technology, or other eligible uses as determined by the attorney general.
4. During the 2025-26 interim, the attorney general shall provide at least one report to the legislative management regarding the grants, including a list of grant recipients, the amounts awarded, and a description of the use of the grant funding.

SECTION 6. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - DEPARTMENT OF CAREER AND TECHNICAL EDUCATION - AUTONOMOUS TECHNOLOGY GRANTS - MATCHING FUNDS REQUIREMENT - ONE-TIME FUNDING - LEGISLATIVE MANAGEMENT REPORT.

1. There is appropriated out of any moneys in the strategic investment and improvements fund, not otherwise appropriated, the sum of $250,000, or so much of the sum as may be necessary, to the department of career and technical education for the purpose of providing autonomous technology grants to a workforce training center serving the northwest area of the state for providing workforce training to address workforce shortages in the state, including shortages in the oil and gas industry, for the biennium beginning July 1, 2025, and ending June 30, 2027. The appropriation in this section is considered a one-time funding item.
2. For purposes of this section, autonomous technology includes uncrewed aircraft systems; autonomous vehicles; or other autonomous systems, processes, or technologies.

3. The department of career and technical education shall develop an application process and guidelines for the grants, including eligibility criteria, matching requirements, eligible uses of grant funding, and maximum grant awards. To be eligible for a grant, a workforce training center shall certify to the department of career and technical education that the operation of the autonomous technology is related to workforce training to address workforce shortages in the state, including shortages in the oil and gas industry. The department of career and technical education may require a workforce training center to provide one dollar of matching funds for every four dollars awarded by the state. A workforce training center may use grant funding for education or training curriculum expenses related to autonomous technology, autonomous technology operations, contracting for services related to autonomous technology, or other eligible uses as determined by the department of career and technical education.
4. During the 2025-26 interim, the department of career and technical education shall provide at least one report to the legislative management regarding the grants, including a list of grant recipients, the amounts awarded, and a description of the use of the grant funding.

SECTION 7. 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 8. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND AND BANK OF NORTH DAKOTA PROFITS TO THEODORE ROOSEVELT PRESIDENTIAL LIBRARY AND MUSEUM ENDOWMENT FUND - MATCHING FUNDS REQUIREMENT. The office of management and budget shall transfer $25,000,000 from the strategic investment and improvements fund and the Bank of North Dakota shall transfer $25,000,000 from the Bank's current earnings and undivided profits to the Theodore Roosevelt presidential library and museum endowment fund during the biennium beginning July 1, 2025, and ending June 30, 2027. The moneys may be transferred only to the extent a private entity involved with a presidential library and museum in the state has secured matching funds from nonstate sources on a dollar-for-dollar basis for deposit into the endowment fund.

SECTION 9. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO LEGACY INVESTMENT FOR TECHNOLOGY FUND. The office of management and budget shall transfer the sum of ~~$5,000,000~~$10,000,000 from the strategic investment and improvements fund to the legacy investment for technology fund for the purpose of providing legacy investment technology loans, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 10. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO NORTH DAKOTA DEVELOPMENT FUND - EXEMPTION - MATCHING FUNDS REQUIREMENT. The office of management and budget shall transfer the sum of $30,000,000 from the strategic investment and improvements fund to the North Dakota development fund for programs under chapter 10-30.5, for the biennium beginning July 1, 2025, and ending June 30, 2027. Notwithstanding section 10-30.5-02, the North Dakota development fund may use the funds provided in this section for nonprimary sector business activities and for grants only to the extent an eligible organization has secured matching funds from nonstate sources on a dollar-for-dollar basis.

SECTION 11. BANK OF NORTH DAKOTA LINE OF CREDIT - TRANSFER TO NORTH DAKOTA DEVELOPMENT FUND. The department of commerce may borrow up to $75,000,000 through a line of credit from the Bank of North Dakota during the biennium beginning July 1, 2025, and ending June 30, 2027, the proceeds of which must be transferred to the North Dakota development fund for programs under chapter 10-30.5. The interest rate associated with the line of credit may not exceed the prevailing interest rate charged to North Dakota governmental entities. The department of commerce shall repay the line of credit from moneys available in the North Dakota development fund. If the moneys available in the North Dakota development fund are not sufficient to repay the line of credit, the department of commerce shall request a deficiency appropriation from the seventieth legislative assembly to repay the line of credit.

SECTION 12. RURAL HEALTH CARE GRANT PROGRAM - MATCHING FUNDS REQUIREMENT. The grants line item in section 1 of this Act includes $444,000 from the general fund for providing matching funds to an organization assisting in the recruitment, distribution, and supply, and enhancing the quality and efficiency of personnel providing health services in rural areas of the state. The department of commerce may spend the funds

appropriated in this section only to the extent the organization has secured matching funds from nonstate sources on a dollar-for-dollar basis.

SECTION 13. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - MATCHING FUNDS REQUIREMENT - APPLICATION. The other funds line item in section 1 of this Act includes the sum of ~~$53,000,000~~$96,375,000 from the strategic investment and improvements fund, of which:

1. ~~$7,000,000~~$5,000,000 is for tourism marketing awareness, including $150,000 for supporting the continuation of ~~the~~a North Dakota state magazine ~~with the current publisher of the magazine~~;
2. ~~$20,000,000~~$16,000,000 is for an uncrewed aerial vehicle replacement program;
3. $25,000,000 is for tourism destination development grants;
~~3.~~4. $1,000,000 is for uncrewed aircraft systems program grants;
5. ~~$10,000,000~~$20,000,000 is for the beyond visual line of sight uncrewed aircraft system program;
~~4.~~6. $5,000,000 is for the enhanced use lease grant program;
~~5.~~7. ~~$5,000,000~~$10,000,000 is for autonomous agriculture grants~~, which may be provided for autonomous trucking grants~~;
~~6.~~8. $1,000,000 is for providing base enhancement grants to communities with an air force base or air national guard facilities, including $600,000 to eligible organizations in Minot, $250,000 to eligible organizations in Grand Forks, and $150,000 to eligible organizations in Fargo; ~~and~~
~~7.~~9. $600,000 is for a Native American small business grant;
10. $1,100,000 is for a historic theater restoration grant, which the department of commerce may spend only to the extent an organization has secured one dollar of matching funds from nonstate sources for every one dollar provided by the department of commerce;
11. $250,000 is for a historic opera house restoration grant;
12. $250,000 is for a historic theater improvement grant;
13. $1,000,000 is for a Medora transportation improvement grant;
14. $175,000 is for a community hall grant;
15. $5,000,000 is for regional workforce impact program grants; and

16. $5,000,000 is for the find the good life initiative.

The requirements of chapter 54-44.4 do not apply to the selection of a grant recipient, the grant award, or payments made under this section.

SECTION 14. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - UNCREWED AERIAL VEHICLE REPLACEMENT PROGRAM - LEGISLATIVE MANAGEMENT REPORT. The other funds line item in section 1 of this Act includes the sum of $16,000,000 which the department of commerce shall use for the purpose of administering an uncrewed aerial vehicle replacement program, for the period beginning with the effective date of this Act, and ending June 30, 2027.

1. The department of commerce shall collaborate with the uncrewed aircraft systems test site established in section 54-60-28 and state agencies, including institutions under the control of the state board of higher education, to replace uncrewed aerial vehicles owned by the state which do not comply with requirements of the federal National Defense Authorization Act and the American Security Drone Act of 2023. The information technology department, in consultation with the department of commerce and the uncrewed aircraft systems test site, may implement an enterprise uncrewed aerial vehicle data management solution. An enterprise uncrewed aerial vehicle data management solution implemented under this section must ensure all data collected, transmitted, stored, and consumed by an uncrewed aerial vehicle remain under the control of the state. As used in this section "enterprise uncrewed aerial vehicle data management solution" means a system for secure, end-to-end data collection, transportation, storage, processing, and consumption through enterprise software. A state agency owning an uncrewed aerial vehicle before January 1, 2025, is eligible to receive a new uncrewed aerial vehicle that is in compliance with federal requirements and is of equivalent capability to the agency's existing uncrewed aerial vehicle. The department of commerce shall purchase each uncrewed aerial vehicle based on the needs of the agency and a recommendation from the uncrewed aircraft systems test site and provide the uncrewed aerial vehicle to the agency. The department of commerce shall use a portion of the funding provided in this section to pay for training needed for agency staff to operate the new uncrewed aerial vehicle. The department of commerce and uncrewed aircraft systems test site shall give priority to state

agencies willing to share uncrewed aerial vehicles rather than purchasing multiple uncrewed aerial vehicles.

2. Any uncrewed aerial vehicle replaced under this section must be remitted to the uncrewed aircraft systems test site for proper decommissioning and disposal pursuant to federal and state regulations, which may include the sale of uncrewed aerial vehicles to the United States department of homeland security at market rates for use in the counter unmanned aircraft system program. The department of commerce shall remit any funding received under this section to the state treasurer for deposit in the general fund.
3. The department of commerce shall maintain an inventory of uncrewed aerial vehicles purchased for state agencies under this section and encourage state agencies to use the state beyond visual line of sight program. The uncrewed aircraft systems test site shall provide guidance to state agencies regarding the integration of uncrewed aerial vehicles into the beyond visual line of sight system and proper maintenance schedules for uncrewed aerial vehicles. The uncrewed aircraft systems test site shall establish a centralized system for state agencies to register uncrewed aerial vehicles and authorized operators for accessing the beyond visual line of sight system and shall provide operational support when state agencies use uncrewed aircraft systems test site integrated platforms.
4. During the 2025-26 interim, the department of commerce shall compile information from state agencies and provide a report to the legislative management by June 30, 2026, regarding the status of the program, funding spent on uncrewed aerial vehicle replacements and training costs, the number of uncrewed aerial vehicles replaced in each state agency, the number of uncrewed aerial vehicles sold or disposed, and any future needs for each state agency to be compliant with the federal National Defense Authorization Act and the American Security Drone Act of 2023.

SECTION 15. TRIBALLY CONTROLLED COMMUNITY COLLEGE GRANTS - LEGISLATIVE MANAGEMENT REPORT. The grants line item in section 1 of this Act includes $750,000 from the general fund for the purpose of providing workforce development grants to a tribally controlled community college ~~in the Turtle Mountain area~~. To be eligible for a grant under this section, a tribally controlled community college shall partner with at least one high school in

the state for programs under section 54-60.2-02. During the 2025-26 interim, a tribally controlled community college receiving funding under this program shall report to the department of commerce by August 1, 2026, regarding the use of grant funds and the department of commerce shall provide a report to the legislative management by October 1, 2026, regarding the use of grant funds.

~~**SECTION 12. DISCRETIONARY FUNDS - NATIVE AMERICAN SMALL BUSINESS GRANT.** The discretionary funds line item in section 1 of this Act includes $2,150,000 from the general fund, of which $600,000 is designated for a grant to support an organization dedicated to assisting Native American small businesses in North Dakota.~~

SECTION 16. DEPARTMENT OF COMMERCE - INFRASTRUCTURE STUDY. The department of commerce shall conduct a study of necessary infrastructure, including an analysis of the current status of surrounding county roads, the interstate highway system, water and sewer, fiber optics, and any other infrastructure improvements needed for the successful implementation of section 18 of this Act during the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 17. AMENDMENT. Subsection 1 of section 10-30.5-02 of the North Dakota Century Code is amended and reenacted as follows:

1. It is the purpose of this chapter to create a statewide nonprofit development corporation that will have the authority to take equity positions in, to provide loans to, ~~or~~to form a management and operations entity, and to use other innovative financing mechanisms to provide capital for new or expanding businesses in this state, or relocating businesses to this state. The corporation's principal mission is the development and expansion of primary sector business in this state. The corporation may form additional corporations, limited liability companies, partnerships, joint ventures, or other forms of business associations in order to further its mission of primary sector economic development.

SECTION 18. AMENDMENT. Subsection 5 of section 54-58-03 of the North Dakota Century Code is amended and reenacted as follows:

5. The compact may not authorize gaming to be conducted by an Indian tribe at any off-reservation location not permitted under a tribal-state gaming compact in effect on August 1, 1997, except that in the case of the tribal-state gaming compact between

the Turtle Mountain Band of Chippewa and the state, gaming may be conducted on land within Rolette County held in trust for the Band by the United States government which was in trust as of the effective date of the Indian Gaming Regulatory Act of 1988 [Pub. L. 100-497; 102 Stat. 2467; 25 U.S.C. 2701 et seq.] and on the following described real property situated within Grand Forks County, North Dakota, if approved by the secretary of the interior under the Indian Gaming Regulatory Act of 1988 [Pub. L. 100-497; 102 Stat. 2467; 25 U.S.C. 2701 et seq.]:

a. The south five and one-half acres of the east sixty-four acres of the northeast quarter, section thirty, township one hundred fifty-one, range fifty;

b. The west ninety-six acres of the northeast quarter of section thirty, township one hundred fifty-one, range fifty; and

c. The north fifty-eight and one-half acres of the east sixty-four acres of the northeast quarter of section thirty, township one hundred fifty-one, range fifty, except the north seven hundred ten and seventy-seven one-hundredths feet of the east six hundred forty-three and one-half feet thereof and except that part of the northeast quarter of the northeast quarter of section thirty, township one hundred fifty-one, range fifty west of the fifth principal meridian, described as follows: beginning at the northeast corner of section thirty; thence south zero degrees zero minutes zero seconds west, assumed bearing, along the east line of section thirty a distance of eight hundred and sixty and seventy-seven one-hundredths feet; thence south eighty-nine degrees thirty-six minutes zero seconds west seven hundred and three and one-half feet; thence north zero degrees zero minutes zero seconds east eight hundred and sixty and seventy-seven one-hundredths feet to the north line of section thirty; thence north eighty-nine degrees thirty-six minutes zero seconds east, along the north line of said section thirty, a distance of seven hundred and three and one-half feet to the point of beginning.

SECTION 19. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Reporting requirements - Budget section - Grant programs.

The department shall compile a report regarding grant programs administered by the department, excluding federally funded programs, to be provided semiannually to the budget section. The report must include the following for each grant program:

1. The purpose of the grant program;
2. Funding history;
3. The number of days the grant application was open to applicants;
4. The name of each grant recipient and the amount of each grant award; and
5. The distribution date of grant funds or the anticipated distribution date of grant funds.

SECTION 20. AMENDMENT. Section 54-60-09 of the North Dakota Century Code is amended and reenacted as follows:

54-60-09. Division of workforce development - Duties - Report.

The division of workforce development shall:

1. Actively monitor local, regional, and national private and public workforce development initiatives.
2. Develop and implement the state's talent strategy.
3. Develop and ~~implement a statewide intelligence coordination strategy~~continually refine the state workforce mission, vision, and strategies.
4. Conduct regular employer talent and skills supply and demand studies, the results of which must be reported to a standing committee of each house of the legislative assembly as determined by the legislative management during each regular legislative session.

SECTION 21. AMENDMENT. Section 54-60-19 of the North Dakota Century Code is amended and reenacted as follows:

54-60-19. Division of workforce development - Talent strategy - Performance and accountability - Report.

1. The division of workforce development, in developing and implementing the state's talent strategy, shall:
   a. ~~Consult with partners in the state's system for workforce development, workforce training, and talent attraction~~Collect data on all workforce programs administered by state agencies, including job service North Dakota, the department of career

and technical education, the superintendent of public instruction, the state board of higher education, the department of health and human services, and other divisions of the department of commerce, to determine standard measurements of success and to compile and analyze the program data in a report to be provided to a standing committee of each house of the legislative assembly as determined by the legislative management during each regular legislative session.

b. Develop a comprehensive, consolidated biennial statewide strategic plan for the state's system for workforce development, workforce training, and talent attraction.

c. Continuously review, identify how to improve, and implement improvements to the state's system for workforce development, workforce training, and talent attraction.

d. ~~Develop linkages between partners of the state's system for workforce development, workforce training, and talent attraction, to assure coordination and nonduplication of programs and services provided in the state~~Review all workforce development programs administered by state agencies for the coordination and prevention of duplication of workforce development services.

2. The division of workforce development shall develop and implement a system of performance and accountability measures for the state's system for workforce development, workforce training, and talent attraction. Each partner of the state's system for workforce development, workforce training, and talent attraction shall cooperate in providing the division the data necessary to implement these measures.

SECTION 22. AMENDMENT. Section 54-60-28 of the North Dakota Century Code is amended and reenacted as follows:

54-60-28. Uncrewed aircraft systems program - Report to legislative management.

1. The department may operate and administer an uncrewed aircraft systems test site, contingent upon receiving official designation by the federal aviation administration. The department may cooperate and contract with the university of North Dakota, the North Dakota aeronautics commission, the adjutant general, and other public or private entities as determined by the commissioner in the operation and administration

of the test site. The department may charge fees sufficient to operate the test site. The department shall, to the extent possible, use competitive bidding in the operation and administration of the test site. The commissioner may charter a public corporation to operate the test site. The corporation must possess all of the powers of a business corporation consistent with this chapter. The department shall report to the legislative management semiannually on the status of the program.

2. In administering the uncrewed aircraft systems program, the uncrewed aircraft systems test site established in subsection 1 may:
   a. Enter contracts and agreements with public, private, and nonprofit organizations for projects, activities, and research topics, and for the operation and management of a public-private partnership under chapter 48-02.1;
   b. Enter partnerships, limited liability companies, joint ventures, or other contractual arrangements with private businesses for the purpose of business or industrial development; and
   c. Adopt policies governing ownership or transfer of ownership rights and distribution of income that may be derived from an invention or discovery resulting from research or employment in the uncrewed aircraft systems test site.

SECTION 23. AMENDMENT. Section 54-60-29 of the North Dakota Century Code is amended and reenacted as follows:

54-60-29. Uncrewed aircraft systems program fund - Continuing appropriation.

1. There is created in the state treasury a special fund known as the uncrewed aircraft systems fund, which may be used to defray the expenses of the:
   a. Operations of an uncrewed aircraft systems test site officially designated by the federal aviation administration;
   b. Beyond visual line of sight uncrewed aircraft system program; and
   c. Enhanced use lease grant program.
2. The fund consists of fees, royalties, gifts, grants, devises, bequests, donations, assignments, and other revenue collected for the administration of the test site and federal and other funds appropriated by the legislative assembly. All moneys in the fund are appropriated to the department of commerce on a continuing basis for the

purpose of defraying the expenses of the programs identified in subsection 1. Interest earned on moneys in the fund must be credited to the fund.

SECTION 24. AMENDMENT. Section 54-60-29.1 of the North Dakota Century Code is amended and reenacted as follows:

54-60-29.1. Beyond visual line of sight uncrewed aircraft system program - Requirements - Report to legislative management.

The department may establish and administer a beyond visual line of sight uncrewed aircraft system program for the design, purchase, implementation, and operating costs of a beyond visual line of sight uncrewed aircraft system. The department may enter contracts, agreements, and contractual arrangements and adopt policies related to the beyond visual line of sight uncrewed aircraft system program in the same manner authorized for the uncrewed aircraft system program under section 54-60-28. The department shall require any entity receiving funding for this program which is operating the beyond visual line of sight uncrewed aircraft system to provide quarterly payments to the state treasurer based on a fee structure determined by the commissioner. The state treasurer shall deposit any funds received under this section in the state general fund. The department shall provide semiannual reports to the legislative management regarding the development of the beyond visual line of sight uncrewed aircraft system program and the total amount deposited by the state treasurer in the state general fund.

SECTION 25. AMENDMENT. Section 54-60-31 of the North Dakota Century Code is amended and reenacted as follows:

54-60-31. ~~Office of legal immigrationglobal~~Global talent office - Duties.

There is created ~~an office of legal immigration~~a global talent office within the department of commerce. Employees of the ~~office of legal immigration~~global talent office report to the commissioner. The ~~office of legal immigration~~global talent office:

1. Shall develop and implement a statewide strategy to support businesses in recruiting and retaining foreign labor, including immigrants already in the United States and integration of immigrants into the state to promote economic opportunities for immigrant communities.
2. Shall advise and make recommendations to the governor, legislative assembly, and state agencies regarding immigrant integration and foreign labor issues.

3. Shall develop a pilot program to support businesses pursuing or employing legal immigrants and to support communities to develop immigration integration plans and activities.
4. May contract with other state agencies to develop and administer programs or services related to immigration integration and access to basic needs that promote entrance and movement throughout the workforce.
5. May contract with an organization with expertise related to the goals of the ~~office of legal immigration~~global talent office.

SECTION 26. AMENDMENT. Section 3 of chapter 51 of the 2023 Session Laws is amended and reenacted as follows:

SECTION 3. LINE OF CREDIT - THEODORE ROOSEVELT PRESIDENTIAL LIBRARY PROJECT.

1. The Bank of North Dakota shall extend a line of credit not to exceed ~~$70,000,000~~$20,000,000 to the parks and recreation department for the period beginning with the effective date of this Act, and ending June 30, 2027. The interest rate on the line of credit may not exceed the prevailing interest rate charged to North Dakota governmental entities.
2. The parks and recreation department may use the funds borrowed through the line of credit to support activities related to the Theodore Roosevelt presidential library project. The parks and recreation department shall require any entity receiving funds under this section to repay the funds to the department, including accrued interest.
3. The parks and recreation department may accept funds from participating entities and shall use the funds to repay the line of credit. If the amounts available are not anticipated to be sufficient to repay the line of credit by June 30, 2027, the department shall request a deficiency appropriation from the legislative assembly to repay the line of credit.
4. The department shall develop guidelines and rules for the use and repayment of this funding.

SECTION 27. AMENDMENT. Subsection 13 of section 9 of House Bill No. 1019, as approved by the sixty-ninth legislative assembly, is amended and reenact as follows:

13. The sum of ~~$70,000,000~~$20,000,000 appropriated from special funds derived from a Bank of North Dakota line of credit for the Theodore Roosevelt presidential library project in subdivision 1 of section 1 of chapter 51 of the 2023 Session Laws, which may be used only for providing reimbursement of construction costs associated with building the Theodore Roosevelt presidential library, including fixtures, furnishings, exhibit structures, supplies, and materials.

SECTION 28. EXEMPTION - UNEXPENDED APPROPRIATIONS. The following appropriations are not subject to the provisions of section 54-44.1-11 and any unexpended funds from these appropriations may be continued into the biennium beginning July 1, 2025, and ending June 30, 2027:

1. The sum of $3,000,000 appropriated from federal COVID-19 funds for the community development block grant program in section 1 of chapter 27 of the 2021 Session Laws and continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws.
2. The sum of $56,234,176 appropriated from federal COVID-19 funds for the state small business credit initiative program in section 2 of chapter 28 of the 2021 Session Laws and continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws.
3. The sum of $15,000,000 appropriated from the federal state fiscal recovery fund for the workforce development incentive grant program in subsection 38 of section 1 of chapter 550 of the 2021 Special Session Session Laws and continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws.
4. The sum of $5,000,000 appropriated from the federal state fiscal recovery fund for the technical skills training grant program in subsection 39 of section 1 of chapter 550 of the 2021 Special Session Session Laws and continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws.
5. The sum of $28,500,000 appropriated from the general fund for workforce programs, of which $12,000,000 was for workforce talent attraction initiative operating expenses, $12,500,000 was for workforce investment program grants, $2,000,000 was for technical skills training grants, and $2,000,000 was for new Americans workforce development and training grants, in section 1 of chapter 18 of the 2023 Session Laws.

6. The sum of $25,000,000 appropriated from the strategic investment and improvements fund for the tourism destination development initiative in section 1 of chapter 18 of the 2023 Session Laws.
7. 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 the 2023 Session Laws.
8. The sum of $120,000,000 appropriated from federal funds for weatherization and energy assistance programs in section 1 of chapter 18 of the 2023 Session Laws.
9. 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.
10. The sum of $3,258,084 appropriated from federal funds for heating, furnace, and cooling assistance grants in section 1 of chapter 18 of the 2023 Session Laws.
11. The sum of $14,081,719 appropriated from federal funds for energy conservation assistance grants in section 1 of chapter 18 of the 2023 Session Laws.
12. The sum of $1,550,000 appropriated from federal funds for the parks and recreation program in section 1 of chapter 18 of the 2023 Session Laws, which may be used for operating expenses of the program.
13. The sum of $572,143 appropriated from federal funds for the state small business credit initiative program in section 1 of chapter 18 of the 2023 Session Laws.
14. The sum of $948,467, of which $740,956 is from the general fund and $207,511 is from the economic development fund, for the entrepreneurship grants and vouchers program in section 1 of chapter 18 of the 2023 Session Laws.
15. The sum of $2,000,000 appropriated from the general fund for the office of legal immigration in section 1 of chapter 639 of the 2023 Special Session Session Laws.

SECTION 29. EMERGENCY. The following are declared to be an emergency measure:

1. $3,000,000 appropriated from the general fund for the operation intern program in section 1 of this Act;
2. $16,000,000 appropriated from the strategic investment and improvements fund for an uncrewed aerial vehicle replacement program in section 1 of this Act;
3. Section 14 of this Act.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2018 - Summary of House Action

	Base Budget	Senate Version	House Changes	House Version
Department of Commerce				
Total all funds	$86,890,454	$147,911,374	$53,574,286	$201,485,660
Less estimated income	53,344,371	106,214,707	53,375,000	159,589,707
General fund	$33,546,083	$41,696,667	$199,286	$41,895,953
FTE	62.80	61.80	4.00	65.80
Attorney General				
Total all funds	$0	$0	$250,000	$250,000
Less estimated income	0	0	250,000	250,000
General fund	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00
Dept. of Career and Technical Education				
Total all funds	$0	$0	$250,000	$250,000
Less estimated income	0	0	250,000	250,000
General fund	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00
Bill total				
Total all funds	$86,890,454	$147,911,374	$54,074,286	$201,985,660
Less estimated income	53,344,371	106,214,707	53,875,000	160,089,707
General fund	$33,546,083	$41,696,667	$199,286	$41,895,953
FTE	62.80	61.80	4.00	65.80

Senate Bill No. 2018 - Attorney General - House Action

	Base Budget	Senate Version	House Changes	House Version
Autonomous technology grants			$250,000	$250,000
Total all funds	$0	$0	$250,000	$250,000
Less estimated income	0	0	250,000	250,000
General fund	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00

Department 125 - Attorney General - Detail of House Changes

	Adds One-Time Funding for Autonomous Technology Grants[1]	Total House Changes
Autonomous technology grants	$250,000	$250,000
Total all funds	$250,000	$250,000
Less estimated income	250,000	250,000
General fund	$0	$0
FTE	0.00	0.00

[1] One-time funding of $250,000 is appropriated from the strategic investment and improvements fund (SIIF) to the Attorney General for autonomous technology grants. A section is added to the bill to provide the Attorney General may require grant recipients to provide $1 of matching funds from nonstate sources for every $4 provided by the state. The Attorney General is required to report to the Legislative Management during the 2025-26 interim regarding the status of the grants.

Senate Bill No. 2018 - Dept. of Career and Technical Education - House Action

	Base Budget	Senate Version	House Changes	House Version
Autonomous technology grants			$250,000	$250,000
Total all funds	$0	$0	$250,000	$250,000
Less estimated income	0	0	250,000	250,000
General fund	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00

Department 270 - Dept. of Career and Technical Education - Detail of House Changes

	Adds One-Time Funding for Autonomous Technology Grants[1]	Total House Changes
Autonomous technology grants	$250,000	$250,000
Total all funds	$250,000	$250,000
Less estimated income	250,000	250,000
General fund	$0	$0
FTE	0.00	0.00

[1] One-time funding of $250,000 is appropriated from SIIF to the Department of Career and Technical Education for autonomous technology grants. A section is added to the bill to provide the department may require grant recipients to provide $1 of matching funds from nonstate sources for every $4 provided by the state. The department is required to report to the Legislative Management during the 2025-26 interim regarding the status of the grants.

Senate Bill No. 2018 - Department of Commerce - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	$15,785,306	$17,508,362	$189,286	$17,697,648
New and vacant FTE pool		582,600		582,600
Operating expenses	19,462,643	28,672,666	(1,990,000)	26,682,666
Grants	47,636,118	88,382,315	40,375,000	128,757,315
Childrens education science center grant			10,000,000	10,000,000
Discretionary funds	2,150,000	2,150,000		2,150,000
Workforce programs		8,000,000	5,000,000	13,000,000
Entrepreneurship grants and vouchers	948,467	1,707,511		1,707,511
Partner programs	907,920	907,920		907,920
Total all funds	$86,890,454	$147,911,374	$53,574,286	$201,485,660
Less estimated income	53,344,371	106,214,707	53,375,000	159,589,707
General fund	$33,546,083	$41,696,667	$199,286	$41,895,953
FTE	62.80	61.80	4.00	65.80

Department 601 - Department of Commerce - Detail of House Changes

	Restores Funding for an FTE Position[1]	Adds FTE Positions[2]	Adds One-Time Funding for Operating and Grants[3]	Adds Contingent Funding for Children's Education Science Center Grants[4]	Total House Changes
Salaries and wages	$189,286				$189,286
New and vacant FTE pool					
Operating expenses	10,000		($2,000,000)		(1,990,000)
Grants			40,375,000		40,375,000
Childrens education science center grant				$10,000,000	10,000,000
Discretionary funds					
Workforce programs			5,000,000		5,000,000
Entrepreneurship grants and vouchers					
Partner programs					
Total all funds	$199,286	$0	$43,375,000	$10,000,000	$53,574,286
Less estimated income	0	0	43,375,000	10,000,000	53,375,000
General fund	$199,286	$0	$0	$0	$199,286
FTE	1.00	3.00	0.00	0.00	4.00

[1] Funding of $199,286 from the general fund for 1 undesignated FTE position that was removed by the Senate is restored by the House, including $189,286 for salaries and wages and $10,000 for operating expenses.

[2] The House amendment adds 3 FTE positions as ongoing positions that were previously authorized for the 2023-25 biennium as one-time FTE positions as a result of $120 million of one-time federal funding becoming available for weatherization and energy programs from the Infrastructure Investment and Jobs Act and Inflation Reduction Act. The funding for the positions is included in a separate section of the bill authorizing the Department of Commerce an exemption to continue unspent federal funding from the $120 million appropriated for the 2023-25 biennium into the 2025-27 biennium. The Senate added the exemption section but not the FTE positions.

[3] One-time funding from the strategic investment and improvements fund (SIIF) is adjusted as follows:

	SIIF
Reduces funding for tourism marketing awareness operating expenses to provide a total of $5 million. The Senate added $7 million for this program.	($2,000,000)
Adds funding for an uncrewed aerial vehicle replacement grant program. The Senate did not add funding for this program.	16,000,000
Adds funding for tourism destination development grants to provide a total of $25 million. The Senate added $20 million for this program.	5,000,000
Adds funding for uncrewed aircraft system (UAS) grants. The Senate did not add funding for this program.	1,000,000
Adds funding for beyond visual line of sight UAS grants to provide a total of $20 million. The Senate added $10 million for this program.	10,000,000
Adds funding for autonomous agriculture grants to provide a total of $10 million. The Senate added $5 million for this program.	5,000,000
Adds funding for a Native American small business grant. The Senate provided this funding as part of the $2,150,000 from the general fund in the base budget for discretionary funds.	600,000
Adds funding for a historic theater restoration grant. This funding is also included in House Bill No. 1018 (2025).	1,100,000
Adds funding for a historic opera house restoration grant. This funding is also included in House Bill No. 1018 (2025).	250,000
Adds funding for a historic theater improvement grant. This funding is also included in House Bill No. 1018 (2025).	250,000
Adds funding for a Medora transportation improvement grant. This funding is also included in House Bill No. 1018 (2025).	1,000,000
Adds funding for a community hall grant. The Senate did not provide funding for this grant.	175,000
Adds funding for the find the good life initiative. The Senate did not add funding for this program.	5,000,000
Total	$43,375,000

[4] One-time funding of $10 million is appropriated from SIIF in a separate section for providing grants of up to $5 million to support the construction of children's education science centers in cities in the state with a population of at least 50,000 residents. The funding is available only if oil and gas tax revenue allocations to SIIF exceed $410 million during the 2025-27 biennium.

Senate Bill No. 2018 - Other Changes - House Action

This amendment also:

- Adds a section to appropriate $10 million of one-time funding from SIIF to the Department of Commerce for providing grants of up to $5 million each to support the construction of children's education science centers in cities in the state with a population of at least 50,000 residents. The funding is available only if oil and gas tax revenue allocations to SIIF exceed $410 million during the 2025-27 biennium.
- Adds a section to provide for a $25 million transfer from SIIF and a $25 million transfer from Bank of North Dakota profits to the Theodore Roosevelt presidential library and museum endowment fund. The moneys can be transferred only to the extent a private entity involved with a presidential library and museum in the state has secured matching funds from nonstate sources on a $1 for $1 basis for deposit in the endowment fund. The Senate did not add funding for this purpose.
- Amends a section to provide for a transfer of $10 million from SIIF to the legacy investment for technology (LIFT) fund. The Senate provided for a $5 million transfer from SIIF to the LIFT fund.
- Amends a section to provide the North Dakota Development Fund may use funding transferred from SIIF for non-primary sector business activities and for grants only to the extent an eligible organization has secured matching funds from nonstate sources on a dollar-for-dollar basis.
- Adds a section to authorize the Department of Commerce to borrow up to $75 million through a Bank of North Dakota line of credit to be transferred to the North Dakota Development Fund.
- Amends a section identifying $96,375,000 appropriated in Section 1 from SIIF. The Senate appropriated $53 million in Section 1 from SIIF.
- Adds a section identifying $16 million appropriated in Section 1 from SIIF for an uncrewed aerial vehicle replacement program and requirements of the program. The Senate did not include this section.
- Amends a section added by the Senate regarding tribally controlled community college grants.
- Removes a section added by the Senate that provided of the $2.15 million appropriated from the general fund for discretionary funds, $600,000 must be used for a Native American small business grant. The House appropriated the $600,000 for the program from SIIF.
- Adds a section to require the Department of Commerce to conduct an infrastructure study related to the authorization of gaming in Grand Forks County.
- Amends North Dakota Century Code Section 10-30.5-02 to allow the North Dakota Development Fund to form a management and operations entity and to be able to enter joint ventures.
- Adds a section to amend Subsection 5 of Section 54-58-03 related to the tribal-state gaming compact to allow gaming in Grand Forks County.
- Adds a section to amend Section 54-60-09 to provide the Workforce Development Division continually refine the state workforce mission, vision, and strategies, and to conduct regular employer talent and skills supply and demand studies.
- Adds a section to amend Section 54-60-19 to provide the Workforce Development Division must collect data on all workforce programs administered by state agencies.
- Adds a section to amend Section 54-60-28 to provide the Northern Plains Unmanned Aircraft System Test Site authority to enter contracts for the UAS program.
- Adds a section to amend Section 54-60-29 to clarify the sources of funding that can be deposited in the UAS fund.
- Adds a section to amend Section 54-60-29.1 to provide the Northern Plains Unmanned Aircraft System Test Site authority to enter contracts for the beyond visual line of sight UAS program.
- Amends Section 54-60-31 to rename the Office of Legal Immigration as the Global Talent Office. The Senate amended the section to rename the Office of Legal Immigration as the Office of Global Talent.
- Amends Section 3 of Chapter 51 of the 2023 Session Laws to provide the 2023-25 biennium Bank of North Dakota line of credit provided to the Parks and Recreation Department for the Theodore Roosevelt Presidential Library project is authorized for $20 million instead of $70 million.
- Amends Subsection 13 of Section 9 of House Bill No. 1019 (2025) to provide an exemption to authorize the Parks and Recreation Department to continue $20 million instead of $70 million from the 2023-25 biennium Bank of North Dakota line of credit for the Theodore Roosevelt Presidential Library into the 2025-27 biennium.
- Amends a subsection of the exemption section of the bill to clarify funding for the parks and recreation program can be used for operating expenses of the program.
- Adds a new subsection to the exemption section of the bill to provide the department an exemption for any unspent funding for the entrepreneurship grants and vouchers program.

- Adds a section to provide the $3 million appropriated in Section 1 from the general fund for the operation intern program, the $16 million of one-time funding appropriated in Section 1 from SIIF for an uncrewed aerial vehicle replacement program, and Section 14, emergency measures.

2025 CONFERENCE COMMITTEE

SB 2018

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

SB 2018
4/28/2025
Conference Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; to provide an appropriation to the attorney general; to provide an appropriation to the department of career and technical education; to provide a contingent appropriation; relating to department of commerce grant reporting requirements, the purpose of the North Dakota development fund, duties and talent strategy of the division of workforce development, the uncrewed aircraft systems program, the uncrewed aircraft systems program fund, the beyond visual line of sight uncrewed aircraft system program, changing the name of the office of legal immigration to the global talent office, and the Theodore Roosevelt presidential library project; to authorize a Bank of North Dakota line of credit; to provide for a transfer; to provide an application; to provide an exemption; and to provide for a legislative management report.

1:32 p.m. Chairman Dwyer opened the meeting.

Members Present: Chairman Dwyer, Senators Bekkedahl, Hogue, Representatives Nathe, Martinson, Swiontek.

Discussion Topics:

- Single Subject Rule Challenges
- Proposed House Reductions
- Destination Tourism Fund
- Tourism Awareness Marketing
- LIFT Success Rates
- Development Fund
- Drone Replacement Program

1:33 p.m. Chairman Dwyer opened discussion and submitted testimony #45263.

1:37 p.m. Representative Nathe discussed proposed House reductions and submitted testimony #45265 and #45266.

1:41 p.m. Levi Kinnischke, Legislative Council, provided information and submitted testimony #45264.

1:45 p.m. Senator Bekkedahl discussed the House and Senate differences.

1:54 p.m. Representative Nathe discussed the drone replacement program.

1:57 p.m. Chairman Dwyer closed the meeting.

Elizabeth Reiten, Committee Clerk

Dwyer 4/28/25
SB 2018

Dwyer, Mike A.

From: Dwyer, Mike A.
Sent: Monday, April 28, 2025 12:53 PM
To: Dwyer, Mike A.
Subject: FW:

SB 2018: DEPARTMENT OF COMMERCE
THE SENATE IS UNABLE AND UNWILLING TO SUPPORT ANY OF THE ADDITIONAL SPENDING OR LINE OF CREDIT THE HOUSE HAD ADDED TO THE COMMERCE BUDGET. HERE ARE THE REASONS.

1. The state budget for both general fund and SIIF needs the extra funding in order to balance.

2. The Senate does not support the gas tax increase or the bonding/borrowing in the DOT budget, which opens the door for more spending. Those amounts are $225 million combined, and must instead come from reduced spending in the remaining budgets.

3. The line of credit of $75 million extends new lines of credit authorized by the 2025 legislative assembly by the Bank of ND to almost $527 million, in addition to existing lines of credit. The Bank tells us that many of the lines of credit that are authorized will likely be allocated and need to be repaid in 2027. The Bank anticipates $356 million of lines of credit will need to be repaid in the 2027 Legislative Session.

4. Several of the proposals included in the House version of SB 2018 have not had any policy review, and have not had any discussion at any level in the Senate.

5. We simply cannot increase SIIF funding by $83 million, and cannot consider a line of credit or Bank of ND profits for an issue that has had not previous consideration.

6. SB 2018 is likely to be challenged under the Single Subject Rule, bringing us back to consider SB 2018 once again.

Any negotiations for the Commerce budget cannot be from the level approved by the Senate in the first half, but from the level of zero for each program and allocation of funding. The Senate is willing to further reduce spending in the Commerce budget, from what it approved in the first half, including such items as Grand Farm, UAS, Development Fund, LIFT Fund, and other programs.

Dwyer
SB 2018
4/28/25

4.25.2025 - Updated Department of Commerce Major Program Adjustments to Base Budget	Armstrong	Senate	House	Difference from Senate
Tourism marketing awareness	$5,000,000	$7,000,000	$5,000,000	($2,000,000)
Find the good life	5,000,000	-	5,000,000	5,000,000
Tourism destination development grants	15,000,000	20,000,000	25,000,000	5,000,000
Operation intern	2,000,000	2,000,000	2,000,000	-
Global Talent Office (Office of Legal Immigration)	2,000,000	1,000,000	1,000,000	-
Community property improvement grants	5,000,000	-	-	-
UAS grants (Test Site)	1,000,000	-	1,000,000	1,000,000
Beyond visual light of sight UAS (Vantis)	20,000,000	10,000,000	20,000,000	10,000,000
Uncrewed aerial vehicle replacement	15,000,000	-	16,000,000	16,000,000
Enhanced use lease grant (Grand Sky)	5,000,000	5,000,000	5,000,000	-
Autonomous agriculture grants (Grand Farm)	10,000,000	5,000,000	10,000,000	5,000,000
Base enhancement grants	-	1,000,000	1,000,000	-
Tribally controlled community colleges	-	750,000	750,000	-
Native American small business grant (Senate from discretionary in base)	-	600,000	600,000	-
Entrepreneurship grants and vouchers (General fund only)	1,259,044	759,044	759,044	-
Historic theater restoration grant (Fargo) (HB 1018 in Senate)	-	250,000	1,100,000	850,000
Historic opera house restoration grant (Ellendale) (HB 1018 in Senate)	-	250,000	250,000	-
Historic theater improvement grant (Marmarth) (HB 1018 in Senate)	-	250,000	250,000	-
Medora transportation improvement grant	-	-	1,000,000	1,000,000
Community hall grant (Driscoll)	-	-	175,000	175,000
Regional workforce impact program (RWIP) grants	10,000,000	5,000,000	5,000,000	-
Technical skills training grants	2,000,000	2,000,000	2,000,000	-
Children's education science center grants (contingent funding)	-	-	10,000,000	10,000,000
Theodore Roosevelt Presidential Library (Transfer section - SIIF)	-	-	25,000,000	25,000,000
Theodore Roosevelt Presidential Library (Transfer section - BND profits)	-	-	25,000,000	25,000,000
LIFT (transfer section)	10,000,000	5,000,000	10,000,000	5,000,000
North Dakota Development Fund (Transfer section)	50,000,000	30,000,000	30,000,000	-
North Dakota Development Fund (BND line of credit section)	-	-	75,000,000	75,000,000
Autonomous technology grants (Appropriation to Attorney General)	-	-	250,000	250,000
Autonomous technology grants (Appropriation to CTE)	-	-	250,000	250,000
Senate Bill No. 2018 Total	**$158,259,044**	**$95,859,044**	**$278,384,044**	**$182,525,000**
General Fund	8,259,044	7,109,044	6,509,044	(600,000)
SIIF	150,000,000	88,750,000	171,875,000	83,125,000
Major Other Appropriation Bills				
State radar data pathfinder (HB 1038) (signed by Governor)	$11,000,000	$11,000,000	$11,000,000	$0
Tribal tourism grants (HB 1581) (signed by Governor)	-	100,000	100,000	-
Housing assistance grant programs (SB 2225) (conference committee)	50,000,000	50,000,000	30,000,000	(20,000,000)
Rural grocery store sustainability grants (SB 2228) (signed by Governor)	-	1,000,000	1,000,000	-
Rural catalyst grants (SB 2390) (conference committee)	-	5,000,000	5,000,000	-
Major Other Appropriation Bills Total	**$61,000,000**	**$67,100,000**	**$47,100,000**	**($20,000,000)**
General Fund	-	1,100,000	1,100,000	-
SIIF	76,000,000	66,000,000	46,000,000	(20,000,000)
Total All Selected Bills	**$219,259,044**	**$162,959,044**	**$325,484,044**	**$162,525,000**
General Fund	8,259,044	8,209,044	7,609,044	(600,000)
SIIF	226,000,000	154,750,000	217,875,000	63,125,000
Change in FTE Positions	2.00	(1.00)	3.00	4.00

Levi K
4/28/25

#45264

April 26, 2025

Legislative Council

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

	Senate Version				House Version				House Compared to Senate Version Increase (Decrease)			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	62.80	$33,546,083	$53,344,371	$86,890,454	62.80	$33,546,083	$53,344,371	$86,890,454	0.00	$0	$0	$0
2025-27 Ongoing Funding Changes												
Base payroll changes		$67,653	$82,578	$150,231		$67,653	$82,578	$150,231				$0
Adds funding for the cost to continue salary increases		238,480	45,544	284,024		238,480	45,544	284,024				0
Salary increase		531,691	127,953	659,644		531,691	127,953	659,644				0
Health insurance increase		294,619	77,709	372,328		294,619	77,709	372,328				0
Adds funding to replace the 2023-25 new FTE pool		405,880		405,880		405,880		405,880				0
Adds funding to replace the 2023-25 vacant FTE pool		560,856	102,571	663,427		560,856	102,571	663,427				0
Adjusts funding for the 2025-27 vacant FTE pool		(198,263)	(51,422)	(249,685)		(198,263)	(51,422)	(249,685)				0
Removes a FTE position	(1.00)	(199,286)		(199,286)	0.00	0		0	1.00	$199,286		199,286
Adds 3 FTE positions from federal carryover funds				0	3.00			0	3.00			0
Adds federal funding for temporary salaries and operating expenses to maintain building codes			98,583	98,583			98,583	98,583				0
Adds funding for the cost to continue IT increases			54,666	54,666			54,666	54,666				0
Adjusts base level funding for operating expenses		(21,481)	10,654	(10,827)		(21,481)	10,654	(10,827)				0
Adds federal funding for AmeriCorps program operating expenses			290,000	290,000			290,000	290,000				0
Reduces ongoing funding for the operation intern program		(6,896)		(6,896)		(6,896)		(6,896)				0
Removes funding for the continuum of care program and the state apprenticeship program		(81,713)	(1,097,157)	(1,178,870)		(81,713)	(1,097,157)	(1,178,870)				0
Adds federal funding for AmeriCorps and weatherization grant programs			3,132,157	3,132,157			3,132,157	3,132,157				0
Reduces federal funding for community development and community services block grants			(2,086,940)	(2,086,940)			(2,086,940)	(2,086,940)				0
Removes funding from the uncrewed aircraft systems (UAS) fund for UAS program grants			(1,020,150)	(1,020,150)			(1,020,150)	(1,020,150)				0
Total ongoing funding changes	**(1.00)**	**$1,591,540**	**($233,254)**	**$1,358,286**	**3.00**	**$1,790,826**	**($233,254)**	**$1,557,572**	**4.00**	**$199,286**	**$0**	**$199,286**
One-Time Funding Items												
Adds one-time funding for temporary salaries for temporary staff and an office intern		$50,000	$3,590	$53,590		$50,000	$3,590	$53,590				$0
Adds one-time funding for North Dakota Development Fund temporary salaries			100,000	100,000			100,000	100,000				0
Adds funding for tourism marketing awareness			7,000,000	7,000,000			5,000,000	5,000,000			($2,000,000)	(2,000,000)
Adds funding for operating expenses of the operation intern program		2,000,000		2,000,000		2,000,000		2,000,000				0
Adds one-time funding for the Global Talent Office		1,000,000		1,000,000		1,000,000		1,000,000				0
Adds funding for tourism destination development grants			20,000,000	20,000,000			25,000,000	25,000,000			5,000,000	5,000,000
Adds funding for an uncrewed aerial vehicle replacement grant program				0			16,000,000	16,000,000			16,000,000	16,000,000
Adds funding for UAS program grants				0			1,000,000	1,000,000			1,000,000	1,000,000

Adds funding for the beyond visual line of sight UAS program grants			10,000,000	10,000,000			20,000,000	20,000,000			10,000,000	10,000,000
Adds funding for the enhanced use lease grant			5,000,000	5,000,000			5,000,000	5,000,000				0
Adds funding for autonomous agriculture grants			5,000,000	5,000,000			10,000,000	10,000,000			5,000,000	5,000,000
Adds funding for base enhancement grants			1,000,000	1,000,000			1,000,000	1,000,000				0
Adds funding for grants to tribally controlled community colleges		750,000		750,000		750,000		750,000				0
Adds funding for a Native American small business grant				0			600,000	600,000			600,000	600,000
Adds funding for a historic theater restoration grant				0			1,100,000	1,100,000			1,100,000	1,100,000
Adds funding for a historic opera house restoration grant				0			250,000	250,000			250,000	250,000
Adds funding for a historic theater improvement grant				0			250,000	250,000			250,000	250,000
Adds funding for a Medora transportation improvement grant				0			1,000,000	1,000,000			1,000,000	1,000,000
Adds funding for a community hall grant				0			175,000	175,000			175,000	175,000
Adds funding for the entrepreneurship grants and vouchers program		759,044		759,044		759,044		759,044				0
Adds funding for regional workforce impact program grants			5,000,000	5,000,000			5,000,000	5,000,000				0
Adds funding for the find the good life initiative				0			5,000,000	5,000,000			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				0
Adds contingent funding for children's education science center grants				0			10,000,000	10,000,000			10,000,000	10,000,000
Total one-time funding changes	**0.00**	**$6,559,044**	**$53,103,590**	**$59,662,634**	**0.00**	**$6,559,044**	**$106,478,590**	**$113,037,634**	**0.00**	**$0**	**$53,375,000**	**$53,375,000**
Total Changes to Base Level Funding	**(1.00)**	**$8,150,584**	**$52,870,336**	**$61,020,920**	**3.00**	**$8,349,870**	**$106,245,336**	**$114,595,206**	**4.00**	**$199,286**	**$53,375,000**	**$53,574,286**
2025-27 Total Funding	**61.80**	**$41,696,667**	**$106,214,707**	**$147,911,374**	**65.80**	**$41,895,953**	**$159,589,707**	**$201,485,660**	**4.00**	**$199,286**	**$53,375,000**	**$53,574,286**
Federal funds included in other funds			*$44,422,096*				*$44,422,096*				*$0*	
Total ongoing changes - Percentage of base level	*(1.6%)*	*4.7%*	*(0.4%)*	*1.6%*	*4.8%*	*5.3%*	*(0.4%)*	*1.8%*	*N/A*	*N/A*	*N/A*	*N/A*
Total changes - Percentage of base level	*(1.6%)*	*24.3%*	*99.1%*	*70.2%*	*4.8%*	*24.9%*	*199.2%*	*131.9%*	*N/A*	*N/A*	*N/A*	*N/A*

Other Sections in Department of Commerce - Budget No. 601

Section Description	Senate Version	House Version	
New and vacant FTE pool line item	Section 3 provides the Department of Commerce may not spend funds appropriated in the new and vacant FTE funding pool line item but may request the Office of Management and Budget to transfer funds to the salaries and wages line item.	Section 3 provides the Department of Commerce may not spend funds appropriated in the new and vacant FTE funding pool line item but may request the Office of Management and Budget to transfer funds to the salaries and wages line item.	
Contingent appropriation - Department of Commerce - Strategic investment and improvements fund (SIIF) - Children's education science center grants - One-time funding		Section 4 appropriates $10,000,000 of one-time funding from SIIF to the Department of Commerce for providing grants of up to $5,000,000 each to support the construction of children's education science centers in cities in the state with a population of at least 50,000 residents. The funding is available only if oil and gas tax revenue allocations to SIIF exceed $410,000,000 during the 2025-27 biennium.	

Other Sections in Department of Commerce - Budget No. 601

Section Description	Senate Version	House Version	
Appropriation - Attorney General - Autonomous Technology Grants - Matching Funds Requirement - One-time funding - Legislative Management Report		Section 5 appropriates $250,000 of one-time funding from SIIF to the Attorney General for autonomous technology grants for the 2025-27 biennium. The Attorney General may require grant recipients to provide $1 of matching funds from nonstate sources for every $4 provided by the state. The Attorney General is required to report to the Legislative Management during the 2025-26 interim regarding the status of the grants.	
Appropriation - Department of Career and Technical Education - Autonomous Technology Grants - Matching Funds Requirement - One-time funding - Legislative Management Report		Section 6 appropriates $250,000 of one-time funding from SIIF to the Department of Career and Technical Education for autonomous technology grants for the 2025-27 biennium. The department may require grant recipients to provide $1 of matching funds from nonstate sources for every $4 provided by the state. The department is required to report to the Legislative Management during the 2025-26 interim regarding the status of the grants.	
Transfer - General fund to internship fund	Section 4 requires 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.	Section 7 requires 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 and Bank of North Dakota Profits to Theodore Roosevelt presidential library and museum endowment fund - Matching funds requirement		Section 8 provides for a $25,000,000 transfer from SIIF and a $25,000,000 transfer from Bank of North Dakota profits to the Theodore Roosevelt presidential library and museum endowment fund. The moneys can be transferred only to the extent a private entity involved with a presidential library and museum in the state has secured matching funds from nonstate sources on a dollar-for-dollar basis for deposit in the endowment fund and only if the oversight entity for the Theodore Roosevelt presidential library establishes a policy to allow admission to the presdential library without a fee for individuals less than 18 years of age.	
Transfer - SIIF to legacy investment for technology (LIFT) fund	Section 5 requires OMB to transfer $5 million from SIIF to the LIFT fund for the purpose of providing innovation technology loans during the 2025-27 biennium.	Section 9 requires OMB to transfer $10 million 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 6 requires OMB to transfer $30 million from SIIF to the North Dakota Development Fund during the 2025-27 biennium.	Section 10 requires OMB to transfer $30 million from SIIF to the North Dakota Development Fund during the 2025-27 biennium. The North Dakota Development Fund may use the funds provided in this section for non-primary sector business activities and for grants only to the extent an eligible organization has secured matching funds from nonstate sources on a dollar-for-dollar basis.	
Bank of North Dakota line of credit - Transfer to the North Dakota Development Fund		Section 11 allows the Department of Commerce to borrow up to $75,000,000 through a Bank of North Dakota line of credit to be transferred to the North Dakota Development Fund.	
Rural health care grant program - Matching funds requirement	Section 7 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.	Section 12 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.	

Other Sections in Department of Commerce - Budget No. 601

Section Description	Senate Version	House Version	
SIIF - Matching funds requirement	Section 8 identifies $53,000,000 appropriated in Section 1 from SIIF, including $7,000,000 for tourism marketing awareness, $20,000,000 for tourism destination development grants, $10,000,000 for the beyond visual line of sight UAS program, $5,000,000 for the enhanced use lease grant program, $5,000,000 for autonomous agriculture grants, $1,000,000 is for base enhancement grants, and $5,000,000 is for regional workforce impact program grants. Of the $7,000,000 for tourism marketing awareness, $150,000 is designated for the continuation of the North Dakota state magazine with the current publisher of the magazine. Of the $1,000,000 for base enhancement grants, $600,000 is for eligible organizations in Minot, $250,000 is for eligible organizations in Grand Forks, and $150,000 is for eligible organizations in Fargo. The $5,000,000 provided autonomous agriculture grants may be provided for autonomous trucking activities.	Section 13 identifies $96,375,000 appropriated in Section 1 from SIIF, including $5,000,000 for tourism marketing awareness, $16,000,000 for an uncrewed aerial vehicle replacement program, $25,000,000 for tourism destination development grants, $1,000,000 for UAS program grants, $20,000,000 for the beyond visual line of sight UAS program, $5,000,000 for the enhanced use lease grant program, $10,000,000 for autonomous agriculture grants, $1,000,000 is for base enhancement grants, $600,000 for a Native American small business grant, $1,100,000 for a historic theater restoration grant that requires matching funds on a $1-for-$1 basis, $250,000 for a historic opera house restoration grant, $250,000 for a historic theater improvement grant, $1,000,000 for a Medora transportation improvement grant, $175,000 is for a community hall grant, $5,000,000 is for regional workforce impact program grants, and $5,000,000 is for the find the good life initiative. Of the $5,000,000 for tourism marketing awareness, $150,000 is designated for the continuation of a North Dakota state magazine. Of the $1,000,000 for base enhancement grants, $600,000 is for eligible organizations in Minot, $250,000 is for eligible organizations in Grand Forks, and $150,000 is for eligible organizations in Fargo.	
Uncrewed aerial vehicle replacement program - Legislative Management report		Section 14 identifies $16,000,000 of one-time funding appropriated from SIIF in Section 1 is for an uncrewed aerial vehicle replacement program. The department is required to report to the Legislative Management during the 2025-26 interim on the status of the program.	
Tribally controlled community college grants - Reporting requirements	Section 9 identifies $750,000 appropriated in Section 1 from the general fund in the grants line item for providing workforce development grants to a tribally controlled community college in the Turtle Mountain area. A tribally controlled community college must partner with at least one high school in the state for programs under section 54-60.2-02. During the 2025-26 interim, a tribally controlled community college receiving funding under this program is required to report to the Department of Commerce by August 1, 2026, regarding the use of grant funds and the department is required to provide a report to the Legislative Management by October 1, 2026, regarding the use of grant funds.	Section 15 identifies $750,000 appropriated in Section 1 from the general fund in the grants line item for providing workforce development grants to a tribally controlled community college. A tribally controlled community college must partner with at least one high school in the state for programs under section 54-60.2-02. During the 2025-26 interim, a tribally controlled community college receiving funding under this program is required to report to the Department of Commerce by August 1, 2026, regarding the use of grant funds and the department is required to provide a report to the Legislative Management by October 1, 2026, regarding the use of grant funds.	
Discretionary funds - Native American small business grant	Section 10 identifies of the $2,150,000 appropriated from the general fund in Section 1, $600,000 is designated for a grant to support an organization dedicated to assisting Native American small businesses in North Dakota.		
Amendment - North Dakota Development Fund		Section 16 amends Subsection 1 of Section 10-30.5-02 to allow the North Dakota Development Fund to form a management and operations entity and to be able to enter joint ventures.	
Amendment - Department of Commerce grant reporting requirements	Section 11 creates a new section to Chapter 54-60 to require the Department of Commerce to report to the Budget Section semiannually regarding grants administered by the department, excluding federally funded programs.	Section 17 creates a new section to Chapter 54-60 to require the Department of Commerce to report to the Budget Section semiannually regarding grants administered by the department, excluding federally funded programs.	

Other Sections in Department of Commerce - Budget No. 601

Section Description	Senate Version	House Version	
Amendment - Division of Workforce Development - Duties - Report		Section 18 amends Section 54-60-09 to provide the Workforce Development Division continually refine the state workforce mission, vision, and strategies, and to conduct regular employer talent and skills supply and demand studies.	
Amendment - Division of Workforce Development - Talent strategy - Performance and accountability - Report		Section 19 amends Section 54-60-19 to provide the Workforce Development Division must collect data on all workforce programs administered by state agencies.	
Amendment - UAS program		Section 20 amends Section 54-60-28 to provide the Northern Plains Unmanned Aircraft System Test Site authority to enter contracts for the UAS program.	
Amendment - UAS program fund		Section 21 amends Section 54-60-29 to clarify the sources of funding that can be deposited in the UAS fund.	
Amendment - Beyond visual line of sight UAS program		Section 22 amends Section 54-60-29.1 to provide the Northern Plains Unmanned Aircraft System Test Site authority to enter contracts for the beyond visual line of sight UAS program.	
Amendment - Office of Legal Immigration renamed the Office of Global Talent or Global Talent Office	Section 12 amends Section 54-60-31 to change the name of the Office of Legal Immigration to the Office of Global Talent.	Section 23 amends Section 54-60-31 to change the name of the Office of Legal Immigration to the Global Talent Office.	
Amendment - Senate Bill No. 2019 (2023) - Theodore Roosevelt presidential library		Section 24 amends Section 3 of Chapter 51 of the 2023 Session Laws to provide the 2023-25 biennium Bank of North Dakota line of credit provided to the Parks and Recreation Department for the Theodore Roosevelt Presidential Library project is authorized for $20 million instead of $70 million.	
Amendment - House Bill No. 1019 (2025) - Theodore Roosevelt presidential library		Section 25 amends Subsection 13 of Section 9 of House Bill No. 1019 (2025) to provide an exemption to authorize the Parks and Recreation Department to continue $20 million instead of $70 million from the 2023-25 biennium Bank of North Dakota line of credit for the Theodore Roosevelt Presidential Library into the 2025-27 biennium.	
Exemption - Community development block grant	Subsection 1 of Section 13 allows 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.	Subsection 1 of Section 26 allows 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 allows 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.	Subsection 2 of Section 26 allows 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 allows 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.	Subsection 3 of Section 26 allows 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.	

Other Sections in Department of Commerce - Budget No. 601

Section Description	Senate Version	House Version	
Exemption - Technical skills training grants	Subsection 4 of Section 13 allows 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.	Subsection 4 of Section 26 allows 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 - Workforce programs	Subsection 5 of Section 13 allows 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.	Subsection 5 of Section 26 allows 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 6 of Section 13 allows 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.	Subsection 6 of Section 26 allows 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 7 of Section 13 allows 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.	Subsection 7 of Section 26 allows 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 8 of Section 13 allows 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.	Subsection 8 of Section 26 allows 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.	
Exemption - Discretionary funds	Subsection 9 of Section 13 allows 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.	Subsection 9 of Section 26 allows 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 13 of Section 13 allows 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.	Subsection 10 of Section 26 allows 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 13 of Section 13 allows 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.	Subsection 11 of Section 26 allows 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 allows 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 program into the 2025-27 biennium and authorize the department to use the funding for operating expenses related to the program.	Subsection 12 of Section 26 allows 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 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 13 of Section 13 allows 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.	Subsection 13 of Section 26 allows 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.	

Other Sections in Department of Commerce - Budget No. 601

Section Description	Senate Version	House Version	
Exemption - Entrepreneurship grants and vouchers program		Subsection 14 of Section 26 allows the Department of Commerce to continue any remaining funds of the $740,966 appropriated from the general fund and $207,511 appropriated from the economic development fund during the 2023-25 biennium for the entrepreneurship grants and vouchers program into the 2025-27 biennium.	
Exemption - Office of Legal Immigration	Subsection 14 of Section 13 allows 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.	Subsection 15 of Section 26 allows 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.	

Nathe
SB 2018
4/28/25

Proposed House reductions 2018

Destination Fund $25 Million	(eliminated)
Good life $5 million	(eliminated)
Science Ctrs $10 million	(eliminated)
Drone Replacement	$5million
Tech Skills	$1million

Fargo Theater, Medora Transportation, Opera House

Marmouth Theater, Driscoll Community Hall

$2.775 Million (all eliminated)

Total House reduction

$48.775 Million

Nathe
SB 2018 4/28/25

Legislative Council

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

Prepared for Representative Nathe

	Conference Committee Version				Conference Committee Compared to Senate Version				Conference Committee Compared to House Version			
					Increase (Decrease)				Increase (Decrease)			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	62.80	$33,546,083	$53,344,371	$86,890,454	0.00	$0	$0	$0	0.00	$0	$0	$0
2025-27 Ongoing Funding Changes												
Base payroll changes		$67,653	$82,578	$150,231				$0				$0
Adds funding for the cost to continue salary increases		238,480	45,544	284,024				0				0
Salary increase		531,691	127,953	659,644				0				0
Health insurance increase		294,619	77,709	372,328				0				0
Adds funding to replace the 2023-25 new FTE pool		405,880		405,880				0				0
Adds funding to replace the 2023-25 vacant FTE pool		560,856	102,571	663,427				0				0
Adjusts funding for the 2025-27 vacant FTE pool		(198,263)	(51,422)	(249,685)				0				0
Removes a FTE position	0.00	0		0	1.00	$199,286		199,286				0
Adds 3 FTE positions from federal carryover funds	3.00			0	3.00			0				0
Adds federal funding for temporary salaries and operating expenses to maintain building codes			98,583	98,583				0				0
Adds funding for the cost to continue IT increases			54,666	54,666				0				0
Adjusts base level funding for operating expenses		(21,481)	10,654	(10,827)				0				0
Adds federal funding for AmeriCorps program operating expenses			290,000	290,000				0				0
Reduces ongoing funding for the operation intern program		(6,896)		(6,896)				0				0
Removes funding for the continuum of care program and the state apprenticeship program		(81,713)	(1,097,157)	(1,178,870)				0				0
Adds federal funding for AmeriCorps and weatherization grant programs			3,132,157	3,132,157				0				0
Reduces federal funding for community development and community services block grants			(2,086,940)	(2,086,940)				0				0
Removes funding from the uncrewed aircraft systems (UAS) fund for UAS program grants			(1,020,150)	(1,020,150)				0				0
Total ongoing funding changes	**3.00**	**$1,790,826**	**($233,254)**	**$1,557,572**	**4.00**	**$199,286**	**$0**	**$199,286**	**0.00**	**$0**	**$0**	**$0**
One-Time Funding Items												
Adds one-time funding for temporary salaries for temporary staff and an office intern		$50,000	$3,590	$53,590				$0				$0
Adds one-time funding for North Dakota Development Fund temporary salaries			100,000	100,000				0				0
Adds funding for tourism marketing awareness			5,000,000	5,000,000			($2,000,000)	(2,000,000)				0
Adds funding for operating expenses of the operation intern program		2,000,000		2,000,000				0				0
Adds one-time funding for the Global Talent Office		1,000,000		1,000,000				0				0
Adds funding for tourism destination development grants			0	0			(20,000,000)	(20,000,000)			($25,000,000)	(25,000,000)
Adds funding for an uncrewed aerial vehicle replacement grant program			11,000,000	11,000,000			11,000,000	11,000,000			(5,000,000)	(5,000,000)
Adds funding for UAS program grants			1,000,000	1,000,000			1,000,000	1,000,000				0

Adds funding for the beyond visual line of sight UAS program grants			20,000,000	20,000,000			10,000,000	10,000,000				0
Adds funding for the enhanced use lease grant			5,000,000	5,000,000				0				0
Adds funding for autonomous agriculture grants			10,000,000	10,000,000			5,000,000	5,000,000				0
Adds funding for base enhancement grants			1,000,000	1,000,000				0				0
Adds funding for grants to tribally controlled community colleges		750,000		750,000				0				0
Adds funding for a Native American small business grant			600,000	600,000			600,000	600,000				0
Adds funding for a historic theater restoration grant				0				0			(1,100,000)	(1,100,000)
Adds funding for a historic opera house restoration grant				0				0			(250,000)	(250,000)
Adds funding for a historic theater improvement grant				0				0			(250,000)	(250,000)
Adds funding for a Medora transportation improvement grant				0				0			(1,000,000)	(1,000,000)
Adds funding for a community hall grant				0				0			(175,000)	(175,000)
Adds funding for the entrepreneurship grants and vouchers program		759,044		759,044				0				0
Adds funding for regional workforce impact program grants			5,000,000	5,000,000				0				0
Adds funding for the find the good life initiative				0				0			(5,000,000)	(5,000,000)
Adds funding for technical skills training grants		1,000,000		1,000,000		($1,000,000)		(1,000,000)		($1,000,000)		(1,000,000)
Adds contingent funding for children's education science center grants				0				0			(10,000,000)	(10,000,000)
Total one-time funding changes	**0.00**	**$5,559,044**	**$58,703,590**	**$64,262,634**	**0.00**	**($1,000,000)**	**$5,600,000**	**$4,600,000**	**0.00**	**($1,000,000)**	**($47,775,000)**	**($48,775,000)**
Total Changes to Base Level Funding	**3.00**	**$7,349,870**	**$58,470,336**	**$65,820,206**	**4.00**	**($800,714)**	**$5,600,000**	**$4,799,286**	**0.00**	**($1,000,000)**	**($47,775,000)**	**($48,775,000)**
2025-27 Total Funding	**65.80**	**$40,895,953**	**$111,814,707**	**$152,710,660**	**4.00**	**($800,714)**	**$5,600,000**	**$4,799,286**	**0.00**	**($1,000,000)**	**($47,775,000)**	**($48,775,000)**
Federal funds included in other funds			*$44,422,096*				*$0*				*$0*	
Total ongoing changes - Percentage of base level	*4.8%*	*5.3%*	*(0.4%)*	*1.8%*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*
Total changes - Percentage of base level	*4.8%*	*21.9%*	*109.6%*	*75.8%*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

SB 2018
4/29/2025
Conference Committee
9:00 a.m.

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; to provide an appropriation to the attorney general; to provide an appropriation to the department of career and technical education; to provide a contingent appropriation; relating to department of commerce grant reporting requirements, the purpose of the North Dakota development fund, duties and talent strategy of the division of workforce development, the uncrewed aircraft systems program, the uncrewed aircraft systems program fund, the beyond visual line of sight uncrewed aircraft system program, changing the name of the office of legal immigration to the global talent office, and the Theodore Roosevelt presidential library project; to authorize a Bank of North Dakota line of credit; to provide for a transfer; to provide an application; to provide an exemption; and to provide for a legislative management report.

9:01 a.m. Chairman Dwyer opened the meeting.

Members Present: Chairman Dwyer, Senators Bekkedahl, Hogue, Representatives Nathe, Martinson, Swiontek.

Discussion Topics:

- Needs vs. Wants
- Science Centers
- Drone Replacement Program
- Grand Farm

9:02 a.m. Chairman Dwyer explained the Senate proposal and submitted testimony #45285.

9:06 a.m. Chairman Bekkedahl discussed needs vs. wants in the budget.

9:07 a.m. Representative Swiontek discussed the intent of the science centers.

9:11 a.m. Senator Bekkedahl discussed potential resistance towards the drone replacement program, Grand Farm and LIFT.

9:12 a.m. Chairman Dwyer closed the meeting.

Elizabeth Reiten, Committee Clerk

4.28.2025 Department of Commerce Major Program Adjustments to Base Budget	Senate	House	Proposal	Difference from House	Final Proposal
Tourism marketing awareness	$7,000,000	$5,000,000	$5,000,000	$0	
Find the good life	-	5,000,000	-	(5,000,000)	
Tourism destination development grants	20,000,000	25,000,000	15,000,000	(10,000,000)	
Operation intern	2,000,000	2,000,000	2,000,000	-	
Global Talent Office (Office of Legal Immigration)	1,000,000	1,000,000	1,000,000	-	
UAS grants (Test Site)	-	1,000,000	-	(1,000,000)	
Beyond visual light of sight UAS (Vantis)	10,000,000	20,000,000	15,000,000	(5,000,000)	
Uncrewed aerial vehicle replacement	-	16,000,000	10,000,000	(6,000,000)	
Enhanced use lease grant (Grand Sky)	5,000,000	5,000,000	5,000,000	-	
Autonomous agriculture grants (Grand Farm)	5,000,000	10,000,000	10,000,000	-	
Base enhancement grants	1,000,000	1,000,000	1,000,000	-	
Tribally controlled community colleges	750,000	750,000	750,000	-	
Native American small business grant (Senate from discretionary in base)	600,000	600,000	600,000	-	
Entrepreneurship grants and vouchers (General fund only)	759,044	759,044	759,044	-	
Historic theater restoration grant (Fargo) (HB 1018 in Senate)	250,000	1,100,000	500,000	(600,000)	
Historic opera house restoration grant (Ellendale) (HB 1018 in Senate)	250,000	250,000	250,000	-	
Historic theater improvement grant (Marmarth) (HB 1018 in Senate)	250,000	250,000	250,000	-	
Medora transportation improvement grant	-	1,000,000	1,000,000	-	
Community hall grant (Driscoll)	-	175,000	-	(175,000)	
Regional workforce impact program (RWIP) grants	5,000,000	5,000,000	5,000,000	-	
Technical skills training grants	2,000,000	2,000,000	2,000,000	-	
Children's education science center grants (contingent funding)	-	10,000,000	-	(10,000,000)	
Theodore Roosevelt Presidential Library (Transfer section - SIIF)	-	25,000,000	-	(25,000,000)	
Theodore Roosevelt Presidential Library (Transfer section - BND profits)	-	25,000,000	-	(25,000,000)	
LIFT (transfer section)	5,000,000	10,000,000	10,000,000	-	
North Dakota Development Fund (Transfer section)	30,000,000	30,000,000	25,000,000	(5,000,000)	
North Dakota Development Fund (BND line of credit section)	-	75,000,000	25,000,000	(50,000,000)	
Autonomous technology grants (Appropriation to Attorney General)	-	250,000	250,000	-	
Autonomous technology grants (Appropriation to CTE)	-	250,000	250,000	-	
Senate Bill No. 2018 Total	**$95,859,044**	**$278,384,044**	**$135,609,044**	**($142,775,000)**	
General Fund	6,509,044	6,509,044	6,509,044	-	
SIIF	88,750,000	171,875,000	103,500,000	($67,775,000)	
Major Other Appropriation Bills					
State radar data pathfinder (HB 1038) (signed by Governor)	$11,000,000	$11,000,000	$11,000,000	-	
Tribal tourism grants (HB 1581) (signed by Governor)	100,000	100,000	100,000	-	
Housing assistance grant programs (SB 2225) (conference committee)	50,000,000	30,000,000	30,000,000	-	
Rural grocery store sustainability grants (SB 2228) (signed by Governor)	1,000,000	1,000,000	1,000,000	-	
Rural catalyst grants (SB 2390) (conference committee)	5,000,000	5,000,000	2,500,000	($2,500,000)	
Major Other Appropriation Bills Total	**$67,100,000**	**$47,100,000**	**$44,600,000**	**($2,500,000)**	
General Fund	1,100,000	1,100,000	1,100,000	-	
SIIF	66,000,000	46,000,000	43,500,000	(2,500,000)	
Total All Selected Bills	**$162,959,044**	**$325,484,044**	**$180,209,044**	**($145,275,000)**	
General Fund	7,609,044	7,609,044	7,609,044	-	
SIIF	154,750,000	217,875,000	147,000,000	(70,275,000)	
Change in FTE Positions	(1.00)	3.00	3.00	-	

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

SB 2018
4/29/2025
Conference Committee
5:00 p.m.

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; to provide an appropriation to the attorney general; to provide an appropriation to the department of career and technical education; to provide a contingent appropriation; relating to department of commerce grant reporting requirements, the purpose of the North Dakota development fund, duties and talent strategy of the division of workforce development, the uncrewed aircraft systems program, the uncrewed aircraft systems program fund, the beyond visual line of sight uncrewed aircraft system program, changing the name of the office of legal immigration to the global talent office, and the Theodore Roosevelt presidential library project; to authorize a Bank of North Dakota line of credit; to provide for a transfer; to provide an application; to provide an exemption; and to provide for a legislative management report.

5:01 p.m. Chairman Dwyer opened the meeting.

Members Present: Chairman Dwyer, Senators Bekkedahl, Hogue, Representatives Nathe, Martinson, Swiontek.

Discussion Topics:

- Housing Assistance Grant and Slum and Blight Removal Programs
- Theodore Roosevelt Presidential Library Line of Credit
- Line of Credit Interest Rate

5:01 p.m. Chairman Dwyer explained the new Senate proposal and submitted testimony #45318.

5:08 p.m. Representative Martinson discussed the line of credit for the Theodore Roosevelt Presidential Library and proposed a 2% interest rate.

5:12 p.m. Levi Kinnischtzke, Legislative Council, explained the authorization of the line of credit for the Presidential Library.

5:14 p.m. Representative Martinson discussed working on an endowment during the interim.

5:16 p.m. Chairman Dwyer closed the meeting.

Elizabeth Reiten, Committee Clerk

4.29.2025 - #2 Department of Commerce Major Program Adjustments to Base Budget	Senate	House	Proposal	Difference from House	Final Proposal
Tourism marketing awareness	$7,000,000	$5,000,000	$5,000,000	$0	
Find the good life	-	5,000,000	-	(5,000,000)	
Tourism destination development grants	20,000,000	25,000,000	15,000,000	(10,000,000)	
Operation intern	2,000,000	2,000,000	2,000,000	-	
Global Talent Office (Office of Legal Immigration)	1,000,000	1,000,000	1,000,000	-	
UAS grants (Test Site)	-	1,000,000	-	(1,000,000)	
Beyond visual light of sight UAS (Vantis)	10,000,000	20,000,000	15,000,000	(5,000,000)	
Uncrewed aerial vehicle replacement	-	16,000,000	9,000,000	(7,000,000)	
Enhanced use lease grant (Grand Sky)	5,000,000	5,000,000	2,500,000	(2,500,000)	
Autonomous agriculture grants (Grand Farm)	5,000,000	10,000,000	7,500,000	(2,500,000)	
Base enhancement grants	1,000,000	1,000,000	1,000,000	-	
Tribally controlled community colleges	750,000	750,000	750,000	-	
Native American small business grant (Senate from discretionary in base)	600,000	600,000	600,000	-	
Entrepreneurship grants and vouchers (General fund only)	759,044	759,044	759,044	-	
Historic theater restoration grant (Fargo) (HB 1018 in Senate)	250,000	1,100,000	500,000	(600,000)	
Historic opera house restoration grant (Ellendale) (HB 1018 in Senate)	250,000	250,000	250,000	-	
Historic theater improvement grant (Marmarth) (HB 1018 in Senate)	250,000	250,000	250,000	-	
Medora transportation improvement grant	-	1,000,000	1,000,000	-	
Community hall grant (Driscoll)	-	175,000	175,000	-	
Regional workforce impact program (RWIP) grants	5,000,000	5,000,000	5,000,000	-	
Technical skills training grants	2,000,000	2,000,000	1,000,000	(1,000,000)	
Regional planning councils ($2.4M from House in HB 1524)	-	-	1,400,000	1,400,000	
Regional planning councils ($2.4M from House in HB 1524)		-	600,000	-	
Children's education science center grants (contingent funding)	-	10,000,000	2,000,000	(8,000,000)	
Theodore Roosevelt Presidential Library (Transfer section - SIIF)	-	25,000,000	-	(25,000,000)	
Theodore Roosevelt Presidential Library (Transfer section - BND profits)	-	25,000,000	-	(25,000,000)	
LIFT (transfer section)	5,000,000	10,000,000	10,000,000	-	
North Dakota Development Fund (Transfer section)	30,000,000	30,000,000	25,000,000	(5,000,000)	
North Dakota Development Fund (BND line of credit section)	-	75,000,000	25,000,000	(50,000,000)	
State fair sanitation restoration	-	-	350,000	350,000	
Autonomous technology grants (Appropriation to Attorney General)	-	250,000	250,000	-	
Autonomous technology grants (Appropriation to CTE)	-	250,000	250,000	-	
Senate Bill No. 2018 Total	**$95,259,044**	**$278,384,044**	**$132,534,044**	**($145,850,000)**	
General Fund	6,509,044	6,509,044	7,259,044	750,000	
SIIF	88,750,000	171,875,000	100,275,000	($71,600,000)	
Major Other Appropriation Bills					
State radar data pathfinder (HB 1038) (signed by Governor)	$11,000,000	$11,000,000	$11,000,000	-	
Tribal tourism grants (HB 1581) (signed by Governor)	100,000	100,000	100,000	-	
Housing assistance grant programs (SB 2225) (conference committee)	50,000,000	30,000,000	5,000,000	($25,000,000)	
Rural grocery store sustainability grants (SB 2228) (signed by Governor)	1,000,000	1,000,000	1,000,000	-	
Rural catalyst grants (SB 2390) (Passed Senate)	5,000,000	5,000,000	2,500,000	(2,500,000)	
Major Other Appropriation Bills Total	**$67,100,000**	**$47,100,000**	**$19,600,000**	**($27,500,000)**	
General Fund	1,100,000	1,100,000	1,100,000	-	
SIIF	66,000,000	46,000,000	18,500,000	(27,500,000)	
Total All Selected Bills	**$162,359,044**	**$325,484,044**	**$152,134,044**	**($173,350,000)**	
General Fund	7,609,044	7,609,044	8,359,044	750,000	
SIIF	154,750,000	217,875,000	118,775,000	(99,100,000)	
Change in FTE Positions	(1.00)	3.00	3.00	-	

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

SB 2018
4/30/2025
Conference Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; to provide an appropriation to the attorney general; to provide an appropriation to the department of career and technical education; to provide a contingent appropriation; relating to department of commerce grant reporting requirements, the purpose of the North Dakota development fund, duties and talent strategy of the division of workforce development, the uncrewed aircraft systems program, the uncrewed aircraft systems program fund, the beyond visual line of sight uncrewed aircraft system program, changing the name of the office of legal immigration to the global talent office, and the Theodore Roosevelt presidential library project; to authorize a Bank of North Dakota line of credit; to provide for a transfer; to provide an application; to provide an exemption; and to provide for a legislative management report.

11:30 a.m. Chairman Dwyer opened the meeting.

Members Present: Chairman Dwyer, Senators Bekkedahl, Hogue, Representatives Nathe, Martinson.
Members Absent: Representative Swiontek.

Discussion Topics:

- Presidential Library Interest Rate
- Royalties
- Section 17 Language
- Tribally Controlled Community College Grants

11:31 a.m. Chairman Dwyer introduced amendment LC 25.0185.02018 and submitted testimony #45335.

11:40 a.m. Rich Garmin, Director of Economic Development and Finance for Dept. of Commerce, answered committee questions.

11:44 a.m. Representative Martinson moved amendment LC 25.0185.02018.

11:44 a.m. Senator Hogue seconded the motion.

Roll Call Vote: Motion Passed 4-1-1.

11:44 a.m. Representative Nathe moved in place of House amendments LC 25.0185.01016 adopted by the House, the bill is amended by conference committee amendments LC 25.0185.02018.

11:44 a.m. Senator Hogue seconded the motion.

Roll Call Vote: Motion Passed 4-1-1.

Senator Dwyer and Representative Nathe will carry the bill.

11:45 p.m. Chairman Dwyer closed the meeting.

Elizabeth Reiten, Committee Clerk

25.0185.02018
Title.06000
Fiscal No. 2

Prepared by the Legislative Council staff for Conference Committee

April 30, 2025

CO
4/30/25
1 of 23

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO FIRST ENGROSSMENT

ENGROSSED SENATE BILL NO. 2018

Introduced by

Appropriations Committee

In place of amendment (25.0185.02016) adopted by the House, Engrossed Senate Bill No. 2018 is amended by amendment (25.0185.02018) as follows:

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; to provide an appropriation to the attorney general; to provide an appropriation to the department of career and technical education; to provide an appropriation to the state fair association; to provide a contingent appropriation; to create and enact a new section to chapter 54-60 of the North Dakota Century Code, relating to department of commerce grant reporting requirements; to amend and reenact ~~section~~subsection 1 of section 10-30.5-02, sections 54-60-09, 54-60-19, 54-60-28, 54-60-29, 54-60-29.1, and 54-60-31 of the North Dakota Century Code, relating to the purpose of the North Dakota development fund, duties and talent strategy of the division of workforce development, the uncrewed aircraft systems program, the uncrewed aircraft systems program fund, the beyond visual line of sight uncrewed aircraft system program, and changing the name of the office of legal immigration to the ~~office of~~ global talent office; to authorize a Bank of North Dakota line of credit; to provide for a transfer; to provide an application; to provide an exemption; and to provide for a legislative management report.

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 other funds derived from special funds and federal funds, 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:

	Base Level	Adjustments or Enhancements	Appropriation
~~Salaries and wages~~	~~$15,785,306~~	~~$1,723,056~~	~~$17,508,362~~
Salaries and wages	$15,785,306	$1,912,342	$17,697,648
New and vacant FTE pool	0	582,600	582,600
~~Operating expenses~~	~~19,462,643~~	~~9,210,023~~	~~28,672,666~~
~~Grants~~	~~47,636,118~~	~~40,746,197~~	~~88,382,315~~
Operating expenses	19,462,643	7,220,023	26,682,666
Grants	47,636,118	53,921,197	101,557,315
Discretionary funds	2,150,000	0	2,150,000
~~Workforce programs~~	~~0~~	~~8,000,000~~	~~8,000,000~~
Workforce programs	0	7,000,000	7,000,000
Partner programs	907,920	0	907,920
Entrepreneurship grants and vouchers	948,467	759,044	1,707,511
~~Total all funds~~	~~$86,890,454~~	~~$61,020,920~~	~~$147,911,374~~
~~Less other funds~~	~~53,344,371~~	~~52,870,336~~	~~106,214,707~~
~~Total general fund~~	~~$33,546,083~~	~~$8,150,584~~	~~$41,696,667~~
~~Full-time equivalent positions~~	~~62.80~~	~~(1.00)~~	~~61.80~~
Total all funds	$86,890,454	$71,395,206	$158,285,660
Less other funds	53,344,371	62,645,336	115,989,707
Total general fund	$33,546,083	$8,749,870	$42,295,953
Full-time equivalent positions	62.80	3.00	65.80

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

One-Time Funding Description	General Fund	Other Funds	Total
Temporary salaries	$50,000	$103,590	$153,590

~~Tourism marketing awareness~~	~~0~~	~~7,000,000~~	~~7,000,000~~
Tourism marketing awareness	0	5,000,000	5,000,000
Operation intern	2,000,000	0	2,000,000
~~Office of global talent~~	~~1,000,000~~	~~0~~	~~1,000,000~~
~~Tourism destination development grants~~	~~0~~	~~20,000,000~~	~~20,000,000~~
~~Beyond visual line of sight uncrewed aircraft system program~~	~~0~~	~~10,000,000~~	~~10,000,000~~
~~Enhanced use lease grant~~	~~0~~	~~5,000,000~~	~~5,000,000~~
~~Autonomous agriculture grants~~	~~0~~	~~5,000,000~~	~~5,000,000~~
Global talent office	1,000,000	0	1,000,000
Tourism destination development grants	0	15,000,000	15,000,000
Uncrewed aerial vehicle replacement grant program	0	9,000,000	9,000,000
Beyond visual line of sight uncrewed aircraft system program	0	15,000,000	15,000,000
Enhanced use lease grant	0	2,500,000	2,500,000
Autonomous agriculture grants	0	7,500,000	7,500,000
Base enhancement grants	0	1,000,000	1,000,000
Tribally controlled community college grants	750,000	0	750,000
Native American small business grant	0	600,000	600,000
Historic theater restoration grant	0	500,000	500,000
Historic opera house restoration grant	0	250,000	250,000
Historic theater improvement grant	0	250,000	250,000
Medora transportation improvement grant	0	1,000,000	1,000,000
Community hall grant	0	175,000	175,000
Regional planning council grants	1,400,000	0	1,400,000
Entrepreneurship grants and vouchers	759,044	0	759,044
Regional workforce impact program grants	0	5,000,000	5,000,000
~~Technical skills training grants~~	~~2,000,000~~	~~0~~	~~2,000,000~~
~~Total~~	~~$6,559,044~~	~~$53,103,590~~	~~$59,662,634~~

Technical skills training grants	1,000,000	0	1,000,000
Total	$6,959,044	$62,878,590	$69,837,634

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The department of commerce may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. CONTINGENT APPROPRIATION - DEPARTMENT OF COMMERCE - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - CHILDREN'S EDUCATION SCIENCE CENTER GRANTS - ONE-TIME FUNDING. There is appropriated out of any moneys in the strategic investment and improvements fund, not otherwise appropriated, the sum of $2,000,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of providing grants of up to $1,000,000 to support the construction of children's education science centers in cities in the state with a population of at least 50,000 residents, for the biennium beginning July 1, 2025, and ending June 30, 2027. The funding appropriated in this section is available only if the state treasurer certifies to the office of management and budget that oil and gas tax revenue allocations to the strategic investment and improvements fund under section 57-51.1-07.5 have exceeded $402,000,000 during the 2025-27 biennium. The appropriation in this section is considered a one-time funding item.

SECTION 5. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - ATTORNEY GENERAL - AUTONOMOUS TECHNOLOGY GRANTS - MATCHING FUNDS REQUIREMENT - ONE-TIME FUNDING - LEGISLATIVE MANAGEMENT REPORT.

1. There is appropriated out of any moneys in the strategic investment and improvements fund, not otherwise appropriated, the sum of $250,000, or so much of the sum as may be necessary, to the attorney general for the purpose of providing autonomous technology grants to individuals or entities that aid the bureau of criminal investigation in conducting missing person searches, crime scene reconstruction, and law enforcement first response operations, for the biennium beginning July 1, 2025, and ending June 30, 2027. The appropriation in this section is considered a one-time funding item.

2. For purposes of this section, autonomous technology includes uncrewed aircraft systems; autonomous vehicles; or other autonomous systems, processes, or technologies.
3. The attorney general shall develop an application process and guidelines for the grants, including eligibility criteria, matching requirements, eligible uses of grant funding, and maximum grant awards. To be eligible for a grant, an individual or entity shall certify to the attorney general that the operation of the autonomous technology is related to conducting missing person searches, crime scene reconstruction, and law enforcement first response operations. The attorney general may require an individual or entity to provide one dollar of matching funds for every four dollars awarded by the state. An individual or entity may use grant funding for autonomous technology operations, contracting for services related to autonomous technology, or other eligible uses as determined by the attorney general.
4. During the 2025-26 interim, the attorney general shall provide at least one report to the legislative management regarding the grants, including a list of grant recipients, the amounts awarded, and a description of the use of the grant funding.

SECTION 6. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - DEPARTMENT OF CAREER AND TECHNICAL EDUCATION - AUTONOMOUS TECHNOLOGY GRANTS - MATCHING FUNDS REQUIREMENT - ONE-TIME FUNDING - LEGISLATIVE MANAGEMENT REPORT.

1. There is appropriated out of any moneys in the strategic investment and improvements fund, not otherwise appropriated, the sum of $250,000, or so much of the sum as may be necessary, to the department of career and technical education for the purpose of providing autonomous technology grants to a workforce training center serving the northwest area of the state for providing workforce training to address workforce shortages in the state, including shortages in the oil and gas industry, for the biennium beginning July 1, 2025, and ending June 30, 2027. The appropriation in this section is considered a one-time funding item.
2. For purposes of this section, autonomous technology includes uncrewed aircraft systems; autonomous vehicles; or other autonomous systems, processes, or technologies.

3. The department of career and technical education shall develop an application process and guidelines for the grants, including eligibility criteria, matching requirements, eligible uses of grant funding, and maximum grant awards. To be eligible for a grant, a workforce training center shall certify to the department of career and technical education that the operation of the autonomous technology is related to workforce training to address workforce shortages in the state, including shortages in the oil and gas industry. The department of career and technical education may require a workforce training center to provide one dollar of matching funds for every four dollars awarded by the state. A workforce training center may use grant funding for education or training curriculum expenses related to autonomous technology, autonomous technology operations, contracting for services related to autonomous technology, or other eligible uses as determined by the department of career and technical education.
4. During the 2025-26 interim, the department of career and technical education shall provide at least one report to the legislative management regarding the grants, including a list of grant recipients, the amounts awarded, and a description of the use of the grant funding.

SECTION 7. APPROPRIATION - STATE FAIR ASSOCIATION - SANITATION RESTORATION PROJECT - ONE-TIME FUNDING. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $350,000, or so much of the sum as may be necessary, to the state fair association for the purpose of a sanitation restoration project, for the biennium beginning July 1, 2025, and ending June 30, 2027. The appropriation in this section is considered a one-time funding item.

SECTION 8. 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 9. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO LEGACY INVESTMENT FOR TECHNOLOGY FUND. The office of management and budget shall transfer the sum of ~~$5,000,000~~$10,000,000 from the strategic investment and improvements fund to the legacy investment for technology fund for the purpose of providing

legacy investment technology loans, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 10. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO NORTH DAKOTA DEVELOPMENT FUND - EXEMPTION. The office of management and budget shall transfer the sum of ~~$30,000,000~~$25,000,000 from the strategic investment and improvements fund to the North Dakota development fund for programs under chapter 10-30.5, for the biennium beginning July 1, 2025, and ending June 30, 2027. Notwithstanding section 10-30.5-02, the North Dakota development fund may use up to $10,000,000 of the funds provided in this section for nonprimary sector business activities.

SECTION 11. BANK OF NORTH DAKOTA LINE OF CREDIT - TRANSFER TO NORTH DAKOTA DEVELOPMENT FUND. The department of commerce may borrow up to $25,000,000 through a line of credit from the Bank of North Dakota during the biennium beginning July 1, 2025, and ending June 30, 2027, the proceeds of which must be transferred to the North Dakota development fund for programs under chapter 10-30.5. The interest rate associated with the line of credit may not exceed the prevailing interest rate charged to North Dakota governmental entities. The department of commerce shall repay the line of credit from moneys available in the North Dakota development fund. If the moneys available in the North Dakota development fund are not sufficient to repay the line of credit, the department of commerce shall request a deficiency appropriation from the seventieth legislative assembly to repay the line of credit.

SECTION 12. RURAL HEALTH CARE GRANT PROGRAM - MATCHING FUNDS REQUIREMENT. The grants line item in section 1 of this Act includes $444,000 from the general fund for providing matching funds to an organization assisting in the recruitment, distribution, and supply, and enhancing the quality and efficiency of personnel providing health services in rural areas of the state. The department of commerce may spend the funds appropriated in this section only to the extent the organization has secured matching funds from nonstate sources on a dollar-for-dollar basis.

SECTION 13. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - MATCHING FUNDS REQUIREMENT - APPLICATION. The other funds line item in section 1 of this Act includes the sum of ~~$53,000,000~~$62,775,000 from the strategic investment and improvements fund, of which:

1. ~~$7,000,000~~$5,000,000 is for tourism marketing awareness, including ~~$150,000~~$250,000 for supporting the continuation of the North Dakota state magazine with the current publisher of the magazine;
2. ~~$20,000,000~~$15,000,000 is for tourism destination development grants;
3. $9,000,000 is for an uncrewed aerial vehicle replacement program;
4. ~~$10,000,000~~$15,000,000 is for the beyond visual line of sight uncrewed aircraft system program;
5. ~~$5,000,000~~$2,500,000 is for the enhanced use lease grant program;
6. ~~$5,000,000~~$7,500,000 is for autonomous agriculture grants~~, which may be provided for autonomous trucking grants~~;
7. $1,000,000 is for providing base enhancement grants to communities with an air force base or air national guard facilities, including $600,000 to eligible organizations in Minot, $250,000 to eligible organizations in Grand Forks, and $150,000 to eligible organizations in Fargo;~~ and~~
8. $600,000 is for a Native American small business grant;
9. $500,000 is for a historic theater restoration grant, which the department of commerce may spend only to the extent an organization has secured one dollar of matching funds from nonstate sources for every one dollar provided by the department of commerce;
10. $250,000 is for a historic opera house restoration grant;
11. $250,000 is for a historic theater improvement grant;
12. $1,000,000 is for a Medora transportation improvement grant;
13. $175,000 is for a community hall grant; and
14. $5,000,000 is for regional workforce impact program grants.

The requirements of chapter 54-44.4 do not apply to the selection of a grant recipient, the grant award, or payments made under this section.

SECTION 14. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - UNCREWED AERIAL VEHICLE REPLACEMENT PROGRAM - LEGISLATIVE MANAGEMENT REPORT. The other funds line item in section 1 of this Act includes the sum of $9,000,000 which the department of commerce shall use for the purpose of administering an

uncrewed aerial vehicle replacement program, for the period beginning with the effective date of this Act, and ending June 30, 2027.

1. The department of commerce shall collaborate with the uncrewed aircraft systems test site established in section 54-60-28 and state agencies, including institutions under the control of the state board of higher education, to replace uncrewed aerial vehicles owned by the state which do not comply with requirements of the federal National Defense Authorization Act and the American Security Drone Act of 2023. The information technology department, in consultation with the department of commerce and the uncrewed aircraft systems test site, may implement an enterprise uncrewed aerial vehicle data management solution. An enterprise uncrewed aerial vehicle data management solution implemented under this section must ensure all data collected, transmitted, stored, and consumed by an uncrewed aerial vehicle remain under the control of the state. As used in this section "enterprise uncrewed aerial vehicle data management solution" means a system for secure, end-to-end data collection, transportation, storage, processing, and consumption through enterprise software. A state agency owning an uncrewed aerial vehicle before January 1, 2025, is eligible to receive a new uncrewed aerial vehicle that is in compliance with federal requirements and is of equivalent capability to the agency's existing uncrewed aerial vehicle. The department of commerce shall purchase each uncrewed aerial vehicle based on the needs of the agency and a recommendation from the uncrewed aircraft systems test site and provide the uncrewed aerial vehicle to the agency. The department of commerce shall use a portion of the funding provided in this section to pay for training needed for agency staff to operate the new uncrewed aerial vehicle. The department of commerce and uncrewed aircraft systems test site shall give priority to state agencies willing to share uncrewed aerial vehicles rather than purchasing multiple uncrewed aerial vehicles.
2. Any uncrewed aerial vehicle replaced under this section must be remitted to the uncrewed aircraft systems test site for proper decommissioning and disposal pursuant to federal and state regulations, which may include the sale of uncrewed aerial vehicles to the United States department of homeland security at market rates for use in the counter unmanned aircraft system program. The department of commerce shall

remit any funding received under this section to the state treasurer for deposit in the general fund.

3. The department of commerce shall maintain an inventory of uncrewed aerial vehicles purchased for state agencies under this section and encourage state agencies to use the state beyond visual line of sight program. The uncrewed aircraft systems test site shall provide guidance to state agencies regarding the integration of uncrewed aerial vehicles into the beyond visual line of sight system and proper maintenance schedules for uncrewed aerial vehicles. The uncrewed aircraft systems test site shall establish a centralized system for state agencies to register uncrewed aerial vehicles and authorized operators for accessing the beyond visual line of sight system and shall provide operational support when state agencies use uncrewed aircraft systems test site integrated platforms.

4. During the 2025-26 interim, the department of commerce shall compile information from state agencies and provide a report to the legislative management by June 30, 2026, regarding the status of the program, funding spent on uncrewed aerial vehicle replacements and training costs, the number of uncrewed aerial vehicles replaced in each state agency, the number of uncrewed aerial vehicles sold or disposed, and any future needs for each state agency to be compliant with the federal National Defense Authorization Act and the American Security Drone Act of 2023.

SECTION 15. TRIBALLY CONTROLLED COMMUNITY COLLEGE GRANTS - LEGISLATIVE MANAGEMENT REPORT. The grants line item in section 1 of this Act includes $750,000 from the general fund for the purpose of providing workforce development grants to a tribally controlled community college ~~in the Turtle Mountain area~~. To be eligible for a grant under this section, a tribally controlled community college shall partner with at least one high school in the state for programs under section 54-60.2-02. During the 2025-26 interim, a tribally controlled community college receiving funding under this program shall report to the department of commerce by August 1, 2026, regarding the use of grant funds and the department of commerce shall provide a report to the legislative management by October 1, 2026, regarding the use of grant funds.

SECTION 16. DISCRETIONARY FUNDS - ~~NATIVE AMERICAN SMALL BUSINESS GRANT~~REGIONAL PLANNING COUNCIL GRANTS. The discretionary funds line item in

section 1 of this Act includes $2,150,000 from the general fund, of which $600,000 is designated for ~~a grant to support an organization dedicated to assisting Native American small businesses in North Dakota~~grants to support regional planning councils under chapter 54-40.1.

SECTION 17. AMENDMENT. Subsection 1 of section 10-30.5-02 of the North Dakota Century Code is amended and reenacted as follows:

1. It is the purpose of this chapter to create a statewide nonprofit development corporation that will have the authority to take equity positions in, to provide loans to, ~~or~~to form a management and operations entity, and to use other innovative financing mechanisms to provide capital for new or expanding businesses in this state, or relocating businesses to this state. The corporation's principal mission is the development and expansion of primary sector business in this state. The corporation may form additional corporations, limited liability companies, partnerships, joint ventures, or other forms of business associations in order to further its mission of primary sector economic development.

SECTION 18. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Reporting requirements - Budget section - Grant programs.

The department shall compile a report regarding grant programs administered by the department, excluding federally funded programs, to be provided semiannually to the budget section. The report must include the following for each grant program:

1. The purpose of the grant program;
2. Funding history;
3. The number of days the grant application was open to applicants;
4. The name of each grant recipient and the amount of each grant award; and
5. The distribution date of grant funds or the anticipated distribution date of grant funds.

SECTION 19. AMENDMENT. Section 54-60-09 of the North Dakota Century Code is amended and reenacted as follows:

54-60-09. Division of workforce development - Duties - Report.

The division of workforce development shall:

1. Actively monitor local, regional, and national private and public workforce development initiatives.

2. Develop and implement the state's talent strategy.

3. Develop and ~~implement a statewide intelligence coordination strategy~~continually refine the state workforce mission, vision, and strategies.

4. Conduct regular employer talent and skills supply and demand studies, the results of which must be reported to a standing committee of each house of the legislative assembly as determined by the legislative management during each regular legislative session.

SECTION 20. AMENDMENT. Section 54-60-19 of the North Dakota Century Code is amended and reenacted as follows:

54-60-19. Division of workforce development - Talent strategy - Performance and accountability - Report.

1. The division of workforce development, in developing and implementing the state's talent strategy, shall:

   a. ~~Consult with partners in the state's system for workforce development, workforce training, and talent attraction~~Collect data on all workforce programs administered by state agencies, including job service North Dakota, the department of career and technical education, the superintendent of public instruction, the state board of higher education, the department of health and human services, and other divisions of the department of commerce, to determine standard measurements of success and to compile and analyze the program data in a report to be provided to a standing committee of each house of the legislative assembly as determined by the legislative management during each regular legislative session.

   b. Develop a comprehensive, consolidated biennial statewide strategic plan for the state's system for workforce development, workforce training, and talent attraction.

   c. Continuously review, identify how to improve, and implement improvements to the state's system for workforce development, workforce training, and talent attraction.

   d. ~~Develop linkages between partners of the state's system for workforce development, workforce training, and talent attraction, to assure coordination and~~

~~nonduplication of programs and services provided in the state~~Review all workforce development programs administered by state agencies for the coordination and prevention of duplication of workforce development services.

2. The division of workforce development shall develop and implement a system of performance and accountability measures for the state's system for workforce development, workforce training, and talent attraction. Each partner of the state's system for workforce development, workforce training, and talent attraction shall cooperate in providing the division the data necessary to implement these measures.

SECTION 21. AMENDMENT. Section 54-60-28 of the North Dakota Century Code is amended and reenacted as follows:

54-60-28. Uncrewed aircraft systems program - Report to legislative management.

1. The department may operate and administer an uncrewed aircraft systems test site, contingent upon receiving official designation by the federal aviation administration. The department may cooperate and contract with the university of North Dakota, the North Dakota aeronautics commission, the adjutant general, and other public or private entities as determined by the commissioner in the operation and administration of the test site. The department may charge fees sufficient to operate the test site. The department shall, to the extent possible, use competitive bidding in the operation and administration of the test site. The commissioner may charter a public corporation to operate the test site. The corporation must possess all of the powers of a business corporation consistent with this chapter. The department shall report to the legislative management semiannually on the status of the program.

2. In administering the uncrewed aircraft systems program, the uncrewed aircraft systems test site established in subsection 1 may:

   a. Enter contracts and agreements with public, private, and nonprofit organizations for projects, activities, and research topics, and for the operation and management of a public-private partnership under chapter 48-02.1;

   b. Enter partnerships, limited liability companies, joint ventures, or other contractual arrangements with private businesses for the purpose of business or industrial development; and

c. Adopt policies governing ownership or transfer of ownership rights and distribution of income that may be derived from an invention or discovery resulting from research or employment in the uncrewed aircraft systems test site.

SECTION 22. AMENDMENT. Section 54-60-29 of the North Dakota Century Code is amended and reenacted as follows:

54-60-29. Uncrewed aircraft systems program fund - Continuing appropriation.

1. There is created in the state treasury a special fund known as the uncrewed aircraft systems fund, which may be used to defray the expenses of the:
   a. Operations of an uncrewed aircraft systems test site officially designated by the federal aviation administration;
   b. Beyond visual line of sight uncrewed aircraft system program; and
   c. Enhanced use lease grant program.
2. The fund consists of fees, royalties, gifts, grants, devises, bequests, donations, assignments, and other revenue collected for the administration of the test site and federal and other funds appropriated by the legislative assembly. All moneys in the fund are appropriated to the department of commerce on a continuing basis for the purpose of defraying the expenses of the programs identified in subsection 1. Interest earned on moneys in the fund must be credited to the fund.

SECTION 23. AMENDMENT. Section 54-60-29.1 of the North Dakota Century Code is amended and reenacted as follows:

54-60-29.1. Beyond visual line of sight uncrewed aircraft system program - Requirements - Report to legislative management.

The department may establish and administer a beyond visual line of sight uncrewed aircraft system program for the design, purchase, implementation, and operating costs of a beyond visual line of sight uncrewed aircraft system. The department may enter contracts, agreements, and contractual arrangements and adopt policies related to the beyond visual line of sight uncrewed aircraft system program in the same manner authorized for the uncrewed aircraft system program under section 54-60-28. The department shall require any entity receiving funding for this program which is operating the beyond visual line of sight uncrewed aircraft system to provide quarterly payments to the state treasurer based on a fee structure determined by the commissioner. The state treasurer shall deposit any funds received under

this section in the state general fund. The department shall provide semiannual reports to the legislative management regarding the development of the beyond visual line of sight uncrewed aircraft system program and the total amount deposited by the state treasurer in the state general fund.

SECTION 24. AMENDMENT. Section 54-60-31 of the North Dakota Century Code is amended and reenacted as follows:

54-60-31. ~~Office of~~ ~~legal immigration~~~~global~~Global talent office - Duties.

There is created ~~an office of~~ ~~legal immigration~~a global talent office within the department of commerce. Employees of the ~~office of~~ ~~legal immigration~~global talent office report to the commissioner. The ~~office of~~ ~~legal immigration~~global talent office:

1. Shall develop and implement a statewide strategy to support businesses in recruiting and retaining foreign labor, including immigrants already in the United States and integration of immigrants into the state to promote economic opportunities for immigrant communities.
2. Shall advise and make recommendations to the governor, legislative assembly, and state agencies regarding immigrant integration and foreign labor issues.
3. Shall develop a pilot program to support businesses pursuing or employing legal immigrants and to support communities to develop immigration integration plans and activities.
4. May contract with other state agencies to develop and administer programs or services related to immigration integration and access to basic needs that promote entrance and movement throughout the workforce.
5. May contract with an organization with expertise related to the goals of the ~~office of legal immigration~~global talent office.

SECTION 25. EXEMPTION - UNEXPENDED APPROPRIATIONS. The following appropriations are not subject to the provisions of section 54-44.1-11 and any unexpended funds from these appropriations may be continued into the biennium beginning July 1, 2025, and ending June 30, 2027:

1. The sum of $3,000,000 appropriated from federal COVID-19 funds for the community development block grant program in section 1 of chapter 27 of the 2021 Session Laws

and continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws.

2. The sum of $56,234,176 appropriated from federal COVID-19 funds for the state small business credit initiative program in section 2 of chapter 28 of the 2021 Session Laws and continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws.

3. The sum of $15,000,000 appropriated from the federal state fiscal recovery fund for the workforce development incentive grant program in subsection 38 of section 1 of chapter 550 of the 2021 Special Session Session Laws and continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws.

4. The sum of $5,000,000 appropriated from the federal state fiscal recovery fund for the technical skills training grant program in subsection 39 of section 1 of chapter 550 of the 2021 Special Session Session Laws and continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws.

5. The sum of $28,500,000 appropriated from the general fund for workforce programs, of which $12,000,000 was for workforce talent attraction initiative operating expenses, $12,500,000 was for workforce investment program grants, $2,000,000 was for technical skills training grants, and $2,000,000 was for new Americans workforce development and training grants, in section 1 of chapter 18 of the 2023 Session Laws.

6. The sum of $25,000,000 appropriated from the strategic investment and improvements fund for the tourism destination development initiative in section 1 of chapter 18 of the 2023 Session Laws.

7. 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 the 2023 Session Laws.

8. The sum of $120,000,000 appropriated from federal funds for weatherization and energy assistance programs in section 1 of chapter 18 of the 2023 Session Laws.

9. 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.

10. The sum of $3,258,084 appropriated from federal funds for heating, furnace, and cooling assistance grants in section 1 of chapter 18 of the 2023 Session Laws.

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11. The sum of $14,081,719 appropriated from federal funds for energy conservation assistance grants in section 1 of chapter 18 of the 2023 Session Laws.

12. The sum of $1,550,000 appropriated from federal funds for the parks and recreation program in section 1 of chapter 18 of the 2023 Session Laws, which may be used for operating expenses of the program.

13. The sum of $572,143 appropriated from federal funds for the state small business credit initiative program in section 1 of chapter 18 of the 2023 Session Laws.

14. The sum of $948,467, of which $740,956 is from the general fund and $207,511 is from the economic development fund, for the entrepreneurship grants and vouchers program in section 1 of chapter 18 of the 2023 Session Laws.

15. The sum of $2,000,000 appropriated from the general fund for the office of legal immigration in section 1 of chapter 639 of the 2023 Special Session Session Laws.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2018 - Summary of Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Attorney General						
Total all funds	$0	$0	$250,000	$250,000	$250,000	$0
Less estimated income	0	0	250,000	250,000	250,000	0
General fund	$0	$0	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00
Dept. of Career and Technical Education						
Total all funds	$0	$0	$250,000	$250,000	$250,000	$0
Less estimated income	0	0	250,000	250,000	250,000	0
General fund	$0	$0	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00
Department of Commerce						
Total all funds	$86,890,454	$147,911,374	$12,374,286	$160,285,660	$201,485,660	($41,200,000)
Less estimated income	53,344,371	106,214,707	11,775,000	117,989,707	159,589,707	(41,600,000)
General fund	$33,546,083	$41,696,667	$599,286	$42,295,953	$41,895,953	$400,000
FTE	62.80	61.80	4.00	65.80	65.80	0.00
State Fair Association						
Total all funds	$0	$0	$350,000	$350,000	$0	$350,000
Less estimated income	0	0	0	0	0	0
General fund	$0	$0	$350,000	$350,000	$0	$350,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00
Bill total						
Total all funds	$86,890,454	$147,911,374	$13,224,286	$161,135,660	$201,985,660	($40,850,000)
Less estimated income	53,344,371	106,214,707	12,275,000	118,489,707	160,089,707	(41,600,000)
General fund	$33,546,083	$41,696,667	$949,286	$42,645,953	$41,895,953	$750,000
FTE	62.80	61.80	4.00	65.80	65.80	0.00

Senate Bill No. 2018 - Attorney General - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Autonomous technology grants			$250,000	$250,000	$250,000	
Total all funds	$0	$0	$250,000	$250,000	$250,000	$0
Less estimated income	0	0	250,000	250,000	250,000	0
General fund	$0	$0	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department 125 - Attorney General - Detail of Conference Committee Changes

	Adds One-Time Funding for Autonomous Technology Grants[1]	Total Conference Committee Changes
Autonomous technology grants	$250,000	$250,000
Total all funds	$250,000	$250,000
Less estimated income	250,000	250,000
General fund	$0	$0
FTE	0.00	0.00

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[1] One-time funding of $250,000 is appropriated from the strategic investment and improvements fund (SIIF) to the Attorney General for autonomous technology grants, the same as provided by the House. A section is added to the bill to provide the Attorney General may require grant recipients to provide $1 of matching funds from nonstate sources for every $4 provided by the state. The Attorney General is required to report to the Legislative Management during the 2025-26 interim regarding the status of the grants. The Senate did not provide funding for this program.

Senate Bill No. 2018 - Dept. of Career and Technical Education - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Autonomous technology grants			$250,000	$250,000	$250,000	
Total all funds	$0	$0	$250,000	$250,000	$250,000	$0
Less estimated income	0	0	250,000	250,000	250,000	0
General fund	$0	$0	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department 270 - Dept. of Career and Technical Education - Detail of Conference Committee Changes

	Adds One-Time Funding for Autonomous Technology Grants[1]	Total Conference Committee Changes
Autonomous technology grants	$250,000	$250,000
Total all funds	$250,000	$250,000
Less estimated income	250,000	250,000
General fund	$0	$0
FTE	0.00	0.00

[1] One-time funding of $250,000 is appropriated from SIIF to the Department of Career and Technical Education for autonomous technology grants, the same as provided by the House. A section is added to the bill to provide the department may require grant recipients to provide $1 of matching funds from nonstate sources for every $4 provided by the state. The department is required to report to the Legislative Management during the 2025-26 interim regarding the status of the grants. The Senate did not provide funding for this program.

Senate Bill No. 2018 - Department of Commerce - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	$15,785,306	$17,508,362	$189,286	$17,697,648	$17,697,648	
New and vacant FTE pool		582,600		582,600	582,600	
Operating expenses	19,462,643	28,672,666	(1,990,000)	26,682,666	26,682,666	
Grants	47,636,118	88,382,315	13,175,000	101,557,315	128,757,315	($27,200,000)
Childrens education science center grant			2,000,000	2,000,000	10,000,000	(8,000,000)
Discretionary funds	2,150,000	2,150,000		2,150,000	2,150,000	
Workforce programs		8,000,000	(1,000,000)	7,000,000	13,000,000	(6,000,000)
Entrepreneurship grants and vouchers	948,467	1,707,511		1,707,511	1,707,511	
Partner programs	907,920	907,920		907,920	907,920	
Total all funds	$86,890,454	$147,911,374	$12,374,286	$160,285,660	$201,485,660	($41,200,000)
Less estimated income	53,344,371	106,214,707	11,775,000	117,989,707	159,589,707	(41,600,000)
General fund	$33,546,083	$41,696,667	$599,286	$42,295,953	$41,895,953	$400,000
FTE	62.80	61.80	4.00	65.80	65.80	0.00

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

	Restores Funding for an FTE Position[1]	Adds FTE Positions[2]	Adds One-Time Funding for Operating and Grants[3]	Adds Contingent Funding for Children's Education Science Center Grants[4]	Total Conference Committee Changes
Salaries and wages	$189,286				$189,286
New and vacant FTE pool					
Operating expenses	10,000		($2,000,000)		(1,990,000)
Grants			13,175,000		13,175,000
Childrens education science center grant				$2,000,000	2,000,000
Discretionary funds					
Workforce programs			(1,000,000)		(1,000,000)
Entrepreneurship grants and vouchers					
Partner programs					
Total all funds	$199,286	$0	$10,175,000	$2,000,000	$12,374,286
Less estimated income	0	0	9,775,000	2,000,000	11,775,000
General fund	$199,286	$0	$400,000	$0	$599,286
FTE	1.00	3.00	0.00	0.00	4.00

[1] Funding of $199,286 from the general fund for 1 undesignated FTE position that was removed by the Senate is restored by the conference committee, including $189,286 for salaries and wages and $10,000 for operating expenses. The House also restored this position and related funding.

[2] The conference committee amendment adds 3 FTE positions as ongoing positions that were previously authorized for the 2023-25 biennium as one-time FTE positions as a result of $120 million of one-time federal funding becoming available for weatherization and energy programs from the Infrastructure Investment and Jobs Act and Inflation Reduction Act. The funding for the positions is included in a separate section of the bill authorizing the Department of Commerce an exemption to continue unspent federal funding from the $120 million appropriated for the 2023-25 biennium into the 2025-27 biennium. The Senate added the exemption section but not the FTE positions. The House added the exemption and the FTE positions.

[3] One-time funding from the general fund and the strategic investment and improvements fund (SIIF) is adjusted as follows:

	General Fund	SIIF	Total
Reduces funding for tourism marketing awareness operating expenses to provide a total of $5 million, the same as provided by the House. The Senate provided $7 million for this program.	$0	($2,000,000)	($2,000,000)
Adds funding for an uncrewed aerial vehicle replacement grant program. The House added $16 million for this program. The Senate did not add funding for this program.	0	9,000,000	9,000,000
Reduces funding for tourism destination development grants to provide a total of $15 million. The House provided $25 million and the Senate provided $20 million for this program.	0	(5,000,000)	(5,000,000)
Adds funding for beyond visual line of sight UAS grants to provide a total of $15 million. The House provided $20 million and the Senate provided $10 million for this program.	0	5,000,000	5,000,000
Reduces funding for the enhanced use lease grant program to provide a total of $2.5 million. The House and Senate provided $5 million prior to the conference committee amendment.	0	(2,500,000)	(2,500,000)
Adds funding for autonomous agriculture grants to provide a total of $7.5 million. The House provided $10 million and the Senate provided $5 million for this program.	0	2,500,000	2,500,000
Adds funding for a Native American small business grant, the same as provided by the House. The Senate provided this funding as part of the $2,150,000 from the general fund in the base budget for discretionary funds.	0	600,000	600,000
Adds funding for a historic theater restoration grant. The House provided $1.1 million in Senate Bill No. 2018.	0	500,000	500,000
Adds funding for a historic opera house restoration grant, the same as provided by the House.	0	250,000	250,000
Adds funding for a historic theater improvement grant, the same as provided by the House.	0	250,000	250,000
Adds funding for a Medora transportation improvement grant, the same as provided by the House.	0	1,000,000	1,000,000
Adds funding for a community hall grant, the same as provided by the House. The Senate did not provide funding for this grant.	0	175,000	175,000
Adds funding for regional planning council grants to provide a total of $2 million, of which $600,000 is designated from the general fund in the discretionary funds line item in the agency's base budget. The House and Senate did not provide funding for this purpose in Senate Bill No. 2018 prior to the conference committee amendment.	1,400,000	0	1,400,000
Reduces funding for technical skills training grants to provide a total of $1 million from the general fund. The House and Senate approved $2 million from the general fund prior to the conference committee amendment.	(1,000,000)	0	(1,000,000)
Total	$400,000	$9,775,000	$10,175,000

[4] One-time funding of $2 million is appropriated from SIIF in a separate section for providing grants of up to $1 million each to support the construction of children's education science centers in cities in the state with a population of at least 50,000 residents. The funding is available only if oil and gas tax revenue allocations to SIIF exceed $402 million during the 2025-27 biennium. The House provided $10 million from SIIF for the program. The Senate did not provide funding for this program.

Senate Bill No. 2018 - State Fair Association - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Sanitation restoration			$350,000	$350,000		$350,000
Total all funds	$0	$0	$350,000	$350,000	$0	$350,000
Less estimated income	0	0	0	0	0	0
General fund	$0	$0	$350,000	$350,000	$0	$350,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department 665 - State Fair Association - Detail of Conference Committee Changes

	Adds One-Time Funding for a Sanitation Restoration Project[1]	Total Conference Committee Changes
Sanitation restoration	$350,000	$350,000
Total all funds	$350,000	$350,000
Less estimated income	0	0
General fund	$350,000	$350,000
FTE	0.00	0.00

[1] One-time funding of $350,000 is added from the general fund to the State Fair Association for a sanitation restoration project. The House and Senate did not add funding for this project prior to the conference committee amendment.

Senate Bill No. 2018 - Other Changes - Conference Committee Action

This amendment also:

- Adds a section to appropriate $2 million of one-time funding from SIIF to the Department of Commerce for providing grants of up to $1 million each to support the construction of children's education science centers in cities in the state with a population of at least 50,000 residents. The funding is available only if oil and gas tax revenue allocations to SIIF exceed $402 million during the 2025-27 biennium. The House provided $10 million for the program. The Senate did not add funding for the program.
- Amends a section to provide for a transfer of $10 million from SIIF to the legacy investment for technology (LIFT) fund, the same as provided by the House. The Senate provided for a $5 million transfer from SIIF to the LIFT fund.
- Amends a section to provide for a $25 million transfer from SIIF to the North Dakota Development Fund and to allow the North Dakota Development Fund to use up to $10 million of the funding for nonprimary sector business activities. The House provided a $30 million transfer, allowed the $30 million to be used for nonprimary sector business activities, and provided the funding could be used for grants subject to matching funds from nonstate sources on a dollar-for-dollar basis. The Senate provided a $30 million transfer and no authorization for nonprimary sector business activities or grants.
- Adds a section to authorize the Department of Commerce to borrow up to $25 million through a Bank of North Dakota line of credit to be transferred to the North Dakota Development Fund. The House provided for a $75 million line of credit. The Senate did not provide for a line of credit.
- Amends a section identifying $62,775,000 appropriated in Section 1 from SIIF. The House appropriated $96,375,000 from SIIF in Section 1. The Senate appropriated $53,000,000 from SIIF in Section 1.
- Adds a section identifying $9 million appropriated in Section 1 from SIIF for an uncrewed aerial vehicle replacement program and requirements of the program. The House added this section including a $16 million appropriation. The Senate did not include this section.
- Amends a section added by the Senate regarding tribally controlled community college grants, the same as amended by the House.
- Amends a section to designate $600,000 of the $2,150,000 appropriated from the general fund for discretionary funds is for providing grants to regional planning councils under Chapter 54-40.1. The Senate designated $600,000 be used for a Native American small business grant and did not add funding for regional planning councils in Senate Bill No. 2018. The House appropriated the $600,000 for a Native American small business grant from SIIF and did not add funding for regional planning councils in Senate Bill No. 2018.
- Amends North Dakota Century Code Section 10-30.5-02 to allow the North Dakota Development Fund to form a management and operations entity and to be able to enter joint ventures, the same as provided by the House.
- Adds a section to amend Section 54-60-09 to provide the Workforce Development Division continually refine the state workforce mission, vision, and strategies, and to conduct regular employer talent and skills supply and demand studies, the same as provided by the House.
- Adds a section to amend Section 54-60-19 to provide the Workforce Development Division must collect data on all workforce programs administered by state agencies, the same as provided by the House.
- Adds a section to amend Section 54-60-28 to provide the Northern Plains Unmanned Aircraft System Test Site authority to enter contracts for the UAS program, the same as provided by the House.

- Adds a section to amend Section 54-60-29 to clarify the sources of funding that can be deposited in the UAS fund, the same as provided by the House.
- Adds a section to amend Section 54-60-29.1 to provide the Northern Plains Unmanned Aircraft System Test Site authority to enter contracts for the beyond visual line of sight UAS program, the same as provided by the House.
- Amends Section 54-60-31 to rename the Office of Legal Immigration as the Global Talent Office, the same as provided by the House. The Senate amended the section to rename the Office of Legal Immigration as the Office of Global Talent.
- Amends a subsection of the exemption section of the bill to clarify funding for the parks and recreation program can be used for operating expenses of the program, the same as provided by the House.
- Adds a new subsection to the exemption section of the bill to provide the department an exemption for any unspent funding for the entrepreneurship grants and vouchers program, the same as provided by the House.

The conference committee amendment does not:

- Add a section to provide for a $25 million transfer from SIIF and a $25 million transfer from Bank of North Dakota profits to the Theodore Roosevelt Presidential Library and museum endowment fund. The House added this section and provided the moneys can be transferred only to the extent a private entity involved with a presidential library and museum in the state has secured matching funds from nonstate sources on a dollar-for-dollar basis for deposit in the endowment fund and only if the oversight entity for the Theodore Roosevelt presidential library establishes a policy to provide all children ages 17 and younger may visit the presidential library with no admission cost. The Senate did not add funding for this purpose.
- Add a section to amend Section 3 of Chapter 51 of the 2023 Session Laws to provide the 2023-25 biennium Bank of North Dakota line of credit provided to the Parks and Recreation Department for the Theodore Roosevelt Presidential Library project is authorized for $20 million instead of $70 million. The House added this section.
- Add a section to amend Subsection 13 of Section 9 of House Bill No. 1019 (2025) to provide an exemption to authorize the Parks and Recreation Department to continue $20 million instead of $70 million from the 2023-25 biennium Bank of North Dakota line of credit for the Theodore Roosevelt Presidential Library into the 2025-27 biennium. The House added this section.
- Add funding for UAS program grants. The House added $1 million from SIIF. The Senate did not add funding for this program.
- Add funding for the find the good life initiative. The House added $5 million from SIIF. The Senate did not add funding for this program.

SB 2018 043025 1144 AM Roll Call Vote

Amendment

SB 2018

Date Submitted: April 30, 2025, 11:44 a.m.

Action: Passed

Amendment LC #: Pending LC #

Motioned By: Martinson, Bob

Seconded By: Hogue, David

Emergency Clause: None

Vote Results: 4 - 1 - 1

Description: .02018

Sen. Dwyer, Michael	Yea
Sen. Hogue, David	Yea
Sen. Bekkedahl, Brad	Nay
Rep. Nathe, Mike	Yea
Rep. Martinson, Bob	Yea
Rep. Swiontek, Steve	Absent

SB 2018 043025 1145 AM Roll Call Vote

Final Recommendation

SB 2018
Date Submitted: April 30, 2025, 11:45 a.m.
Recommendation: In Place Of
Amendment LC #: 25.0185.02018
Engrossed LC #: N/A

Motioned By: Nathe, Mike

Seconded By: Hogue, David

House Carrier: Nathe, Mike

Senate Carrier: Dwyer, Michael

Emergency Clause: None

Vote Results: 4 - 1 - 1

Description: .02018

Sen. Dwyer, Michael	Yea
Sen. Hogue, David	Yea
Sen. Bekkedahl, Brad	Nay
Rep. Nathe, Mike	Yea
Rep. Martinson, Bob	Yea
Rep. Swiontek, Steve	Absent

Insert LC: 25.0185.02018 Title: 06000
Senate Carrier: Dwyer
House Carrier: Nathe

REPORT OF CONFERENCE COMMITTEE
ENGROSSED SB 2018

Your conference committee (Sens. Dwyer, Hogue, Bekkedahl and Reps. Nathe, Martinson, Swiontek) recommends that in place of amendment 25.0185.02016 adopted by the House, Engrossed SB 2018 is amended by amendment 25.0185.02018.

Engrossed SB 2018 was placed on the Seventh order of business on the calendar.

25.0185.02018
Title.
Fiscal No. 2

Prepared by the Legislative Council staff for Conference Committee

April 30, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO FIRST ENGROSSMENT

ENGROSSED SENATE BILL NO. 2018

Introduced by

Appropriations Committee

In place of amendment (25.0185.02014) proposed in the journal by the House, Engrossed Senate Bill No. 2018 is amended by amendment (25.0185.02018) as follows:

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; to provide an appropriation to the attorney general; to provide an appropriation to the department of career and technical education; to provide an appropriation to the state fair association; to provide a contingent appropriation; to create and enact a new section to chapter 54-60 of the North Dakota Century Code, relating to department of commerce grant reporting requirements; to amend and reenact ~~section~~subsection 1 of section 10-30.5-02, sections 54-60-09, 54-60-19, 54-60-28, 54-60-29, 54-60-29.1, and 54-60-31 of the North Dakota Century Code, relating to the purpose of the North Dakota development fund, duties and talent strategy of the division of workforce development, the uncrewed aircraft systems program, the uncrewed aircraft systems program fund, the beyond visual line of sight uncrewed aircraft system program, and changing the name of the office of legal immigration to the ~~office of~~ global talent office; to authorize a Bank of North Dakota line of credit; to provide for a transfer; to provide an application; to provide an exemption; and to provide for a legislative management report.

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 other funds derived from special funds and federal funds, 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:

	Base Level	Adjustments or Enhancements	Appropriation
~~Salaries and wages~~	~~$15,785,306~~	~~$1,723,056~~	~~$17,508,362~~
Salaries and wages	$15,785,306	$1,912,342	$17,697,648
New and vacant FTE pool	0	582,600	582,600
~~Operating expenses~~	~~19,462,643~~	~~9,210,023~~	~~28,672,666~~
~~Grants~~	~~47,636,118~~	~~40,746,197~~	~~88,382,315~~
Operating expenses	19,462,643	7,220,023	26,682,666
Grants	47,636,118	53,921,197	101,557,315
Discretionary funds	2,150,000	0	2,150,000
~~Workforce programs~~	~~0~~	~~8,000,000~~	~~8,000,000~~
Workforce programs	0	7,000,000	7,000,000
Partner programs	907,920	0	907,920
Entrepreneurship grants and vouchers	948,467	759,044	1,707,511
~~Total all funds~~	~~$86,890,454~~	~~$61,020,920~~	~~$147,911,374~~
~~Less other funds~~	~~53,344,371~~	~~52,870,336~~	~~106,214,707~~
~~Total general fund~~	~~$33,546,083~~	~~$8,150,584~~	~~$41,696,667~~
~~Full-time equivalent positions~~	~~62.80~~	~~(1.00)~~	~~61.80~~
Total all funds	$86,890,454	$71,395,206	$158,285,660
Less other funds	53,344,371	62,645,336	115,989,707
Total general fund	$33,546,083	$8,749,870	$42,295,953
Full-time equivalent positions	62.80	3.00	65.80

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

One-Time Funding Description	General Fund	Other Funds	Total
Temporary salaries	$50,000	$103,590	$153,590

~~Tourism marketing awareness~~	~~0~~	~~7,000,000~~	~~7,000,000~~
Tourism marketing awareness	0	5,000,000	5,000,000
Operation intern	2,000,000	0	2,000,000
~~Office of global talent~~	~~1,000,000~~	~~0~~	~~1,000,000~~
~~Tourism destination development grants~~	~~0~~	~~20,000,000~~	~~20,000,000~~
~~Beyond visual line of sight uncrewed aircraft system program~~	~~0~~	~~10,000,000~~	~~10,000,000~~
~~Enhanced use lease grant~~	~~0~~	~~5,000,000~~	~~5,000,000~~
~~Autonomous agriculture grants~~	~~0~~	~~5,000,000~~	~~5,000,000~~
Global talent office	1,000,000	0	1,000,000
Tourism destination development grants	0	15,000,000	15,000,000
Uncrewed aerial vehicle replacement grant program	0	9,000,000	9,000,000
Beyond visual line of sight uncrewed aircraft system program	0	15,000,000	15,000,000
Enhanced use lease grant	0	2,500,000	2,500,000
Autonomous agriculture grants	0	7,500,000	7,500,000
Base enhancement grants	0	1,000,000	1,000,000
Tribally controlled community college grants	750,000	0	750,000
Native American small business grant	0	600,000	600,000
Historic theater restoration grant	0	500,000	500,000
Historic opera house restoration grant	0	250,000	250,000
Historic theater improvement grant	0	250,000	250,000
Medora transportation improvement grant	0	1,000,000	1,000,000
Community hall grant	0	175,000	175,000
Regional planning council grants	1,400,000	0	1,400,000
Entrepreneurship grants and vouchers	759,044	0	759,044
Regional workforce impact program grants	0	5,000,000	5,000,000
~~Technical skills training grants~~	~~2,000,000~~	~~0~~	~~2,000,000~~
~~Total~~	~~$6,559,044~~	~~$53,103,590~~	~~$59,662,634~~

Technical skills training grants	1,000,000	0	1,000,000
Total	$6,959,044	$62,878,590	$69,837,634

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The department of commerce may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. CONTINGENT APPROPRIATION - DEPARTMENT OF COMMERCE - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - CHILDREN'S EDUCATION SCIENCE CENTER GRANTS - ONE-TIME FUNDING. There is appropriated out of any moneys in the strategic investment and improvements fund, not otherwise appropriated, the sum of $2,000,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of providing grants of up to $1,000,000 to support the construction of children's education science centers in cities in the state with a population of at least 50,000 residents, for the biennium beginning July 1, 2025, and ending June 30, 2027. The funding appropriated in this section is available only if the state treasurer certifies to the office of management and budget that oil and gas tax revenue allocations to the strategic investment and improvements fund under section 57-51.1-07.5 have exceeded $402,000,000 during the 2025-27 biennium. The appropriation in this section is considered a one-time funding item.

SECTION 5. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - ATTORNEY GENERAL - AUTONOMOUS TECHNOLOGY GRANTS - MATCHING FUNDS REQUIREMENT - ONE-TIME FUNDING - LEGISLATIVE MANAGEMENT REPORT.

1. There is appropriated out of any moneys in the strategic investment and improvements fund, not otherwise appropriated, the sum of $250,000, or so much of the sum as may be necessary, to the attorney general for the purpose of providing autonomous technology grants to individuals or entities that aid the bureau of criminal investigation in conducting missing person searches, crime scene reconstruction, and law enforcement first response operations, for the biennium beginning July 1, 2025, and ending June 30, 2027. The appropriation in this section is considered a one-time funding item.

2. For purposes of this section, autonomous technology includes uncrewed aircraft systems; autonomous vehicles; or other autonomous systems, processes, or technologies.
3. The attorney general shall develop an application process and guidelines for the grants, including eligibility criteria, matching requirements, eligible uses of grant funding, and maximum grant awards. To be eligible for a grant, an individual or entity shall certify to the attorney general that the operation of the autonomous technology is related to conducting missing person searches, crime scene reconstruction, and law enforcement first response operations. The attorney general may require an individual or entity to provide one dollar of matching funds for every four dollars awarded by the state. An individual or entity may use grant funding for autonomous technology operations, contracting for services related to autonomous technology, or other eligible uses as determined by the attorney general.
4. During the 2025-26 interim, the attorney general shall provide at least one report to the legislative management regarding the grants, including a list of grant recipients, the amounts awarded, and a description of the use of the grant funding.

SECTION 6. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - DEPARTMENT OF CAREER AND TECHNICAL EDUCATION - AUTONOMOUS TECHNOLOGY GRANTS - MATCHING FUNDS REQUIREMENT - ONE-TIME FUNDING - LEGISLATIVE MANAGEMENT REPORT.

1. There is appropriated out of any moneys in the strategic investment and improvements fund, not otherwise appropriated, the sum of $250,000, or so much of the sum as may be necessary, to the department of career and technical education for the purpose of providing autonomous technology grants to a workforce training center serving the northwest area of the state for providing workforce training to address workforce shortages in the state, including shortages in the oil and gas industry, for the biennium beginning July 1, 2025, and ending June 30, 2027. The appropriation in this section is considered a one-time funding item.
2. For purposes of this section, autonomous technology includes uncrewed aircraft systems; autonomous vehicles; or other autonomous systems, processes, or technologies.

3. The department of career and technical education shall develop an application process and guidelines for the grants, including eligibility criteria, matching requirements, eligible uses of grant funding, and maximum grant awards. To be eligible for a grant, a workforce training center shall certify to the department of career and technical education that the operation of the autonomous technology is related to workforce training to address workforce shortages in the state, including shortages in the oil and gas industry. The department of career and technical education may require a workforce training center to provide one dollar of matching funds for every four dollars awarded by the state. A workforce training center may use grant funding for education or training curriculum expenses related to autonomous technology, autonomous technology operations, contracting for services related to autonomous technology, or other eligible uses as determined by the department of career and technical education.
4. During the 2025-26 interim, the department of career and technical education shall provide at least one report to the legislative management regarding the grants, including a list of grant recipients, the amounts awarded, and a description of the use of the grant funding.

SECTION 7. APPROPRIATION - STATE FAIR ASSOCIATION - SANITATION RESTORATION PROJECT - ONE-TIME FUNDING. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $350,000, or so much of the sum as may be necessary, to the state fair association for the purpose of a sanitation restoration project, for the biennium beginning July 1, 2025, and ending June 30, 2027. The appropriation in this section is considered a one-time funding item.

SECTION 8. 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 9. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO LEGACY INVESTMENT FOR TECHNOLOGY FUND. The office of management and budget shall transfer the sum of ~~$5,000,000~~$10,000,000 from the strategic investment and improvements fund to the legacy investment for technology fund for the purpose of providing

legacy investment technology loans, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 10. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO NORTH DAKOTA DEVELOPMENT FUND - EXEMPTION. The office of management and budget shall transfer the sum of ~~$30,000,000~~$25,000,000 from the strategic investment and improvements fund to the North Dakota development fund for programs under chapter 10-30.5, for the biennium beginning July 1, 2025, and ending June 30, 2027. Notwithstanding section 10-30.5-02, the North Dakota development fund may use up to $10,000,000 of the funds provided in this section for nonprimary sector business activities.

SECTION 11. BANK OF NORTH DAKOTA LINE OF CREDIT - TRANSFER TO NORTH DAKOTA DEVELOPMENT FUND. The department of commerce may borrow up to $25,000,000 through a line of credit from the Bank of North Dakota during the biennium beginning July 1, 2025, and ending June 30, 2027, the proceeds of which must be transferred to the North Dakota development fund for programs under chapter 10-30.5. The interest rate associated with the line of credit may not exceed the prevailing interest rate charged to North Dakota governmental entities. The department of commerce shall repay the line of credit from moneys available in the North Dakota development fund. If the moneys available in the North Dakota development fund are not sufficient to repay the line of credit, the department of commerce shall request a deficiency appropriation from the seventieth legislative assembly to repay the line of credit.

SECTION 12. RURAL HEALTH CARE GRANT PROGRAM - MATCHING FUNDS REQUIREMENT. The grants line item in section 1 of this Act includes $444,000 from the general fund for providing matching funds to an organization assisting in the recruitment, distribution, and supply, and enhancing the quality and efficiency of personnel providing health services in rural areas of the state. The department of commerce may spend the funds appropriated in this section only to the extent the organization has secured matching funds from nonstate sources on a dollar-for-dollar basis.

SECTION 13. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - MATCHING FUNDS REQUIREMENT - APPLICATION. The other funds line item in section 1 of this Act includes the sum of ~~$53,000,000~~$62,775,000 from the strategic investment and improvements fund, of which:

1. ~~$7,000,000~~$5,000,000 is for tourism marketing awareness, including ~~$150,000~~$250,000 for supporting the continuation of the North Dakota state magazine with the current publisher of the magazine;
2. ~~$20,000,000~~$15,000,000 is for tourism destination development grants;
3. $9,000,000 is for an uncrewed aerial vehicle replacement program;
4. ~~$10,000,000~~$15,000,000 is for the beyond visual line of sight uncrewed aircraft system program;
~~4.~~5. ~~$5,000,000~~2,500,000 is for the enhanced use lease grant program;
~~5.~~6. ~~$5,000,000~~$7,500,000 is for autonomous agriculture grants~~, which may be provided for autonomous trucking grants~~;
~~6.~~7. $1,000,000 is for providing base enhancement grants to communities with an air force base or air national guard facilities, including $600,000 to eligible organizations in Minot, $250,000 to eligible organizations in Grand Forks, and $150,000 to eligible organizations in Fargo;~~ and~~
~~7.~~8. $600,000 is for a Native American small business grant;
9. $500,000 is for a historic theater restoration grant, which the department of commerce may spend only to the extent an organization has secured one dollar of matching funds from nonstate sources for every one dollar provided by the department of commerce;
10. $250,000 is for a historic opera house restoration grant;
11. $250,000 is for a historic theater improvement grant;
12. $1,000,000 is for a Medora transportation improvement grant;
13. $175,000 is for a community hall grant; and
14. $5,000,000 is for regional workforce impact program grants.

The requirements of chapter 54-44.4 do not apply to the selection of a grant recipient, the grant award, or payments made under this section.

SECTION 14. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - UNCREWED AERIAL VEHICLE REPLACEMENT PROGRAM - LEGISLATIVE MANAGEMENT REPORT. The other funds line item in section 1 of this Act includes the sum of $9,000,000 which the department of commerce shall use for the purpose of administering an

uncrewed aerial vehicle replacement program, for the period beginning with the effective date of this Act, and ending June 30, 2027.

1. The department of commerce shall collaborate with the uncrewed aircraft systems test site established in section 54-60-28 and state agencies, including institutions under the control of the state board of higher education, to replace uncrewed aerial vehicles owned by the state which do not comply with requirements of the federal National Defense Authorization Act and the American Security Drone Act of 2023. The information technology department, in consultation with the department of commerce and the uncrewed aircraft systems test site, may implement an enterprise uncrewed aerial vehicle data management solution. An enterprise uncrewed aerial vehicle data management solution implemented under this section must ensure all data collected, transmitted, stored, and consumed by an uncrewed aerial vehicle remain under the control of the state. As used in this section "enterprise uncrewed aerial vehicle data management solution" means a system for secure, end-to-end data collection, transportation, storage, processing, and consumption through enterprise software. A state agency owning an uncrewed aerial vehicle before January 1, 2025, is eligible to receive a new uncrewed aerial vehicle that is in compliance with federal requirements and is of equivalent capability to the agency's existing uncrewed aerial vehicle. The department of commerce shall purchase each uncrewed aerial vehicle based on the needs of the agency and a recommendation from the uncrewed aircraft systems test site and provide the uncrewed aerial vehicle to the agency. The department of commerce shall use a portion of the funding provided in this section to pay for training needed for agency staff to operate the new uncrewed aerial vehicle. The department of commerce and uncrewed aircraft systems test site shall give priority to state agencies willing to share uncrewed aerial vehicles rather than purchasing multiple uncrewed aerial vehicles.
2. Any uncrewed aerial vehicle replaced under this section must be remitted to the uncrewed aircraft systems test site for proper decommissioning and disposal pursuant to federal and state regulations, which may include the sale of uncrewed aerial vehicles to the United States department of homeland security at market rates for use in the counter unmanned aircraft system program. The department of commerce shall

remit any funding received under this section to the state treasurer for deposit in the general fund.

3. The department of commerce shall maintain an inventory of uncrewed aerial vehicles purchased for state agencies under this section and encourage state agencies to use the state beyond visual line of sight program. The uncrewed aircraft systems test site shall provide guidance to state agencies regarding the integration of uncrewed aerial vehicles into the beyond visual line of sight system and proper maintenance schedules for uncrewed aerial vehicles. The uncrewed aircraft systems test site shall establish a centralized system for state agencies to register uncrewed aerial vehicles and authorized operators for accessing the beyond visual line of sight system and shall provide operational support when state agencies use uncrewed aircraft systems test site integrated platforms.

4. During the 2025-26 interim, the department of commerce shall compile information from state agencies and provide a report to the legislative management by June 30, 2026, regarding the status of the program, funding spent on uncrewed aerial vehicle replacements and training costs, the number of uncrewed aerial vehicles replaced in each state agency, the number of uncrewed aerial vehicles sold or disposed, and any future needs for each state agency to be compliant with the federal National Defense Authorization Act and the American Security Drone Act of 2023.

SECTION 15. TRIBALLY CONTROLLED COMMUNITY COLLEGE GRANTS - LEGISLATIVE MANAGEMENT REPORT. The grants line item in section 1 of this Act includes $750,000 from the general fund for the purpose of providing workforce development grants to a tribally controlled community college ~~in the Turtle Mountain area~~. To be eligible for a grant under this section, a tribally controlled community college shall partner with at least one high school in the state for programs under section 54-60.2-02. During the 2025-26 interim, a tribally controlled community college receiving funding under this program shall report to the department of commerce by August 1, 2026, regarding the use of grant funds and the department of commerce shall provide a report to the legislative management by October 1, 2026, regarding the use of grant funds.

SECTION 16. DISCRETIONARY FUNDS - ~~NATIVE AMERICAN SMALL BUSINESS GRANT~~REGIONAL PLANNING COUNCIL GRANTS. The discretionary funds line item in

section 1 of this Act includes $2,150,000 from the general fund, of which $600,000 is designated for ~~a grant to support an organization dedicated to assisting Native American small businesses in North Dakota~~grants to support regional planning councils under chapter 54-40.1.

SECTION 17. AMENDMENT. Subsection 1 of section 10-30.5-02 of the North Dakota Century Code is amended and reenacted as follows:

1. It is the purpose of this chapter to create a statewide nonprofit development corporation that will have the authority to take equity positions in, to provide loans to, ~~or~~to form a management and operations entity, and to use other innovative financing mechanisms to provide capital for new or expanding businesses in this state, or relocating businesses to this state. The corporation's principal mission is the development and expansion of primary sector business in this state. The corporation may form additional corporations, limited liability companies, partnerships, joint ventures, or other forms of business associations in order to further its mission of primary sector economic development.

SECTION 18. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Reporting requirements - Budget section - Grant programs.

The department shall compile a report regarding grant programs administered by the department, excluding federally funded programs, to be provided semiannually to the budget section. The report must include the following for each grant program:

1. The purpose of the grant program;
2. Funding history;
3. The number of days the grant application was open to applicants;
4. The name of each grant recipient and the amount of each grant award; and
5. The distribution date of grant funds or the anticipated distribution date of grant funds.

SECTION 19. AMENDMENT. Section 54-60-09 of the North Dakota Century Code is amended and reenacted as follows:

54-60-09. Division of workforce development - Duties - Report.

The division of workforce development shall:

1. Actively monitor local, regional, and national private and public workforce development initiatives.

2. Develop and implement the state's talent strategy.
3. Develop and ~~implement a statewide intelligence coordination strategy~~continually refine the state workforce mission, vision, and strategies.
4. Conduct regular employer talent and skills supply and demand studies, the results of which must be reported to a standing committee of each house of the legislative assembly as determined by the legislative management during each regular legislative session.

SECTION 20. AMENDMENT. Section 54-60-19 of the North Dakota Century Code is amended and reenacted as follows:

54-60-19. Division of workforce development - Talent strategy - Performance and accountability - Report.

1. The division of workforce development, in developing and implementing the state's talent strategy, shall:
   a. ~~Consult with partners in the state's system for workforce development, workforce training, and talent attraction~~Collect data on all workforce programs administered by state agencies, including job service North Dakota, the department of career and technical education, the superintendent of public instruction, the state board of higher education, the department of health and human services, and other divisions of the department of commerce, to determine standard measurements of success and to compile and analyze the program data in a report to be provided to a standing committee of each house of the legislative assembly as determined by the legislative management during each regular legislative session.
   b. Develop a comprehensive, consolidated biennial statewide strategic plan for the state's system for workforce development, workforce training, and talent attraction.
   c. Continuously review, identify how to improve, and implement improvements to the state's system for workforce development, workforce training, and talent attraction.
   d. ~~Develop linkages between partners of the state's system for workforce development, workforce training, and talent attraction, to assure coordination and~~

~~nonduplication of programs and services provided in the state~~Review all workforce development programs administered by state agencies for the coordination and prevention of duplication of workforce development services.

2. The division of workforce development shall develop and implement a system of performance and accountability measures for the state's system for workforce development, workforce training, and talent attraction. Each partner of the state's system for workforce development, workforce training, and talent attraction shall cooperate in providing the division the data necessary to implement these measures.

SECTION 21. AMENDMENT. Section 54-60-28 of the North Dakota Century Code is amended and reenacted as follows:

54-60-28. Uncrewed aircraft systems program - Report to legislative management.

1. The department may operate and administer an uncrewed aircraft systems test site, contingent upon receiving official designation by the federal aviation administration. The department may cooperate and contract with the university of North Dakota, the North Dakota aeronautics commission, the adjutant general, and other public or private entities as determined by the commissioner in the operation and administration of the test site. The department may charge fees sufficient to operate the test site. The department shall, to the extent possible, use competitive bidding in the operation and administration of the test site. The commissioner may charter a public corporation to operate the test site. The corporation must possess all of the powers of a business corporation consistent with this chapter. The department shall report to the legislative management semiannually on the status of the program.

2. In administering the uncrewed aircraft systems program, the uncrewed aircraft systems test site established in subsection 1 may:

   a. Enter contracts and agreements with public, private, and nonprofit organizations for projects, activities, and research topics, and for the operation and management of a public-private partnership under chapter 48-02.1;

   b. Enter partnerships, limited liability companies, joint ventures, or other contractual arrangements with private businesses for the purpose of business or industrial development; and

c. Adopt policies governing ownership or transfer of ownership rights and distribution of income that may be derived from an invention or discovery resulting from research or employment in the uncrewed aircraft systems test site.

SECTION 22. AMENDMENT. Section 54-60-29 of the North Dakota Century Code is amended and reenacted as follows:

54-60-29. Uncrewed aircraft systems program fund - Continuing appropriation.

1. There is created in the state treasury a special fund known as the uncrewed aircraft systems fund, which may be used to defray the expenses of the:
   a. Operations of an uncrewed aircraft systems test site officially designated by the federal aviation administration;
   b. Beyond visual line of sight uncrewed aircraft system program; and
   c. Enhanced use lease grant program.
2. The fund consists of fees, royalties, gifts, grants, devises, bequests, donations, assignments, and other revenue collected for the administration of the test site and federal and other funds appropriated by the legislative assembly. All moneys in the fund are appropriated to the department of commerce on a continuing basis for the purpose of defraying the expenses of the programs identified in subsection 1. Interest earned on moneys in the fund must be credited to the fund.

SECTION 23. AMENDMENT. Section 54-60-29.1 of the North Dakota Century Code is amended and reenacted as follows:

54-60-29.1. Beyond visual line of sight uncrewed aircraft system program - Requirements - Report to legislative management.

The department may establish and administer a beyond visual line of sight uncrewed aircraft system program for the design, purchase, implementation, and operating costs of a beyond visual line of sight uncrewed aircraft system. The department may enter contracts, agreements, and contractual arrangements and adopt policies related to the beyond visual line of sight uncrewed aircraft system program in the same manner authorized for the uncrewed aircraft system program under section 54-60-28. The department shall require any entity receiving funding for this program which is operating the beyond visual line of sight uncrewed aircraft system to provide quarterly payments to the state treasurer based on a fee structure determined by the commissioner. The state treasurer shall deposit any funds received under

this section in the state general fund. The department shall provide semiannual reports to the legislative management regarding the development of the beyond visual line of sight uncrewed aircraft system program and the total amount deposited by the state treasurer in the state general fund.

SECTION 24. AMENDMENT. Section 54-60-31 of the North Dakota Century Code is amended and reenacted as follows:

54-60-31. ~~Office of~~ ~~legal immigration~~~~global~~Global talent office - Duties.

There is created ~~an office of legal immigration~~a global talent office within the department of commerce. Employees of the ~~office of legal immigration~~global talent office report to the commissioner. The ~~office of legal immigration~~global talent office:

1. Shall develop and implement a statewide strategy to support businesses in recruiting and retaining foreign labor, including immigrants already in the United States and integration of immigrants into the state to promote economic opportunities for immigrant communities.
2. Shall advise and make recommendations to the governor, legislative assembly, and state agencies regarding immigrant integration and foreign labor issues.
3. Shall develop a pilot program to support businesses pursuing or employing legal immigrants and to support communities to develop immigration integration plans and activities.
4. May contract with other state agencies to develop and administer programs or services related to immigration integration and access to basic needs that promote entrance and movement throughout the workforce.
5. May contract with an organization with expertise related to the goals of the ~~office of legal immigration~~global talent office.

SECTION 25. EXEMPTION - UNEXPENDED APPROPRIATIONS. The following appropriations are not subject to the provisions of section 54-44.1-11 and any unexpended funds from these appropriations may be continued into the biennium beginning July 1, 2025, and ending June 30, 2027:

1. The sum of $3,000,000 appropriated from federal COVID-19 funds for the community development block grant program in section 1 of chapter 27 of the 2021 Session Laws

and continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws.

2. The sum of $56,234,176 appropriated from federal COVID-19 funds for the state small business credit initiative program in section 2 of chapter 28 of the 2021 Session Laws and continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws.

3. The sum of $15,000,000 appropriated from the federal state fiscal recovery fund for the workforce development incentive grant program in subsection 38 of section 1 of chapter 550 of the 2021 Special Session Session Laws and continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws.

4. The sum of $5,000,000 appropriated from the federal state fiscal recovery fund for the technical skills training grant program in subsection 39 of section 1 of chapter 550 of the 2021 Special Session Session Laws and continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws.

5. The sum of $28,500,000 appropriated from the general fund for workforce programs, of which $12,000,000 was for workforce talent attraction initiative operating expenses, $12,500,000 was for workforce investment program grants, $2,000,000 was for technical skills training grants, and $2,000,000 was for new Americans workforce development and training grants, in section 1 of chapter 18 of the 2023 Session Laws.

6. The sum of $25,000,000 appropriated from the strategic investment and improvements fund for the tourism destination development initiative in section 1 of chapter 18 of the 2023 Session Laws.

7. 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 the 2023 Session Laws.

8. The sum of $120,000,000 appropriated from federal funds for weatherization and energy assistance programs in section 1 of chapter 18 of the 2023 Session Laws.

9. 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.

10. The sum of $3,258,084 appropriated from federal funds for heating, furnace, and cooling assistance grants in section 1 of chapter 18 of the 2023 Session Laws.

11. The sum of $14,081,719 appropriated from federal funds for energy conservation assistance grants in section 1 of chapter 18 of the 2023 Session Laws.

12. The sum of $1,550,000 appropriated from federal funds for the parks and recreation program in section 1 of chapter 18 of the 2023 Session Laws, which may be used for operating expenses of the program.

13. The sum of $572,143 appropriated from federal funds for the state small business credit initiative program in section 1 of chapter 18 of the 2023 Session Laws.

14. The sum of $948,467, of which $740,956 is from the general fund and $207,511 is from the economic development fund, for the entrepreneurship grants and vouchers program in section 1 of chapter 18 of the 2023 Session Laws.

15. The sum of $2,000,000 appropriated from the general fund for the office of legal immigration in section 1 of chapter 639 of the 2023 Special Session Session Laws.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2018 - Summary of Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Attorney General						
Total all funds	$0	$0	$250,000	$250,000	$250,000	$0
Less estimated income	0	0	250,000	250,000	250,000	0
General fund	$0	$0	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00
Dept. of Career and Technical Education						
Total all funds	$0	$0	$250,000	$250,000	$250,000	$0
Less estimated income	0	0	250,000	250,000	250,000	0
General fund	$0	$0	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00
Department of Commerce						
Total all funds	$86,890,454	$147,911,374	$12,374,286	$160,285,660	$201,485,660	($41,200,000)
Less estimated income	53,344,371	106,214,707	11,775,000	117,989,707	159,589,707	(41,600,000)
General fund	$33,546,083	$41,696,667	$599,286	$42,295,953	$41,895,953	$400,000
FTE	62.80	61.80	4.00	65.80	65.80	0.00
State Fair Association						
Total all funds	$0	$0	$350,000	$350,000	$0	$350,000
Less estimated income	0	0	0	0	0	0
General fund	$0	$0	$350,000	$350,000	$0	$350,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00
Bill total						
Total all funds	$86,890,454	$147,911,374	$13,224,286	$161,135,660	$201,985,660	($40,850,000)
Less estimated income	53,344,371	106,214,707	12,275,000	118,489,707	160,089,707	(41,600,000)
General fund	$33,546,083	$41,696,667	$949,286	$42,645,953	$41,895,953	$750,000
FTE	62.80	61.80	4.00	65.80	65.80	0.00

Senate Bill No. 2018 - Attorney General - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Autonomous technology grants			$250,000	$250,000	$250,000	
Total all funds	$0	$0	$250,000	$250,000	$250,000	$0
Less estimated income	0	0	250,000	250,000	250,000	0
General fund	$0	$0	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department 125 - Attorney General - Detail of Conference Committee Changes

	Adds One-Time Funding for Autonomous Technology Grants[1]	Total Conference Committee Changes
Autonomous technology grants	$250,000	$250,000
Total all funds	$250,000	$250,000
Less estimated income	250,000	250,000
General fund	$0	$0
FTE	0.00	0.00

[1] One-time funding of $250,000 is appropriated from the strategic investment and improvements fund (SIIF) to the Attorney General for autonomous technology grants, the same as provided by the House. A section is added to the bill to provide the Attorney General may require grant recipients to provide $1 of matching funds from nonstate sources for every $4 provided by the state. The Attorney General is required to report to the Legislative Management during the 2025-26 interim regarding the status of the grants. The Senate did not provide funding for this program.

Senate Bill No. 2018 - Dept. of Career and Technical Education - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Autonomous technology grants			$250,000	$250,000	$250,000	
Total all funds	$0	$0	$250,000	$250,000	$250,000	$0
Less estimated income	0	0	250,000	250,000	250,000	0
General fund	$0	$0	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department 270 - Dept. of Career and Technical Education - Detail of Conference Committee Changes

	Adds One-Time Funding for Autonomous Technology Grants[1]	Total Conference Committee Changes
Autonomous technology grants	$250,000	$250,000
Total all funds	$250,000	$250,000
Less estimated income	250,000	250,000
General fund	$0	$0
FTE	0.00	0.00

[1] One-time funding of $250,000 is appropriated from SIIF to the Department of Career and Technical Education for autonomous technology grants, the same as provided by the House. A section is added to the bill to provide the department may require grant recipients to provide $1 of matching funds from nonstate sources for every $4 provided by the state. The department is required to report to the Legislative Management during the 2025-26 interim regarding the status of the grants. The Senate did not provide funding for this program.

Senate Bill No. 2018 - Department of Commerce - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	$15,785,306	$17,508,362	$189,286	$17,697,648	$17,697,648	
New and vacant FTE pool		582,600		582,600	582,600	
Operating expenses	19,462,643	28,672,666	(1,990,000)	26,682,666	26,682,666	
Grants	47,636,118	88,382,315	13,175,000	101,557,315	128,757,315	($27,200,000)
Childrens education science center grant			2,000,000	2,000,000	10,000,000	(8,000,000)
Discretionary funds	2,150,000	2,150,000		2,150,000	2,150,000	
Workforce programs		8,000,000	(1,000,000)	7,000,000	13,000,000	(6,000,000)
Entrepreneurship grants and vouchers	948,467	1,707,511		1,707,511	1,707,511	
Partner programs	907,920	907,920		907,920	907,920	
Total all funds	$86,890,454	$147,911,374	$12,374,286	$160,285,660	$201,485,660	($41,200,000)
Less estimated income	53,344,371	106,214,707	11,775,000	117,989,707	159,589,707	(41,600,000)
General fund	$33,546,083	$41,696,667	$599,286	$42,295,953	$41,895,953	$400,000
FTE	62.80	61.80	4.00	65.80	65.80	0.00

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

	Restores Funding for an FTE Position[1]	Adds FTE Positions[2]	Adds One-Time Funding for Operating and Grants[3]	Adds Contingent Funding for Children's Education Science Center Grants[4]	Total Conference Committee Changes
Salaries and wages	$189,286				$189,286
New and vacant FTE pool					
Operating expenses	10,000		($2,000,000)		(1,990,000)
Grants			13,175,000		13,175,000
Childrens education science center grant				$2,000,000	2,000,000
Discretionary funds					
Workforce programs			(1,000,000)		(1,000,000)
Entrepreneurship grants and vouchers					
Partner programs					
Total all funds	$199,286	$0	$10,175,000	$2,000,000	$12,374,286
Less estimated income	0	0	9,775,000	2,000,000	11,775,000
General fund	$199,286	$0	$400,000	$0	$599,286
FTE	1.00	3.00	0.00	0.00	4.00

[1] Funding of $199,286 from the general fund for 1 undesignated FTE position that was removed by the Senate is restored by the conference committee, including $189,286 for salaries and wages and $10,000 for operating expenses. The House also restored this position and related funding.

[2] The conference committee amendment adds 3 FTE positions as ongoing positions that were previously authorized for the 2023-25 biennium as one-time FTE positions as a result of $120 million of one-time federal funding becoming available for weatherization and energy programs from the Infrastructure Investment and Jobs Act and Inflation Reduction Act. The funding for the positions is included in a separate section of the bill authorizing the Department of Commerce an exemption to continue unspent federal funding from the $120 million appropriated for the 2023-25 biennium into the 2025-27 biennium. The Senate added the exemption section but not the FTE positions. The House added the exemption and the FTE positions.

[3] One-time funding from the general fund and the strategic investment and improvements fund (SIIF) is adjusted as follows:

	General Fund	SIIF	Total
Reduces funding for tourism marketing awareness operating expenses to provide a total of $5 million, the same as provided by the House. The Senate provided $7 million for this program.	$0	($2,000,000)	($2,000,000)
Adds funding for an uncrewed aerial vehicle replacement grant program. The House added $16 million for this program. The Senate did not add funding for this program.	0	9,000,000	9,000,000
Reduces funding for tourism destination development grants to provide a total of $15 million. The House provided $25 million and the Senate provided $20 million for this program.	0	(5,000,000)	(5,000,000)
Adds funding for beyond visual line of sight UAS grants to provide a total of $15 million. The House provided $20 million and the Senate provided $10 million for this program.	0	5,000,000	5,000,000
Reduces funding for the enhanced use lease grant program to provide a total of $2.5 million. The House and Senate provided $5 million prior to the conference committee amendment.	0	(2,500,000)	(2,500,000)
Adds funding for autonomous agriculture grants to provide a total of $7.5 million. The House provided $10 million and the Senate provided $5 million for this program.	0	2,500,000	2,500,000
Adds funding for a Native American small business grant, the same as provided by the House. The Senate provided this funding as part of the $2,150,000 from the general fund in the base budget for discretionary funds.	0	600,000	600,000
Adds funding for a historic theater restoration grant. The House provided $1.1 million in Senate Bill No. 2018.	0	500,000	500,000
Adds funding for a historic opera house restoration grant, the same as provided by the House.	0	250,000	250,000
Adds funding for a historic theater improvement grant, the same as provided by the House.	0	250,000	250,000
Adds funding for a Medora transportation improvement grant, the same as provided by the House.	0	1,000,000	1,000,000
Adds funding for a community hall grant, the same as provided by the House. The Senate did not provide funding for this grant.	0	175,000	175,000
Adds funding for regional planning council grants to provide a total of $2 million, of which $600,000 is designated from the general fund in the discretionary funds line item in the agency's base budget. The House and Senate did not provide funding for this purpose in Senate Bill No. 2018 prior to the conference committee amendment.	1,400,000	0	1,400,000
Reduces funding for technical skills training grants to provide a total of $1 million from the general fund. The House and Senate approved $2 million from the general fund prior to the conference committee amendment.	(1,000,000)	0	(1,000,000)
Total	$400,000	$9,775,000	$10,175,000

[4] One-time funding of $2 million is appropriated from SIIF in a separate section for providing grants of up to $1 million each to support the construction of children's education science centers in cities in the state with a population of at least 50,000 residents. The funding is available only if oil and gas tax revenue allocations to SIIF exceed $402 million during the 2025-27 biennium. The House provied $10 million from SIIF for the program. The Senate did not provide funding for this program.

Senate Bill No. 2018 - State Fair Association - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Sanitation restoration			$350,000	$350,000		$350,000
Total all funds	$0	$0	$350,000	$350,000	$0	$350,000
Less estimated income	0	0	0	0	0	0
General fund	$0	$0	$350,000	$350,000	$0	$350,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department 665 - State Fair Association - Detail of Conference Committee Changes

	Adds One-Time Funding for a Sanitation Restoration Project[1]	Total Conference Committee Changes
Sanitation restoration	$350,000	$350,000
Total all funds	$350,000	$350,000
Less estimated income	0	0
General fund	$350,000	$350,000
FTE	0.00	0.00

[1] One-time funding of $350,000 is added from the general fund to the State Fair Association for a sanitation restoration project. The House and Senate did not add funding for this project prior to the conference committee amendment.

Senate Bill No. 2018 - Other Changes - Conference Committee Action

This amendment also:

- Adds a section to appropriate $2 million of one-time funding from SIIF to the Department of Commerce for providing grants of up to $1 million each to support the construction of children's education science centers in cities in the state with a population of at least 50,000 residents. The funding is available only if oil and gas tax revenue allocations to SIIF exceed $402 million during the 2025-27 biennium. The House provided $10 million for the program. The Senate did not add funding for the program.
- Amends a section to provide for a transfer of $10 million from SIIF to the legacy investment for technology (LIFT) fund, the same as provided by the House. The Senate provided for a $5 million transfer from SIIF to the LIFT fund.
- Amends a section to provide for a $25 million transfer from SIIF to the North Dakota Development Fund and to allow the North Dakota Development Fund to use up to $10 million of the funding for non-primary sector business activities. The House provided a $30 million transfer, allowed the $30 million to be used for non-primary sector business activities, and provided the funding could be used for grants subject to matching funds from nonstate sources on a dollar-for-dollar basis. The Senate provided a $30 million transfer and no authorization for non-primary sector business activities or grants.
- Adds a section to authorize the Department of Commerce to borrow up to $25 million through a Bank of North Dakota line of credit to be transferred to the North Dakota Development Fund. The House provided for a $75 million line of credit. The Senate did not provide for a line of credit.
- Amends a section identifying $62,775,000 appropriated in Section 1 from SIIF. The House appropriated $96,375,000 from SIIF in Section 1. The Senate appropriated $53,000,000 from SIIF in Section 1.
- Adds a section identifying $9 million appropriated in Section 1 from SIIF for an uncrewed aerial vehicle replacement program and requirements of the program. The House added this section including a $16 million appropriation. The Senate did not include this section.
- Amends a section added by the Senate regarding tribally controlled community college grants, the same as amended by the House.
- Amends a section to designate $600,000 of the $2,150,000 appropriated from the general fund for discretionary funds is for providing grants to regional planning councils under Chapter 54-40.1. The Senate designated $600,000 be used for a Native American small business grant and did not add funding for regional planning councils in Senate Bill No. 2018. The House appropriated the $600,000 for a Native American small business grant from SIIF and did not add funding for regional planning councils in Senate Bill No. 2018.
- Amends North Dakota Century Code Section 10-30.5-02 to allow the North Dakota Development Fund to form a management and operations entity and to be able to enter joint ventures, the same as provided by the House.
- Adds a section to amend Section 54-60-09 to provide the Workforce Development Division continually refine the state workforce mission, vision, and strategies, and to conduct regular employer talent and skills supply and demand studies, the same as provided by the House.
- Adds a section to amend Section 54-60-19 to provide the Workforce Development Division must collect data on all workforce programs administered by state agencies, the same as provided by the House.
- Adds a section to amend Section 54-60-28 to provide the Northern Plains Unmanned Aircraft System Test Site authority to enter contracts for the UAS program, the same as provided by the House.

- Adds a section to amend Section 54-60-29 to clarify the sources of funding that can be deposited in the UAS fund, the same as provided by the House.
- Adds a section to amend Section 54-60-29.1 to provide the Northern Plains Unmanned Aircraft System Test Site authority to enter contracts for the beyond visual line of sight UAS program, the same as provided by the House.
- Amends Section 54-60-31 to rename the Office of Legal Immigration as the Global Talent Office, the same as provided by the House. The Senate amended the section to rename the Office of Legal Immigration as the Office of Global Talent.
- Amends a subsection of the exemption section of the bill to clarify funding for the parks and recreation program can be used for operating expenses of the program, the same as provided by the House.
- Adds a new subsection to the exemption section of the bill to provide the department an exemption for any unspent funding for the entrepreneurship grants and vouchers program, the same as provided by the House.

The conference committee amendment does not:

- Add a section to provide for a $25 million transfer from SIIF and a $25 million transfer from Bank of North Dakota profits to the Theodore Roosevelt presidential library and museum endowment fund. The House added this section and provided the moneys can be transferred only to the extent a private entity involved with a presidential library and museum in the state has secured matching funds from nonstate sources on a $1 for $1 basis for deposit in the endowment fund and only if the oversight entity for the Theodore Roosevelt presidential library establishes a policy to provide all children ages 17 and younger may visit the presidential library with no admission cost. The Senate did not add funding for this purpose.
- Add a section to amend Section 3 of Chapter 51 of the 2023 Session Laws to provide the 2023-25 biennium Bank of North Dakota line of credit provided to the Parks and Recreation Department for the Theodore Roosevelt Presidential Library project is authorized for $20 million instead of $70 million. The House added this section.
- Add a section to amend Subsection 13 of Section 9 of House Bill No. 1019 (2025) to provide an exemption to authorize the Parks and Recreation Department to continue $20 million instead of $70 million from the 2023-25 biennium Bank of North Dakota line of credit for the Theodore Roosevelt Presidential Library into the 2025-27 biennium. The House added this section.
- Add funding for UAS program grants. The House added $1 million from SIIF. The Senate did not add funding for this program.
- Add funding for the find the good life initiative. The House added $5 million from SIIF. The Senate did not add funding for this program.